

2023 Sustainability Report

AGC Pharma Chemicals Europe, S.L.U.



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1. Our Sustainability Report

For the second year running, we are publishing the Sustainability Report of AGC Pharma Chemicals Europe, S.L.U., in which we report on indicators in recent years and focus on the activities conducted in 2023.

This Report is an integral part of the company's annual accounts, thus responding to legal requirements and allowing our stakeholders, both internal and external (including business partners and the general public), to learn how we address sustainability at AGC.

In early 2022, we produced for the first time a Non-Financial Information Statement (NFS) document as part of the annual accounts and management report for the year ending 31 December 2021. This was done in accordance with the requirements established under Law 11/2018 of 28 December, which transposes into Spanish law the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU as regards the disclosure of non-financial information and diversity information.

In 2023, we presented a Sustainability Report for the first time, and this year 2024 we are doing so again.

Our Report does not present consolidated information for the AGC Group and focuses on the activities of AGC Pharma Chemicals Europe. More detailed information on the activities of the AGC Group can be found on the corporate website (<https://www.agc.com/en/sustainability/index.html>) and in the annual reports "AGC Sustainability Data Book", also accessible online.

In preparing this Report, we have followed the guidelines of the GRI (Global Reporting Initiative), as well as the indications of our corporate group, not forgetting what is defined by the Non-Financial Reporting Act on the

principles of comparability, reliability, materiality and relevance.

In 2023, we also reviewed the CSRD (Corporate Sustainability Reporting Directive) and its standards, in order to identify opportunities for improvement in our current way of reporting, to facilitate correct implementation of the directive in the coming years.

We hope that this new report will reach all our stakeholders, and that they will help us to improve it in the future.

If you would like to make any suggestions, please contact us by e-mail at apce.malsm.comunicacion@agc.com.

Thank you in advance for your cooperation.

2. A message from our CEO, Akihiro Kadokura

The AGC Group is committed to sustainable management, with the aim of creating not only economic but also social value. The company has a long-term strategy: “By providing unique materials and solutions, AGC strives to help achieve a sustainable society and become an exemplary company that grows and evolves continuously.” As a member of the AGC Group, AGC Pharma Chemicals Europe also contributes to this strategy.

At AGC Pharma Chemicals Europe, our mission is to improve people’s lives by offering products of the highest quality. As a Contract Development and Manufacturing Organisation (CDMO), we provide pharmaceutical companies with active pharmaceutical ingredients (APIs). All our services must meet the highest standards, as they have a direct impact on people’s lives.

Sustainability is a core value at AGC Pharma Chemicals Europe, and is embedded in our strategic planning. We have identified this as one of our four key strategic lines, along with customer focus, operational excellence and innovation. We believe that focusing on sustainability is not only the right thing for the planet and society but is also essential to fulfilling our company’s mission. That is why we take a comprehensive approach to sustainability that includes environmental, social and economic factors.

Our commitment is reflected in all aspects of our operations, from the selection of raw materials to the manufacturing process and the delivery of our products. We are constantly working to reduce our environmental impact and protect the beautiful surroundings of our Malgrat de Mar plant, overlooking the Mediterranean Sea. We take strict measures to minimise waste and control resource consumption. We also ensure that our emissions into the water and the atmosphere are treated appropriately so as not to harm the environment.

In 2022, AGC Pharma Chemicals Europe received the platinum medal from EcoVadis, the world’s most trusted provider of corporate sustainability ratings. This recognition was awarded to the top 1 % of companies



with excellent standards in Ethics, Human Resources Management and Environmental, Health and Safety Practices. It reflects the daily efforts of all our employees to make our company more sustainable.

Our brand statement, “Your Dreams, Our Challenge”, reflects the commitment of the AGC Group to creating a sustainable society and to continuously evolving to become an exemplary company. By contributing to sustainable development, our goal is to ensure a bright future for our planet and future generations. We know that sustainability is a shared responsibility, and at AGC Pharma Chemicals Europe we are proud of our contribution.

3. Who we are and what we do, our business model

Founded in 1907, the AGC Group is a global business conglomerate present in over 30 countries through more than 200 companies. Until 2022 it was grouped into four main business lines: Glass, Electronics, Chemicals, and Ceramics. In early 2023, the Group decided to establish a new business division focusing on Life Sciences, which was formerly part of the Chemicals division. This new line of business, which is of strategic importance for the AGC Group, includes AGC Biologics and AGC Pharma Chemicals Europe.

The AGC Life Sciences business has over 40 years of experience as a Contract Development and Manufacturing Organisation (CDMO) and has state-of-the-art research and development centres in Japan, Europe and the United States, as well as multi-purpose production facilities with a wide variety of technologies. In 2019 AGC Pharma Chemicals Europe was acquired from its former owner, the German parent company Boehringer Ingelheim España, S.A., with the aim of strengthening its CDMO business within the pharmaceutical sector.

The AGC Pharma Chemicals Europe business now provides a complete range of services covering the entire life cycle of the development and manufacturing of active pharmaceutical ingredients (APIs). We provide comprehensive, innovative solutions to our customers' projects, from the initial clinical phases I, II and III (developmental, preclinical and clinical phase) to the commercial phase. In all our activities we are committed to maintaining the highest quality and sustainability standards.

3.1 Our business

Our business is primarily aimed at the pharmaceutical industry and can be divided into three main lines of work:

- **Development and manufacturing of active pharmaceutical ingredients** (APIs) and contract intermediates (CDMOs)
- **Manufacture and supply** of our existing portfolio of APIs and intermediates
- **Distribution of raw materials** manufactured within the AGC Group.

Our **customers** are pharmaceutical and biotech companies around the world, our main areas of coverage being Europe, the USA, and Japan.

As a CDMO, AGC Pharma Chemicals Europe offers a comprehensive range of services which can be classified as follows:

Process development:

- Research & Development for the development of efficient processes.
- Process optimisation and scaling up to ensure a successful transition from the laboratory phase to large-scale production.

Customised production:

- Customised production using kilolabs, pilot plants or production facilities.
- Manufacture of high-quality APIs and intermediates.

Analytical services:

- Validation of analytical methods.
- Performing analyses to ensure the quality and regulatory compliance of manufactured ingredients.

Regulatory services:

- Preparation of regulatory documents and risk assessments to comply with regulatory requirements.

Distribution:

- Distribution of pharmaceutical ingredients manufactured by other Group companies, ensuring quality and traceability.

Our products are organic active pharmaceutical ingredients packaged in Krafft cardboard drums. These products are distributed by logistics operators from our warehouses to our customers' facilities.

3.2 Company

AGC Pharma Chemicals Europe was established in Spain with limited liability as a sole proprietorship. Its registered office is at Camí de la Pomereda, 13, in Malgrat de Mar, Barcelona, Spain. The sole shareholder is AGC Inc, a company incorporated in Japan and the ultimate parent of the Group.

AGC Pharma Chemicals does not form part of a consolidated group in Spain.

The company files consolidated corporate income tax returns and AGC Pedragosa, S.A. is the entity responsible before the tax authorities for filing and settling the consolidated corporate income tax returns.

As a Spanish company within a global group, we operate internationally.

3.3 Objectives and strategies

AGC Group's mission is to be an essential part of our world, providing our customers and society with exceptional materials and solutions that improve people's lives every day. This mission is based on the corporate values of innovation and operational excellence, diversity, environment and integrity that govern all actions in our daily lives, and in the spirit of our founder Toshiya Iwasaki, "never take the easy way out, but confront difficulties". More information is available on the corporate website: <https://www.agc.com/en/company/strategy/vision/index.html>

By 2019, AGC Pharma Chemicals Europe had already aligned its mission and vision as a CDMO with that of the AGC Group.

Our mission is to make people's lives better by manufacturing high-quality products for the pharmaceutical industry and delivering reliable services.

Our vision is to be the manufacturing and development centre of choice in Europe.

The **values** that define our corporate culture are:

Customer orientation

We work hard to understand the customer and meet their needs.



Challenge

We challenge ourselves to achieve better results and meet our goals.



Operational excellence

We ensure that our activities and processes are conducted to the highest standards of excellence.



Team excellence

We work together to meet common goals by creating a positive and innovative environment that encourages learning.



Flexibility

We quickly adapt our approach to successfully deal with new situations.



Innovation

We seek new perspectives and implement creative solutions and different ways to meet our goals.



Based on the strong foundations provided by our corporate culture, we achieve our mission and vision by working along four main lines:

- **Customer orientation:** We build enduring relationships with our customers, transparently sharing our knowledge and experience, and providing support throughout the product lifecycle.
- **Operational excellence:** Our priority is to serve customers efficiently in the areas of safety, quality, delivery, and cost, while ensuring strict compliance with all industry regulatory standards.
- **Sustainability:** We constantly assess our impact on both people and the natural environment to create more efficient and environmentally friendly manufacturing processes. When making decisions, we take into account their possible effects on society and the ecosystem.
- **Innovation:** We seek to expand our services and manufacturing capabilities by introducing new technologies and processes, with the aim of offering solutions that address the new needs of the sector.

We are committed to being a valued, trusted company, both for patients and for customers, as well as for our stakeholders (including employees and other personnel). We also aspire to be a respected and committed member of the community in which we operate.



3.4 Governance

The AGC Group has established a Basic Corporate Governance Policy that aims to strengthen and improve governance within the Group so that the Company and its subsidiaries achieve sustainable growth by improving the Group's corporate value in the medium and long term.

The full text of the policy is available on the AGC Group corporate website:

<https://www.agc.com/en/company/governance/index.html>.

This policy establishes the corporate governance structure of the AGC Group, providing a clear separation between supervisory and executive functions to ensure speedy decision-making while strengthening control.

The supervisory role rests with the Board of Directors, which currently consists of seven members elected by the shareholders at the annual general meeting. In order to reinforce oversight, advisory committees have been created: the Nomination Committee and the Compensation Committee. In addition, there is an Audit Committee and an accounts auditor.

The executive function is performed by the Chairperson, the Vice-Chairs and the managing directors of the companies and strategic business units of the Group, as well as other senior executive officers. The Management Committee is supported by various units such as the Internal Audit division and the Compliance Committee to ensure the proper functioning and control of the Subsidiaries.

The system for ensuring that operations are carried out correctly is defined in the Board of Directors' resolution on the corporate policy over internal control: <https://www.agc.com/en/company/governance/index.html#ac05>.

- System to ensure compliance with relevant laws and the Articles of Incorporation (Compliance Programme).
- Information Retention and Management System with respect to business operations of the AGC Group (Information Retention/Management System).
- System to control risk of damage to the AGC Group (Risk management system).
- System to ensure efficient and effective business execution by the AGC Group (System for efficient business operation)
- System to report matters concerning business execution of executives of the Subsidiaries to the Company (System for reports to AGC by AGC Group companies)
- Matters related to the audit system of the Audit & Supervisory Board members.

As in the corporation, AGC Pharma Chemicals Europe has a Board of Directors and a Management Committee to ensure separation between the supervisory and executive functions. Information on this subject can be found in section 5.2 Corporate Governance.

3.5 Our commitment to quality

We cannot conceive the mission of improving people's lives without providing our customers and their patients with quality products that meet all the standards of our industry.




Based on our quality policy, we have implemented quality management systems based on Current Good Manufacturing Practice (CGMP) for Active Ingredients (APIs) defined by the health authorities in markets where medicines containing our active ingredients are marketed, such as the US Food & Drug Administration (FDA), the European Medicines Agency (EMA) or the Japanese Pharmaceuticals and Medical Devices Agency (PMDA).

"Quality is in our DNA, and this is demonstrated by the good results achieved in internal, customer and governmental department audits"

This enables us to meet high standards while implementing continuous improvement processes.



Health Authorities Audits

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
 U.S. FOOD & DRUG ADMINISTRATION	✓					✓						✓		✓						✓
 EUROPEAN MEDICINES AGENCY SCIENCE MEDICINES HEALTH									✓			✓			✓					
 Pharmaceuticals and Medical Devices Agency 独立行政法人 医薬品医療機器総合機構				✓			✓	✓	✓	✓	✓	✓		✓						✓

We are regularly audited by the respective health authorities, with excellent results. Since 2004, we have received no FDA audit observations and no critical or major findings in EMA or PMDA audits. In March 2023, our certification as a manufacturer of active pharmaceutical ingredients for the Japanese market was renewed by the Japanese health authority (PMDA) for a further five years.

In addition, we were inspected by the U.S. Food & Drug Administration (FDA), which conducted a routine GMP inspection of pharmaceutical products marketed in the U.S. that use our active ingredients. The results were excellent and no observations were made. This is the fifth consecutive FDA inspection (since 2004) for which results have been excellent.

In 2023, we also received a total of five customer audits that we passed with excellent results (with no critical or major deviations).

The quality management system has been designed and implemented to achieve the following objectives:

- To ensure the supply to the market of products that meet the quality standards required by patients, health authorities and customers.
- To establish and maintain a state of continuous control through systems that monitor our product processes and quality. We have a system of indicators that enable us to monitor our performance, and each year we review the quality system and all its elements (change control,

deviations, audits, supplier qualification, etc.) at the highest organisational level, thus ensuring adherence to our quality and continuous improvement policy.

- To facilitate continuous improvement and enable the use of tools to measure risk based on knowledge and scientific criteria.

Our management system is deployed in different processes and procedures that allow us to maintain the high standards achieved while adapting to the specific needs of each customer.

3.6 Innovation

AGC Pharma Chemicals Europe has identified innovation as one of the fundamental pillars of its strategy, asserting that only through innovative solutions can we achieve our vision and establish ourselves as a leading CDMO in Europe. With the collaboration of our Yokohama research centre in Japan, we are able to develop new processes and test new cutting-edge technologies, such as continuous flow reactions.

In our facilities in Malgrat de Mar, we have a laboratory and a kilolab, both staffed by highly qualified personnel. This allows us to evaluate processes prior to their transfer to production plants, thus improving our understanding of reaction conditions. In addition, at the kilolab we have the capacity to manufacture small commercial batch sizes of highly potent active pharmaceutical ingredients (HPAPIs, OEL from 1 to 10 µg/m³).

During 2023 we expanded the number of booths available in our laboratory and invested more than Euros 1 million for the purchase of new equipment.

The research and development area, which had a headcount of 27 employees by the end of 2023, worked on the development or optimisation of 27 reaction stages during the year, achieving performance improvements of 10-30%.

In addition, it delivered the first commercial product campaign manufactured in the kilolab to CGMP regulation standards, following the start up of the facility. We are now preparing for the next step, which is to achieve conditions to manufacture OEB 5 compounds (OEL of 0.1 µg/m³ to 1 µg/m³).



3.7 Membership of industry associations

Our involvement with different associations and organisations enables us to join forces and contribute our knowledge and experience to the economic and social development of the sector.

We have been involved in the following organisations and initiatives for many years:

- **AFAQUIM:** Spanish Association of Fine Chemical Products.
- **Responsible Care®:** A voluntary initiative by the chemical industry to continuously improve the performance of its production activity and all its operations in accordance with the principles of Sustainable Development and CSR led by FEIQUE, the Business Federation of the Spanish Chemical Industry.
- **COASHIQ:** Business association of the chemical and related sectors, the main activity of which is the management of Industrial Safety, Occupational Health, and the Environment.
- **CEJE:** Japan-Spain Business Circle that groups together the main Japanese companies established in Spain with the aim of establishing relations with public, social and communication institutions.

In 2023 we joined the **ENVALORA** project for the design and creation of a Collective System for Extended Producer Responsibility (SCRAP per its Spanish acronym) for industrial and commercial packaging, and we also joined the **Tordera Delta Campsites Association**, a local organisation that brings together campsites and other organisations on the banks of the delta with the common aim of adopting measures and implementing protocols to avoid or minimise the risks of flooding.

We play an active role in AFAQUIM and COASHIQ, where we are members of the board, and in the different sectoral or thematic groups. In COASHIQ, we also head the Fine Chemicals Committee. We are also present on the FEIQUE Coordinators and Responsible Care® Committee. Participation in all meetings of these associations is carried out in accordance with the laws governing competition.

4. Our approach to sustainability

In November 2023, the CEO of the company approved the sustainability policy of AGC Pharma Chemicals Europe, S.L.U. It reflects the company's commitment to ethics and good governance, the environment, people and health and society.

Our commitment to ethics and good governance

We comply with the laws and codes applicable to our operations and business practices by working together with our stakeholders to promote sustainable development.



Our commitment to the environment

We operate responsibly to reduce our environmental footprint by addressing resource consumption, air emissions, waste water and waste management, and soil, groundwater and marine protection.



Our commitment to people

We offer a working environment that attracts and retains talent, thus ensuring the excellence of our team. We nurture personal and professional development, support the striking of a work-life balance, ensure occupational health and safety and promote gender equality, diversity and inclusion.



Our commitment to health and society

Our quality products improve people's lives. We also focus our social contribution on protection of the environment, the local community, health and future generations.



This policy is complemented by the principles contained in other documents such as the Code of Conduct, the Quality Policy, the Health, Safety and Environment Policy and the Human Resources Policies.

4.1 Our contribution to the sustainable development goals

In addition to the policy, we have identified the main lines of action of our strategy in relation to the SDGs (Sustainable Development Goals).

Our commitment to ethics and good governance



- We conduct our production, business and R&D activities in an ethical and responsible manner. e.
- We work with governments, customers, suppliers, and other companies in the industry to reduce and control the impact of our activities on people and the environment.
- Our responsibility as a company extends beyond the confines of our facilities and throughout our supply chain.

Our commitment to the environment



- We design, operate, and control our processes so that we do not waste resources or create unnecessary impacts.
- We purify waste water, treat air emissions and manage the waste we generate by continuously seeking to reduce our environmental footprint.
- We reduce our energy consumption and greenhouse gas emissions.
- Given our location, we are particularly concerned about the Tordera aquifer and the marine ecosystem, and we make every effort to ensure that our activities do not affect them.

Our commitment to people



- Our corporate culture encourages the personal and professional development of employees, supporting teamwork while acknowledging individual contributions.
- We provide social and employment benefits that provide a work-life balance.
- We offer a safe and healthy working environment for collaborators.
- We work for gender equality, diversity and inclusion.
- We strive to attract, nurture and retain talent by ensuring the excellence of our teams.

Our commitment to health and society



- We operate in the pharmaceutical industry and help improve people's lives through our products.
- We have identified priority lines of action (environment, community, health and future generations) on which to focus our social contribution.
- We take into account the needs and expectations of our stakeholders, especially those identified in the communities where our production centres are located.

4.2 Materiality analysis and stakeholders

During 2021, in collaboration with a consulting firm, we conducted an initial materiality analysis to identify those issues that are relevant to both our organisation and our stakeholders. To this end, we applied a methodology in accordance with GRI Standards and the AA1000, APS 2998 and AA1000SES 2015 standards, prioritising the principles of stakeholder inclusiveness and materiality.

“Materiality determines the topics on which the organisation should focus its management and the information it offers its stakeholders”.

In 2022, we internally reviewed the materiality analysis, taking into account the material issues of the AGC Group, customers and other companies in the sector. The 21 issues identified were categorised into four main areas in accordance with the sustainability policy: ethics and governance, environment, people and health, and society. In addition, we assessed the relevance of each topic for both the company and our stakeholders. This materiality analysis was validated by the steering committee and published in our first sustainability report.

In 2022, we also reviewed the initial identification of stakeholders, taking into account the feedback received during the management system audits.

The stakeholder map is therefore as follows:



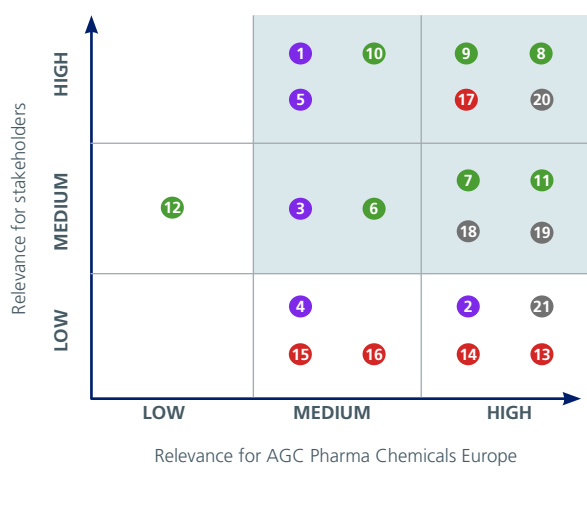
The stakeholder map has not changed since last year.

In 2023, we set out to deepen our materiality review by including stakeholder feedback in the process. For this purpose, we created an online survey that we shared with the following groups: AGC Inc, collaborators, customers, associations to which we belong (sectoral or local), local authorities and suppliers.



We consider that the local community is represented through the local authorities and the collaborators, who also live in Malgrat de Mar. In addition, we decided to give more importance to the survey topics “engagement with society” and “engagement with local populations”.

Taking into account the foregoing, the materiality matrix is as follows:



The numbers reflect the topics grouped as follows:

Ethics and Good Governance

- 1 Anti-corruption and business integrity
- 2 Good corporate governance
- 3 Responsible supply chain management
- 4 Partnerships for the goals
- 5 Respect for human rights

Commitment to people

- 13 Personal and professional development
- 14 Talent attraction and loyalty
- 15 Fair and equitable employment
- 16 Diversity and equal opportunities
- 17 Occupational health and safety

Commitment to the environment

- 6 Water consumption
- 7 Energy consumption and efficiency, and fighting climate change
- 8 Waste management
- 9 Waste water management
- 10 Emissions management
- 11 Protection of the aquifer and the marine ecosystem
- 12 Environmental impact of the product / Life cycle

Commitment to health and society

- 18 Commitment to local communities
- 19 Commitment to society
- 20 Product quality and safety
- 21 Innovation

Once the process was complete and the topics had been classified according to their level of importance, all topics of high importance for both AGC Pharma Chemicals Europe and its stakeholders were considered material, as well as the topics of high-medium and medium-medium importance for both groups. These topics are:

Ethics and Good Governance:

- 1 Anti-corruption and business integrity
- 3 Responsible supply chain management
- 5 Respect for human rights

Commitment to the environment

- 6 Water consumption
- 7 Consumption, energy efficiency, and the fight against climate change
- 8 Waste management
- 9 Waste water management
- 10 Emissions management
- 11 Protection of the aquifer and the marine ecosystem

Commitment to people:

- 17 Occupational health and safety

Commitment to health and society:

- 18 Commitment to local communities
- 19 Commitment to society
- 20 Product quality and safety

Compared to the previous assessment, they have become material in 2024:

- 6 Water consumption
- 8 Waste management
- 10 Emissions management

And the following topics have ceased to be material, although we continue to promote them:

- 2 Good corporate governance
- 15 Fair and equitable employment
- 16 Diversity and equal opportunities
- 21 Innovation

4.3 Risk management

The AGC Group has a number of [Enterprise Risk Management Basic Policies](#), which require group companies to identify and manage the risks inherent in their operations. The primary objective of this risk management is the implementation of preventive measures to avoid risks materialising or to mitigate their effects, as well as the development of action plans to deal with situations in which it is not possible to avoid them materialising.

The risks identified are detailed below:

RISK	DESCRIPTION	PREVENTIVE ACTIONS
Legal non-compliance	Risks related to legal non-compliance, regulations and industry codes: Anti-trust law, anti-corruption, export controls, chemical substances, licensing, permits, etc.	<ul style="list-style-type: none"> • Corporate policies and procedures • Multi-disciplinary assessment of legal compliance
Non-conformities of products or services	Risks related to product liability, breach of customer agreements, falsification of technical data etc.	<ul style="list-style-type: none"> • Quality and EHS Management System • Quality risk analysis for all products • Data integrity procedures
Business interruption	Business interruption due to fire, explosion, supply chain disruption, pandemic, climate change, natural disasters, natural resource crisis, etc	<ul style="list-style-type: none"> • Business continuity plans • Self-protection plan • Insurance policies
Environment and safety	Deficient preventive measures Accident or serious incident Inadequate response to unexpected events	<ul style="list-style-type: none"> • Certified EHS management system (ISO 14001 and 45001) • Self-protection plan
IT risks	Suspension and downtime of IT systems (including data leaks, cyber attacks, etc.). Loss of availability of IT systems.	<ul style="list-style-type: none"> • Cybersecurity measures • Systems continuity plan
Subcontracting	Supply shortages Reputational risk in the event suppliers do not respect the environment, safety or human rights.	<ul style="list-style-type: none"> • Obligations of the supplier included in general purchasing conditions • Supplier approval system
Climate change	Floods Heavy rainfall Drought Emissions limitations	<ul style="list-style-type: none"> • Decarbonisation plan • Business continuity plans • Water consumption reduction plan • Improvements to facilities to avoid the effects of flooding

Following the guidelines established for corporate crisis management, AGC Pharma Chemicals, S.L.U. has developed risk prevention measures, business continuity plans and continuous improvement actions. These initiatives are intended to improve the company's ability to recover quickly from any damage caused and to resume operations efficiently.

As part of the Business Continuity Plan, which was consolidated and approved in 2023, an exhaustive analysis and identification of the main risks that could impact the continuity of business operations has been carried out, taking into account people, assets, suppliers and systems. In all cases, the likelihood, impact and preventive measures have been assessed and the need for further action has been identified.

4.4 Our commitments and certifications

4.4.1 Responsible Care®

Since 1993, our Malgrat de Mar site has been part of Responsible Care®, the global and voluntary initiative of the global chemical industry to advance in the continuous improvement of Safety, Health and Environmental Protection in all operations in this sector through a sustainable and socially responsible approach.

The Responsible Care® programme of the Business Federation of the Spanish Chemical Industry (FEIQUE) commits member companies to go beyond legal and regulatory compliance, taking into account the following objectives:



To continuously improve knowledge and performance in respect of the environment, health, safety and the protection of our technologies, processes and products throughout their various life cycles, to prevent any adverse impact on the environment and/or people.



To use resources efficiently and minimise waste.



To report management performance, achievements and shortcomings in a transparent manner.



To listen to, and interact and work with, people who understand and address their concerns and expectations.



To cooperate with the various public authorities and organisations in the development and implementation of effective regulations and standards.



To offer assistance and advice with a view to encouraging the responsible management of chemicals by all those who handle and use them throughout the value chain.

As members of the programme, we are committed to the Global Charter and have implemented management systems, regularly conduct performance self-assessments, and report performance indicators that enable FEIQUE to aggregately report on member company data.

We received the Responsible Business Certificate for the first time in 2015, which we renew periodically, with the last renewal taking place in 2023.



4.4.2 EcoVadis

For the first time in 2020 we subjected our environmental, social and ethical performance to a sustainability assessment using the EcoVadis® methodology. This rating assesses performance in environmental protection, labour and human rights, ethics and responsible purchasing, and is based on international sustainability standards such as the Global Reporting Initiative, the United Nations Global Compact or ISO 26000.

In 2020 we scored 68% and were awarded a gold medal. Two years later, in 2022, we improved the rating to 79%, ranking among the top 1% of companies to earn a platinum medal. In 2023 we have not reviewed the assessment, which we plan to do in 2024.



4.4.3 ISO 14001 and ISO 45001 certifications

We certified our environmental management system for the first time in 2009, in accordance with the requirements of ISO 14001:2004. One year later, we obtained certification for our occupational health and safety management system according to OHSAS 18001:2007. Since then, we have audited our management systems every year and renewed the certifications every three years, adapting to new versions of standards wherever necessary.

The 2021 recertification already included the revision of the system following the adaptation to the new ISO 45001:2018 Standard and the integration of the environmental management and occupational health and safety systems to form the integrated management system covering environmental and occupational health and safety aspects, as well as the prevention of serious accidents (Seveso regulations). Three years later, in 2023, we passed a new recertification audit without observations.



5. Ethics and Good Governance

Legal compliance is a fundamental premise for all AGC Group activities. To ensure this is the case, we have drawn up a Code of Conduct setting out the requirements that all collaborators must take into account in their jobs. This code defines how we negotiate and how we interact internally and externally.



We conduct our production, business and R&D activities in an ethical and responsible manner.

The Code of Conduct sets out the principles of our action based on three pillars:

- We act honestly and fairly in our business.
- We ensure a safe and decent workplace.
- We care about our neighbouring communities.

The Code covers global group requirements as well as specific regional requirements in all corners of the world, and all of the AGC Group's people must be familiar with it and comply with it.

We have compliance officers at local, regional and corporate level who have established procedures and training plans to promote an organisational culture based on ethical values and fair standards.

We have also set up local and corporate hotlines to report any non-compliance (whether confirmed or merely suspected), so as to streamline the detection and investigation of all types of events and facilitate the implementation of corrective and preventive measures. Retaliation against individuals who report any type of non-compliance is strictly prohibited.

The Code of Conduct is a reflection of our shared value, "integrity", and defines how we act and relate to others inside and outside AGC.

We are regularly audited by the Corporation to ensure that our compliance policies and procedures meet the requirements of the AGC Group and are correctly applied.

In 2023 the internal audit team verified the alignment of our internal control system with group policy and the action plan was updated.

For further information, the Code of Conduct can be accessed via the following link: https://www.agcpharmaceuticals.com/wp-content/uploads/2021/09/active_jp_english.pdf

5.1 Compliance procedures

Our compliance procedures cover the following areas:

- Anti-bribery and anti-corruption
- Antitrust Insider trading
- Insider trading
- Data protection and privacy
- Export and trade control
- Anti-discrimination

In addition, we have defined rules to ensure that all personnel are aware of how to report infringements of the Code of Conduct or breaches of procedures through internal and external channels.

We use computerised document management and training systems to ensure that those for whom the procedures are relevant are familiar with them. If necessary, we also organise specific online or face-to-face training sessions.

In 2023, we updated our Code of Conduct and provided training for all of our collaborators.

Moreover, we organise reinforcement training sessions focusing on specific selected topics of the Code of Conduct. In 2023, for example, we organised a course on equality, equity and inclusion. In 2022, two reinforcement training sessions were delivered, one on the risks of working with third parties, and the other covering complaints and the anti-retaliation policy. All employees took part in the refresher courses.

We have a Compliance scorecard that enables us to monitor our progress.

KPI	2023	2022	2021
Persons trained in the Code of Conduct	100 %	100 %	100 %
Non-compliances reported	0	0	0
Non-compliances investigated	0	0	0
Non-compliances confirmed	0	0	0
Non-compliances not confirmed	0	0	0
Use of the helpline	6	1	0

Furthermore, as a publicly traded company in Japan, the AGC Group is required to comply with the Japanese version of the U.S. Sarbanes-Oxley Act, commonly known as "J-SOX". In order to comply with these regulations, at AGC Pharma Chemicals Europe we conduct an annual self-assessment of the internal control systems in place, which are periodically verified by the internal audit division. During the verification carried out in 2023 the audit team found no deficiencies in our company's internal control system.

We have set up a Privacy Committee with representatives from the Human Resources, Business Development and Marketing, Purchasing, Information Technology, Operations and Compliance areas, which handles personal data protection issues with the support of an external consultant.

We process the personal data of our employees and business partners (identity, addresses, remuneration, benefits, individual or family health matters, and other personal circumstances) with due responsibility, only for the stated purposes, and complying at all times with current personal data protection regulations. If we need to transfer data to suppliers, we do so only after signing data processing agreements.

The Privacy Committee met five times in 2023. The DPO and the Security Officer/Data Protection Coordinator also attended these meetings.

Moreover, all meetings deemed necessary have been held with the different departments of AGC to address personal data protection matters.

In the course of 2023, the DPO was notified of the receipt of one case of the right to erasure being exercised, which was answered in a timely manner in accordance with AGC's protocol for managing the exercise of rights.

A number of security incidents were reported to the DPO in 2023, but following an assessment of these it was not necessary to report any security breaches to the Spanish Data Protection Agency ("AEPD").

The DPO prepared a training course on personal data protection.

At the date of this report, the DPO has no record of AGC having been requested to provide any information to the AEPD or of any penalty proceedings having been brought against it.

The AGC Group has a global IS security organisation, with locally based managers, a shared team at HQ and escalation/communication procedures. All servers and equipment are monitored. Any unusual event triggers the protocol. Devices are protected and the company has a password policy.

5.2 Good corporate governance

The Board of Directors comprises five members.

One of the five board members is a woman (20%). None of the directors is independent.

The members of the Board of Directors receive no remuneration, allowances or insurance premiums from AGC Pharma Chemicals Europe.

The Board of Directors meets four times a year. The non-board member secretary is tasked with drafting the meeting minutes.

The AGC Pharma Chemicals Europe Management Committee consists of 12 people, three of whom are women (25%). As regards their origin, the Committee includes people from Spain (7), Japan (3), Poland (1), and Belgium (1). Two of the members live in Malgrat de Mar.

The Management Committee usually meets once a month. Responsibility for drafting the meeting minutes falls to the Director of Strategic Planning & Global Marketing.

The Management Committee is responsible for implementing corporate guidelines, it reports to AGC Life Science and is subject to regular audits by the Internal Audit Corporate Division. The Board of Directors primarily interacts with the sole shareholder, AGC Inc., represented by its president Mr Yoshinori Hirai.

In addition, the Management Committee is responsible for reviewing the management systems each year.

5.3 Tax obligations

The AGC Group is committed to providing value to all stakeholders. In this way, the Group aims to play its part in achieving a sustainable society as defined in AGC's Tax Compliance Policy: <https://www.agc.com/en/sustainability/criteria/index.html#ac12>

The AGC Group acknowledges the BEPS Action Plan (a countermeasure against base erosion and profit shifting), devised by the OECD/G20, as an important international tax framework to prevent international tax evasion and excessive tax planning, and to ensure tax transparency through tax disclosure.

The AGC Group will refrain from using excessive tax incentive schemes in countries and regions with low or no taxation.

Compliance is a fundamental principle underlying all of the AGC Group's business activities, and is enshrined in the AGC Group's Code of Conduct (7. Reports and Records). At AGC Pharma Chemicals Europe we comply with legislation and with the company's accounting policies and rules. Income tax accrued in the 2023 financial year amounts to Euros 1 183 035, excluding the adjustment of Euros 289 188 relating to previous years.

KPI	2023	2022	2021
Profits in Spain (€)	7 334 840 €	9 369 739 €	14 383 921 €
Income tax (€)	(893 847) €	(828 516) €	(3 541 309) €

In 2023, we received grants totalling Euros 43 176 from the Social Security General Treasury.

We also received a capital grant of Euros 200 000 in 2023 from the Catalan Agency for Business Competitiveness (ACCIÓ) to finance the investment in the micronisation plant and other equipment in order to increase production capacity and our technological offer.

5.4 Supply chain management

As described in our Charter of Corporate Conduct, the AGC Group works to establish mutually beneficial and appropriate relations with its business partners. In doing so, the Group seeks to promote good supply chain management.



We work with governments, customers, suppliers and other companies in the industry to reduce and control the impact of our activities on people and the environment.

Our Purchasing Department plays the lead role in the supply of raw and other materials, and does so following the AGC Group Purchasing Policy (<https://www.agc.com/en/company/purchasing/index.html>), published in 2009 and revised in 2020), which sets out in clear terms our responsibility in the effort to achieve a sustainable society.

1. Basic purchasing principles

- Fair and equitable transactions. We are constantly seeking out innovative technologies, products and services in a way that is fair and equitable globally.
- Legal compliance regarding safety, the environment, and human rights.
- Cooperation with business partners to build and enhance trusting relationships.
- Protection of the information, intellectual property and other assets of business partners.

2. Criteria for selecting business partners

- Sound management, steady supply and flexibility to match fluctuating demand.
- Quality, price and on-time delivery, taking into account safety and the environment, and technical service levels.
- Commitment to comply with the principles of "Cooperation in Sustainable Procurement", i.e.:

- Legal compliance, fairness and integrity
 - Fight against corruption and unfair competition
 - Export control
 - Compliance management
- Safety, quality and the environment
 - Global warming prevention
 - Responsible management of waste and waste water
 - Occupational health and safety
 - Emergency management and business continuity plans
- Human and labour rights
 - No to discrimination
 - No to harassment
 - No to child labour, forced labour or slavery
 - Safe and physically and emotionally healthy work

3. Risk, information management, and intellectual property management.



In addition, the AGC Group has green procurement guidelines whereby we undertake to preferably purchase materials and equipment with the least environmental impact from companies that have environmental and quality management systems in place.

To ensure these criteria are applied, Purchasing Department personnel receive training in sustainable procurement. All staff received training in 2022; however, in 2023 several organisational changes were undertaken. New recruits will receive this training in the course of 2024.

KPI	2023	2022	2021
% buyers that have received sustainability training	37,5	100	17

With a view to guaranteeing sustainable procurement, we have drafted a code of conduct that is binding on all of our suppliers.

As a pharmaceutical company, we have a robust supplier rating and evaluation system. We assess aspects pertaining to quality, safety, the environment and respect for human rights, depending on their business impact. The assessment is carried out by a multidisciplinary team using a range of questionnaires. In 2023, 85 suppliers were put through this corporate responsibility assessment.

Our quality system also provides for supplier audits. We conducted 10 audits in 2023.

KPI	2023	2022	2021
Total number of suppliers	886	605	573
% New suppliers that have signed the Code of Conduct	88,35	95,96	96,55
% Suppliers with contracts that include environmental, labour and human rights clauses	100	100	100
Number of suppliers with corporate responsibility assessments in place	85	81	61

In the case of service providers with personnel deployed to our facilities, we use the business activities coordination platform to ensure that the company is duly incorporated, that it is up-to-date with its Social Security payments, that its employees are registered for Social Security purposes, and that it fulfils its occupational health and safety obligations.

We strive to maintain a good relationship with our suppliers, and we have systems in place to ensure that payments are made within the agreed time frames. In 2023, the average supplier payment period was 52 days, the same as in the previous year. The average supplier payment period is calculated in accordance with the criteria and methodology set out in the ICAC Resolution.

For a few years now, we have included proximity in our procurement criteria, selecting “kilometre zero” suppliers whenever possible to promote economic growth within the community in which we are based. We consider suppliers of materials and service providers located within a 15km radius of our company to be kilometre zero suppliers. This includes the towns of Malgrat de Mar, Santa Susana, Pineda de Mar, Calella, Palafolls, Blanes, Lloret de Mar, Fogars de la Selva, Hostalric, and Maçanet de la Selva.

KPI	2023	2022	2021
Total number of suppliers	886	605	573
Total purchase volume (€ million)	92,8	72,7	61,4
Number of kilometre zero suppliers	67	50	44
% km 0 suppliers	7,56 %	7,44 %	6,81 %
Total purchases from km 0 suppliers (€ million)	1,03	1,15	1,17
Percentage of purchases from km 0 suppliers	1,11 %	1,58 %	1,90 %

6. Commitment to the environment

At AGC Pharma Chemicals Europe we actively protect the environment. Our production plant is located in a privileged environment, on the La Tordera aquifer and facing the Mediterranean Sea, close to the town of Malgrat de Mar. In our everyday activity, we are mindful of the importance of protecting soil, ground and coastal water and the atmosphere. We have put preventive measures in place to ensure our activities do not harm the environment. We have waste water and air emission treatment facilities, and we manage waste in accordance with current legislation.

Our Health, Safety and Environment Policy reflects our commitment to reducing the impact of our activities and products on collaborators, the community and the environment, as well as preserving natural resources and using them responsibly.



Política de Seguridad, Salud y Medio Ambiente de AGC Pharma Chemicals Europe, S.L.U.

Nuestra empresa, cuya sede está ubicada en Malgrat de Mar, pertenece al Grupo AGC, una corporación internacional cuya misión es ofrecer productos y soluciones que mejoren la vida de las personas cada día. Nuestros valores compartidos de Innovación y Excelencia Operacional, Diversidad, Sostenibilidad e Integridad son la base de todas nuestras acciones. En este contexto, AGC Pharma Chemicals Europe desarrolla, fabrica y comercializa productos farmacéuticos de alta calidad.

NUESTRO MARCO DE GESTIÓN

Nuestra planta está adherida al Programa Responsible Care® y tiene implantados Sistemas de Gestión de la Calidad, Prevención de Riesgos Laborales, Medio Ambiente y Seguridad para la Prevención de Accidentes Graves en cumplimiento con la Normativa vigente.

Estos sistemas están basados en las Normas ICH Q10, ISO 45001 e ISO 14001 y la visión corporativa de AGC Chemicals "Chemistry for a Blue Planet" y promueven la mejora continua.

Establecemos planes de acción y objetivos anuales y monitoreamos nuestro desempeño.

NUESTRO COMPROMISO

El principal compromiso de nuestra política es reducir el posible impacto negativo de nuestras actividades y productos sobre: la seguridad y la salud de las personas colaboradoras, las partes interesadas, el entorno próximo y el medio ambiente en general, así como potenciar los impactos positivos.

Reconocemos la importancia de trabajar conjuntamente con las empresas proveedoras, contratistas y clientes para reducir los impactos sobre el medio ambiente, la salud y la seguridad de nuestras actividades y productos a lo largo de todo su ciclo de vida.

Identificamos y evaluamos de manera continuada los riesgos y aspectos ambientales de nuestras instalaciones, lugares de trabajo, procesos y tareas, nuevos o existentes, a fin de definir las medidas de planificación, operación, prevención y de control más adecuadas para:

- Cumplir con toda la legislación aplicable, con las normas de AGC, y con otros requisitos, en particular con lo relativo al medio ambiente, salud y seguridad.
- Prevenir la contaminación del entorno en el que nos encontramos.
- Reducir el impacto de los residuos y de las emisiones al aire y al agua mediante un correcto tratamiento y gestión basada en la minimización, la reutilización y la valorización.
- Conservar los recursos naturales y utilizarlos responsablemente.

- Prevenir los riesgos laborales y los accidentes graves mediante la correcta gestión de riesgos basada en los principios de eliminación en origen, evaluación y reducción mediante medidas técnicas, organizativas y de protección colectiva o individual.
- Asegurar la capacidad de respuesta ante emergencias.

NUESTRO PERSONAL

Implicamos en la mejora continua a todas las áreas de la compañía definiendo conjuntamente programas y objetivos de mejora para el logro de nuestros compromisos, incidiendo especialmente en la comunicación, participación y consulta a nuestro personal.

Informamos e instruimos al personal sobre los aspectos ambientales y de prevención de riesgos de la empresa en general y de sus tareas en particular, las medidas preventivas y el modo de actuación para proteger el medio ambiente y prevenir accidentes.

Animamos a nuestro personal a actuar responsablemente en todo momento, no solo en el trabajo sino también en su vida diaria.

NUESTROS INTERLOCUTORES

Apoyamos a las comunidades en las que estamos ubicados.

Difundimos los principios de esta política interna y externamente, manteniendo una relación abierta con todas las personas que trabajan en AGC Pharma Chemicals Europe, las empresas con las que nos relacionamos, la Administración y el público en general.

Comunicamos abiertamente con nuestros grupos de interés internos y externos sobre nuestras actividades y desempeño en medio ambiente, salud y seguridad.

Akihiro Kadokura, Managing Director
Malgrat de Mar, 5 de Octubre de 2020

This policy is the basis for the development of our integrated management system (certified under ISO 14001 and ISO 45001) covering health, safety and environmental aspects.

Following the requirements of the ISO standards, we identify needs and expectations of stakeholders and analyse the context in which we operate in order to identify the risks and opportunities we face. We also assess the environmental aspects of our activities (in-house or outsourced), all with the aim of establishing improvement and control programmes. In the assessment we take into account changes, normal conditions and foreseeable emergency situations.

We therefore identify and assess the environmental aspects that we can control, as well as those that we can influence, taking into account environmental impacts throughout the life cycle, including products, services and external companies.

Using established criteria, we identify environmental aspects with significant impacts, which are considered in the analysis of risks and opportunities, as well as in the setting of objectives and targets to improve environmental performance. For other aspects, operational control procedures and monitoring and measurement programmes are implemented to ensure compliance with regulatory and stakeholder requirements.

In the process of planning for continuous improvement, the information obtained from the analysis of the organisational context, including internal and external aspects, as well as the needs and expectations of stakeholders, are considered.

The company's senior management regularly reviews the integrated management system, monitoring the achievement of objectives, environmental performance and compliance with legal requirements. Senior management provides tools and resources to maintain the level of excellence achieved in recent years and ensure continuous improvement.

6.1 Objectives of the management system. Spending on environmental protection.

Annually, we set target programmes that go beyond legal obligations and we monitor our performance through a system of indicators. Each year we inform all personnel of the target programme and the results from the end of the previous period.

The objectives of the management system are divided into the following categories:

- Management System
- Digitalisation and EHS
- Training, awareness-raising and personal development
- BPE (Business Process Excellence)
- Monitoring of EHS in the expansion project (APCE2)
- Occupational risk prevention vectors (covering safety, hygiene, ergonomics, psycho-sociology and occupational health)
- Environmental vectors

Environmental objectives focus on the adaptation of the waste water treatment plant, the minimisation of waste and greenhouse gases, as well as the soil and groundwater remediation project. These objectives are detailed in the pertinent section of the report.

We monitor the achievement of the objectives on a quarterly basis. Once a year, we report on global achievement at the Management Review meeting, as per ISO guidelines.

KPI	2023	2022	2021
Number of objectives	20	19	17
Level of achievement of objectives	90,8 %	97,4 %	98,5 %
Number of actions	49	39	36
Level of fulfilment of actions	94,1 %	94,2 %	95,1 %

The high level of achievement stems from the commitment of the company and of all its people, including senior management, which is responsible for allocating the necessary resources (human and monetary) for proper environmental and occupational health and safety management.

KPI	2023	2022	2021
Number of people involved in environmental management	11	11	10
Spending on environmental management (thousands of €)	3 547	3 110	3 180
Investments in the environment (thousands of €)	1 224	734	180

Note: The investment data only includes investments that have the sole objective of environmental protection.

In 2023, the most significant investments in environmental protection focused on two key areas. Euros 586 thousand was allocated for the adaptation of the waste water treatment plant. In addition, refrigerant gases with high global warming potential from the cooling and air conditioning systems were eliminated, with a total investment of Euros 595 thousand.

AGC Pharma Chemicals Europe's environmental damage remediation policy covers up to Euros 20 million. No additional policies have been taken out because we have received no complaints, there are no infringement proceedings open and we do not have the need to make any such provisions.

6.2 Responsible consumption and production

12 PRODUCCIÓN Y CONSUMO RESPONSABLES



We design, operate and control our processes so that we do not waste resources or create unnecessary impacts.

In line with Sustainable Development Goal 12, we have been improving our processes to be more environment-friendly for years. Before introducing a new process to our plant, we assess its environmental impacts (consumption

and emissions) to ensure we can reduce and control them without compromising other customer requirements. To this end, we work in multidisciplinary teams with personnel in development, production, engineering, safety and environment, and quality.

Our production documents include all the necessary information to operate the processes in a controlled and environment-friendly manner, and enable us to properly manage consumption of raw materials, water and energy, as well as gaseous and liquid emissions and waste.

In addition, we have launched a project that aims to carry out a life cycle assessment of each of our products in order to obtain a detailed profile of their environmental impacts.

6.2.1 Water consumption

Water is a natural resource necessary for our activities. It is a raw material in production and a heat-transfer fluid; and we use it in cleaning processes and in infrastructure (steam generation, gas scrubbers, fire-fighting systems, etc.). In turn, it is a scarce resource, the use of which must be controlled.

We have six duly authorised, constructed and protected wells from which we draw water for the different uses of the manufacturing plant. In addition, we consume a small amount of municipal water.

In November 2022, Resolution ACC/3687/2022 declared a state of high alert due to hydrological drought in the exploitation units of the Ter-Llobregat reservoirs, following which the "Special action plan in state of high alert and possible drought" (PES) sets out the obligation to reduce water consumption for all uses. As an industrial user, a 5% reduction was applied as of December 2022, based on the average consumption for 2019 to 2021.

In March 2023, Resolution ACC/747/2023 declared the entry into a state of exceptionality, as the basin's reserves were reduced to 25%. This meant that the reduction obligation for industrial users was raised to 15%. By the end of 2023, reserves had dropped to 17%, with the basin in a pre-emergency state.

KPI	2023	2022	2021
Well water consumption (m³)	149 142	221 231	279 987
Municipal water consumption (m³)	4 735	5 068	7 211
Total water consumption (m³)	153 877	226 299	287 198

Water taken from the aquifer accounted for approximately 13% of the authorised volume of 1 160 000 m³ in 2023.

Total water consumption was reduced by around 32% in the last year and by 41% compared to the average for 2019 to 2021.

In 2023, water consumption was optimised in the cooling towers, the water treatment plant (reverse osmosis membranes), and in the treatment of sludge from the water treatment plant (replacement of the filter press with a screw filter that does not need lime and saves on the water required for its preparation).

6.2.2 Consumption, energy efficiency, and fighting climate change



For the AGC group, climate change is a material issue that requires the involvement of all companies in the group in the fight against it. In 2021, we undertook to reach net zero carbon emissions by 2050. With this goal on the horizon, the group joined the “Science Based Targets” initiative in 2022, undertaking to reduce greenhouse gas (GHG) emissions to limit the increase in the average global temperature to 2°C compared with pre-industrial levels. It received SBTi certification in early 2023.



The targets of AGC Pharma Chemicals Europe are as follows:

Scope	Definition	2030 target (compared with 2019)
Scope 1	Direct emissions	30% reduction
Scope 2	Indirect emissions from purchased electricity	50% reduction on sales
Scope 3	Other indirect emissions	30 % reduction in categories 1 (purchase of goods and services) and 5 (waste treatment). Identify opportunities for improvement relating to the transport of people, raw materials and products (categories 4, 6, 7, and 9).

For over 10 years, we have calculated the Scope 1 CO₂ emissions of the plant each year, taking into account fuel consumption and using emission factors. In 2021, we improved the calculation by starting to use the factors of the Ecodesk platform, while also including other greenhouse gas emissions such as refrigerant gas leaks (R407C, R410A and R507A, with factors 1.773, 2.088 and 3.985 t of CO₂eq/kg, respectively) and the consumption of company vehicles.

KPI	2023	2022	2021	2020	2019
Electricity consumption (MWh)	11 941	12 095	12 224	11 890	11 564
Natural gas consumption (MWh)	7 223	6 935	7 855	7 128	8 281
Diesel consumption (MWh)	565	900	51	240	63
Consumption of diesel/petrol company vehicles (MWh)	148	132	159	159	159
Total electricity consumption (MWh)	19 312	20 062	20 289	19 417	20 267
Variation compared with the previous year	-3,7 %	- 1,1 %	+ 4,5 %	- 4,2 %	--
Refrigerant gas leaks (t CO ₂ eq)	439	42	49	294	477

The main consumers of electricity are infrastructure for the production area and the HVAC of buildings. Natural gas is used in the production of steam and the treatment of emissions of volatile organic compounds. Diesel consumption is usually restricted to power generators and fire pumps, although consumption increased in 2022 because in the last few months of the year (and in early 2023) we generated steam from diesel because of the energy crisis.

Based on the data in the table above, we have calculated the scope 1 and 2 greenhouse gas (GHG) emissions and the reduction percentages in comparison with 2019.

KPI	2023	2022	2021	2020	2019
Scope 1 emissions (tonne CO ₂ equivalent)	1 947	1 582	1 546	1 708	2 056
Scope 2 emissions (tonne CO ₂ equivalent)	0	0	0	0	0
Sum of scope 1 + 2 GHG emissions (tonne CO ₂ equivalent)	1 947	1 582	1 546	1 708	2 056
Reduction vs 2019 (%)	5 %	23 %	25 %	17 %	--
Turnover (millions of €)	88,6	86,0	94,7	93,8	72,2
Scope 1 + 2 GHG emissions per million € of turnover	22	18	16	18	28
Reduction vs 2019 (%)	21 %	36 %	43 %	36 %	--

Scope 1 greenhouse gas (GHG) emissions increased significantly in 2023, mainly due to refrigerant gas leaks. In order to reduce these accidental emissions, we made a major investment in 2023 to replace the refrigerant gas used in the cooling units of one of our production plants (summary 2). This action has already been carried out in another plant in 2022 (synthesis 1), thus eliminating a total of 3,500 kg of refrigerant gas (1,750 kg in 2022 and 1,750 kg in 2023).

In addition, in 2023 we replaced 7 air conditioning units with others that use gas with a lower global warming potential. We have a replacement plan for the rest of the units.

We only consume electricity with a certified guarantee of origin and, therefore, because the energy comes from renewable sources, scope 2 emissions are zero.

We have made a commitment to sustainable mobility by installing electric charging stations in collaborator car parks (for cars, scooters and bicycles). 14 of the 15 company cars are hybrids (plug-in or not).

In 2023, in collaboration with a specialised consultant, we drew up a Decarbonisation Plan, selecting the investment projects that will enable us to achieve our greenhouse gas reduction targets. Notable initiatives include the complete elimination of refrigerant gases with greenhouse gas potential, the installation of photovoltaic panels and of an electric boiler.

We have performed an in-depth analysis of our main consumers, establishing indicators and metrics to monitor consumption by process or facility. We have also implemented a predictive energy consumption system, which is configured according to the production mix.

With regard to the calculation of scope 3 emissions, in 2022 we calculated for the first time the scope 3 greenhouse gas emissions for 2021 using the Greenhouse Gas Protocol Quantis calculator (<https://ghgprotocol.org/>) in order to identify the most relevant categories on which we should focus our efforts. Only categories 1 (purchased goods and services) and 5 (waste generated in operations) contribute more than 1% of emissions and are considered relevant. This calculation is based on the expenditure incurred for each of the categories.

KPI	2023	2022	2021 (Quantis)
Category 1: Purchased goods and services	19 410	19 955	46 342*
Category 4: Upstream transportation and distribution	66	79	103
Category 5: Waste generated in operations	1 903	1 758	2 255
Category 6: Business travel	23	42	34
Category 7: Employee commuting	296	286	213
Category 9: Downstream transportation and distribution	83	77	124
Scope 3 GHG emissions (tCO ₂ eq)	21 781	22 192	49 071

(*) Calculated taking into account expenditure on the purchase of goods and services, not only raw materials.

6.2.3 Raw materials

As a manufacturing industry, our environmental impacts are closely related to the raw materials we use. Because we operate in the pharmaceutical industry, we must carefully define our processes, validate them, and ensure we run them as required. This means that we not only guarantee the quality of products but we also control the use of raw materials and other substances, such as solvents, avoiding wastage and reducing the waste generated.

In process development, we apply green chemistry concepts to identify substances with a lower hazard rating.

In the development of our processes, we select the synthetic pathways and substances to be used in order to reduce the impact on human health and safety and the environment.

In line with our sustainability strategy and our Health, Safety and Environment Policy, we manage our raw materials throughout their life cycle, considering:

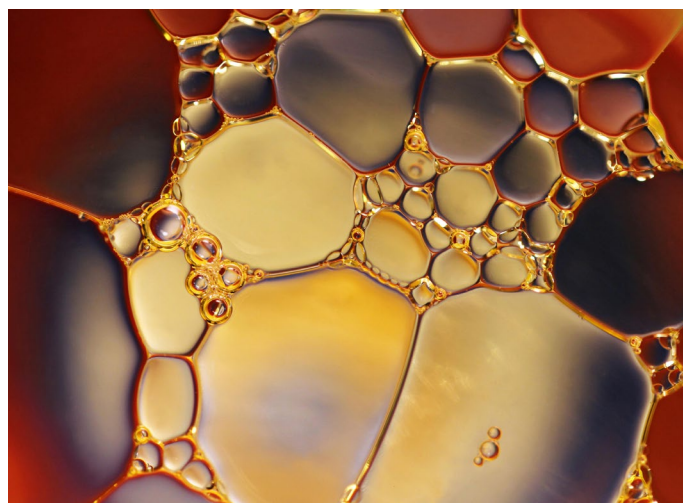
- supplier rating and evaluation
- correct stock management
- good environmental practices in operations
- the proper management of the waste generated

KPI	2023	2022	2021
Consumption of raw materials for production (tonnes)	7 203	8 096	8 719

The group of substances we use most is solvents, which accounted for 68% of the total in 2023. In order to promote the efficient use of raw materials, we have implemented a system for the reuse of various solvents.

To this end, we collaborate with an external management company which distils the solvents in order to purify them to the requisite quality for the manufacture of pharmaceutical compounds. Subsequently, some of these treated solvents are returned to us, allowing us to reuse them in our manufacturing processes.

In 2023, we recovered 3 616 tonnes of solvent externally, representing 74% of the total solvents consumed. Due to the nature of our business, not all processes allow for the use of recovered solvents. As a result, we reused only 33% of the solvents recovered (1 196 tonnes).



6.3 Responsible management of waste, emissions and effluents

As a production centre, we strive to reduce the environmental impact of our activities. We manage waste, emissions and waste water responsibly, implementing measures to minimise their generation and applying appropriate treatments to meet environmental standards before releasing them into the environment.

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We purify waste water, treat air emissions and manage the waste we generate by continuously seeking to reduce our environmental footprint.

To do so, we identify the potential impacts of a process and attempt to minimise them (e.g. by reusing solvents or working at low temperatures to reduce emissions). We then define the technique to be used to treat emissions, waste and waste water, always considering the legal requirements and those imposed in our environmental authorisation.

To ensure proper management, we define operational procedures and train our personnel. Our batch records (BR) and other production and auxiliary process documents include information on how to manage emissions, waste and effluents internally. In addition, we conduct frequent safety and environmental inspections in all areas to ensure they are operating correctly.

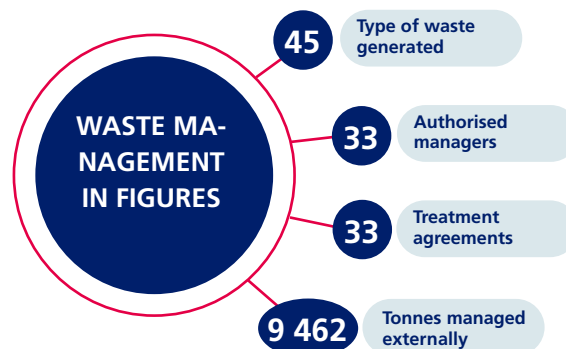
As established by the competent authorities, we undergo external inspections to ensure that the environmental management meets its objectives and complies with the law.

6.3.1 Waste management

As part of our environmental management system, we have procedures for waste management, as well as monitoring indicators and targets for continuous improvement in relation to this vector.

We separate waste by type to facilitate its external management through management companies and transport companies authorised by the Catalan Waste Agency (ARC).

We classify waste according to its hazard nature and destination, and have the appropriate contracts and permits to manage it in compliance with current regulations.



We promote reduction at source, internal reuse, and recycling. Wherever possible, we work with external distillers from which we purchase the recovered solvent. By selecting the treatment route, we give preference to recycling and energy recovery over other options such as stabilisation. Waste is only sent directly to a landfill when legally mandated.

KPI	2023	2022	2021
Waste generated (tonnes), of which...	9 462	9 257	10 967
• Non-hazardous	242	302	288
• Hazardous	9 220	8 955	10 679
Percentage recovered	56 %	56 %	55 %



The following table shows the forms of waste management.

Forms of treatment Hazardous waste	2023	2022	2021
Sub-forms of reuse and recovery			
TOTAL (tonnes), of which...	5 060	4 948	5 789
• Reuse (R0314, R0414)	35,8	27,5	32,1
• Recovery (R0201)	5 021	4 916	5 753
• Reclamation (R0309)	0	1,4	0
• Unknown recovery (R1303, R1302, R1301, R13)	3,6	3,5	2,2
Sub-forms of elimination or disposal			
TOTAL (tonnes), of which...	4 159	4 007	4 891
• Incineration (D1001)	726	542	554
• Physicochemical treatment (D0901)	626	332	575
• Stabilisation (D0902)	1 023	1 417	1 739
• Evaporation (D0905)	1 776	1 711	2 020
• Controlled depositing (D0503)	0	0,7	0,1
• Unknown disposal (D1501)	7,8	4,6	2,5
Forms of treatment Non-hazardous waste	2023	2022	2021
Sub-forms of reuse and recovery			
TOTAL (tonnes), of which...	210	238	218
• Composting (R0301)	0	2,0	0
• Recycling or reclamation (R305, R0306, R0401, R0406, R0503)	95,6	130	96
• Reuse (R0314, R0414)	99,88	86,0	119
• Manufacture of cement (R0504)	0	15,2	0
• Unknown recovery (R1201, R1203, R1205, R1301, R1302, R1303, R13, R8)	14,8	5,2	2,64

Forms of treatment Non-hazardous waste	2023	2022	2021
Sub-forms of elimination or disposal			
TOTAL (tonnes), of which...	32	64	70,3
• Incineration (D1001)	0	0,02	0,04
• Stabilisation (D0902)	1,06	26,3	32,7
• Unknown disposal (D1501, D1301)	31	37,8	37,6

Every year we implement improvement projects to reduce the amount of waste generated or to improve its treatment. For example, in 2023 the installation of the screw filter at the waste water treatment plant allowed us to reduce the amount of sludge sent for stabilisation by 28%.

We continue to identify effluents generated during production that can be managed internally at the waste water treatment plant, enabling us to reduce our environmental impact.

Given the nature of our activity, the application of specific measures with regard to food waste is not relevant.

6.3.2 Waste water management

We have identified waste water management as a material aspect for AGC Pharma Chemicals Europe for two main reasons:

- We generate high-load, variable-composition waste water throughout the year, which means we must closely monitor the operation of the facilities to ensure proper treatment.
- Our treated waters are discharged into the Mediterranean Sea. It is our responsibility to ensure that this discharge does not have a negative impact on the marine ecosystem.

We have a waste water treatment plant (WWTP) where we apply a combination of physicochemical and biological treatments to the water from our production. This approach allows us to effectively remove pollutants and ensure that the treated water meets environmental standards before it is discharged into the environment.

Because we manufacture various combinations of products throughout the year, the waste water generated varies in composition. This variability can affect the efficiency of the biological treatment if not properly controlled. In 2023 we improved the identification of the microorganisms present in the activated sludge, laying the groundwork for the implementation of a predictive bioindication system.

KPI	2023	2022	2021
WWTP inflow (m ³)	38 991	59 066	50 840
COD - WWTP inflow (tonnes)	765	1 012	1 122
Ammonium - WWTP inflow (tonnes)	13	34	41
COD removal rate (%)	99,00	99,19	99,16
Ammonium removal rate (%)	98,57	98,84	99,16
Number of incidents with discharge above the limit	0	0	0

We closely follow regulatory developments regarding the presence of pharmaceutical substances in the environment. We are particularly concerned about the problem of active ingredients in water and, although our environmental authorisation does not include limits on this, our medium-term investment plans include the implementation of technologies to guarantee their non-emission. In 2023, we started the assessment of the impact of the presence of pharmaceutical substances in the marine environment due to our discharge.

At the end of 2023, an electrocoagulation and flotation system was installed in our waste water treatment plant, replacing the existing physicochemical treatment prior to the biological reactor. This system will allow us to remove complex molecules, increase the biodegradability of the water, remove heavy metals and fluoride. We expect to see the first results in 2024.

6.3.3 Air emissions

Our activities generate air emissions that can be diffuse or channelled. Our goal is to reduce diffuse emissions wherever possible; for example, in recent years we have equipped all laboratory hoods with activated carbon filters and installed vacuum pressure valves in the most critical tanks.

We have a range of decentralised channelled emission processing equipment, such as gas scrubbers, carbon filters and a thermal oxidation plant where flows containing significant concentrations of volatile organic compounds are treated in a decentralised manner.



AGC Pharma Chemicals Europe complies with the legal requirements applicable to emissions, performing atmospheric controls and source measurements to ensure that it does not exceed emission limits. Each year, we also report the solvent balance in accordance with volatile organic compound emissions regulations

KPI	2023	2022	2021
Emissions of volatile organic contaminants (VOCs) (t) (*)	226,9	208,3	271,9
Emission of volatile organic contaminants (VOCs) (%) (**)	6,0	5,4	6,6
Emissions of nitrogen oxides (NOx) (kg) (***)	1 775	1 807	1 768
Emissions of sulphur oxides (SOx) (kg) (***)	188	299	17
Emissions of particulate matter (PM) (kg) (***)	6,6	10,5	0,6

Note:

(*) The amount of VOC emissions includes channelled and diffuse emissions.

(**) The amount reported is the result of the solvent balance.

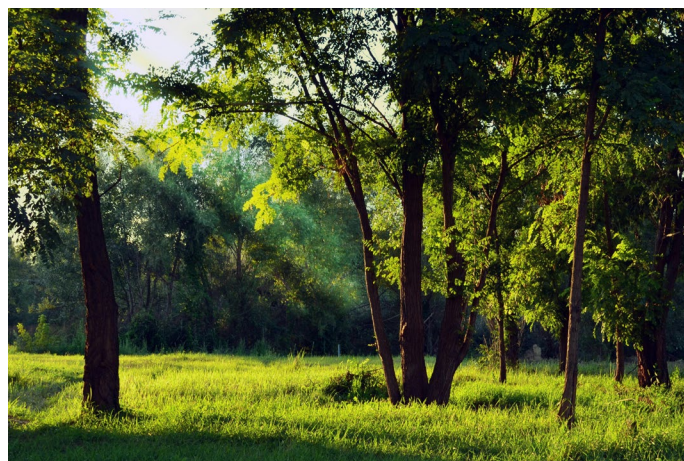
(***) The amount reported is calculated based on fuel consumption using the emission factors of the State Pollutant Release and Transfer Register (PRTR).

2023 saw an 8% increase in volatile organic contaminant (VOC) emissions compared with 2022.

Every year we prepare the solvent balance, and the results obtained show that our emissions of volatile organic compounds are well below the 15% limit established in the current environmental authorisation.

Emissions of nitrogen oxides, sulphur oxides and particulate matter have fallen due to the decrease in diesel use this year.

Moreover, we take preventive measures to minimise our noise and light impact and we carry out regular inspections as required by the plant's environmental authorisation. We also take these vectors into account in new projects.



6.4 Protection of biodiversity

Our facilities are not located in protected areas or in areas of high biodiversity value. However, our manufacturing plant is located on the Maresme coast, and close to protected natural areas that are part of both the Natura 2000 network and the Plan of Natural Areas of Interest of Catalonia, such as the mouth of the Tordera River.



Given our location, we are particularly concerned about the marine ecosystem, and we make every effort to ensure that our activities do not affect it.

Due to our coastal location, we devote our efforts in the field of biodiversity primarily to ensuring that the marine ecosystem is not affected by our activities.

We have the relevant permits (public domain occupancy and discharge permit) to be able to send our waste water, once treated, into the Mediterranean Sea. Our underwater outlet pipe is 650 metres long and discharges at a depth of 20 metres.

Each year we carry out the Monitoring and Control Programme (MCP) on the outlet pipe, which includes filming of the facility to make sure it has not been damaged and analyses of water samples, sediments and organisms to verify that the properties of the water comply with the discharge limits and that the ecosystem has not been affected by the discharge.

In view of the results of the MPCs of recent years, as expressed in the following table, it can be concluded that the discharge has generated no significant changes and that it is compatible with the marine environment.

KPI	2023	2022	2021
Specific richness	15	18	15
Density (individuals/m ²)	875	1 050	1 700
Specific diversity	2,4	2,6	2,06
Evenness	0,89	0,96	0,78

The Environmental Committee of the Department of Climate Action, Food, and Rural Agenda of the Regional Government of Catalonia approved the proposed resolution with an environmental impact statement of our material change dossier submitted in 2021. The final resolution was obtained in 2023.

The environmental impact assessment describes the biotic environment of the area where AGC Pharma Chemicals Europe is located. Among the plant species are those that are typical of riverbanks and wetlands such as poplar, ash, elm, willow, black poplar, etc. Wildlife includes birds, seagulls, swallows, swifts, and pigeons; amphibians and reptiles include frogs and lizards; while mammals include domestic cats, mice, and bats.

We have water and emission treatment facilities to ensure compliance with the emission limits established in our environmental authorisation. This ensures that our impacts are compatible with our environment.



6.5 Protection of soil and groundwater



To safeguard the Baja Tordera aquifer, on which not only AGC Pharma Chemicals Europe, but also a thriving water user association, several municipalities and other companies depend, we have carried out a series of studies since 2000 on the quality of the soil and groundwater at our site.

These studies include the preliminary soil report in 2007, the soil status report in 2017 and the supplementary status report in 2018, all of which were submitted to the relevant authorities.

In 2019, we implemented a project to prevent soil and groundwater contamination by identifying and eliminating critical points such as underground pipes and manholes. In addition, we ensure that all chemicals are stored in designated and properly protected areas to avoid any possibility of contamination.

We carry out periodic inspections by filming underground pipes and manholes to ensure they are intact and working correctly.

Following the soil status report, the authorities requested regular monitoring, as well as an evaluation of various soil and groundwater restoration techniques.

We are currently in the pilot phase of the selected techniques, which include bioremediation, pressurised air injection, volatilisation and activated carbon filtration of volatile organic compounds. The aim is to start the large-scale remediation project in 2025 at the earliest.

7. Commitment to people

AGC has set down seven basic principles when it comes to managing its human capital. On the one hand, these meet the needs of the Group's personnel and, on the other, help maximise our performance in a globalised world. These principles are:

- **Values:** Everybody making up the team at AGC Pharma Chemicals Europe must be aware of and committed to our values, namely: Customer Orientation, Challenge, Operational Excellence, Team Excellence, Flexibility and Innovation.
- **Diversity:** We foster diversity and inclusion as essential elements to ensure the competitiveness of companies in today's world.
- **Development and growth:** We encourage people to grow and provide opportunities for personal development.
- **Job satisfaction and pride:** We encourage collaborators to attain their goals, instilling in them a sense of pride and satisfaction in their work.
- **Working conditions and environment:** We provide a safe and healthy workplace.
- **Communication:** We foster open communication to improve the climate within the organisation.
- **Evaluation and recognition:** We evaluate people's performance, acknowledge their contribution to improving our results and reward their dedication.

We ensure these values become an everyday reality at AGC Pharma Chemicals Europe thanks to initiatives undertaken since 2019 aimed at changing our corporate culture. That same year, we decided to take another look at our company culture and define the corporate model we wanted to achieve. The main initiatives undertaken are as follows:

- Selection and Onboarding
- Communication Plan
- Empowerment Project
- Project FLOW (performance evaluation)
- AGC Local Awards (APCE Ideas and Values)
- Defining the leadership model
- Leadership development plan (leadership school)
- Professional development plan

All these initiatives have enabled us to align our team with our constructive and proactive culture, something we have dubbed Blue Culture.

7.1 Labour and human rights

We are aware of the importance of upholding the human rights enshrined in both domestic and international legislation, in accordance with the principles and guidelines of the United Nations, the International Bill of Human Rights, and the principles set out in the International Labour Organization Declaration.

Respect for people, diversity and their rights are all central to our behaviour and defined in our Charter of Corporate Behaviour (<https://www.agc.com/en/sustainability/criteria/index.html>), which contains the following principles.

- The AGC Group will respect human rights and will operate its business with due regard for the cultures and customs of each country and region in the world.
- The AGC Group will respect people's diverse capabilities and personal dignity and will create fair and open environments at its workplaces without discrimination based on race, ethnicity, religion, nationality, gender,

disability, or any other legally protected group.

- The AGC Group will not engage in forced labour or child labour and will not tolerate infringements of human rights.

In the performance of our activities, we respect human rights, the rights of children and workers' rights.

Our Code of Conduct, available at https://www.agcpharmachemicals.com/wp-content/uploads/2021/09/active_jp_english.pdf, also highlights respect for people as a core principle for the behaviour of our personnel. There are four aspects to this respect:

- We respect and value diversity.
- We do not tolerate physical violence or harassment of any kind.
- We are not involved in any forced labour or child exploitation.
- We protect the confidential personal information of the entire workforce.

As reflected in our Internal Human and Labour Rights Policy, at AGC Pharma Chemicals Europe we are committed to fostering and protecting human and labour rights across all our operations and stakeholder relations. We recognise the fundamental importance of human rights and we are committed to acting in an ethical, responsible and sustainable manner in all our commercial activities.

This policy has been cascaded down to all AGC Pharma Chemicals Europe personnel.

7.1.1 Diversity and inclusion

Diversity is one of the shared values at AGC. We are keenly aware at AGC Pharma Chemicals that diversity is an aspect that enriches our teams, which is the fundamental reason why we strive to enhance it. We have also begun to map diversity, grouping together people into different categories on the basis of the following attributes:

- Gender
- Age
- Length of service
- Geographical origin
- Professional group
- Level of education
- Disabilities

We have celebrated LGTBQ+ Pride Day since 2022 in order to show that, as a company, we firmly believe that everybody is equally valuable and should enjoy the same rights. The 2023 campaign featured the same #OrgullosasDeTi (#ProudOfYou) hashtag used in 2022, under the slogan "it's not about being the same, but about learning to respect the differences".



7.1.2 Equality

Our first Equality Plan was signed in 2018, while the second four-year Equality Plan was agreed in 2023. The plan contains a series of measures aimed at **achieving equal treatment and opportunities** between women and men **and the elimination of any sex-based discrimination** at the company. In particular, focal point 7 of the plan involves harassment and discrimination, as well as working conditions. The following measures are worth highlighting:

- We have a harassment protocol, as well as people trained in this area to respond to any situations.
- The harassment protocol has been communicated internally to all staff, is available on AGC Connect (see section 8.2) and is included in our Onboarding Manual.

- We take into account the different needs of women and men when it comes to designing their job roles. Workplaces are adapted for pregnant or nursing employees.
- We take forthright action to reject gender-based violence, including the recognition of the rights of working women who are victims of gender violence.

To see this plan through, we have established an equality committee at AGC Pharma Chemicals Europe that is tasked with assessing and monitoring the defined actions.

This committee meets every two months and is made up of two people representing the Workers' Committee and two individuals representing company management.

Various equality-focused training sessions were delivered in 2023; six sessions aimed at men under the banner "Men and the equality challenge" (136 participants), one for the Steering Committee (12 participants) and one for middle management that sought to integrate gender perspective in every department, as well as in personnel selection processes (16 participants).

7.1.3 Harassment

AGC Pharma Chemicals Europe does not tolerate any harassment, whoever it may come from, for whatever reason, and regardless of its type (physical, verbal or written).

We consider workplace harassment to include any ongoing or persistent offensive, humiliating and hurtful action against an employee in the workplace. We act in the same manner in cases of peer-to-peer harassment or top-down or bottom-up harassment (between a person in charge and those supervised by them).

We have established a protocol to manage workplace harassment and deal with cases of bullying. We investigate all reported cases, ensuring the confidentiality of the individuals involved, and establishing preventive and corrective measures (including sanctions). The protocol is known to all collaborators.

We also have a protocol in place to prevent and handle sexual or gender-based harassment. The protocol's aim is to address any behaviour, either verbal or physical, of a sexual nature or due to a person's gender, which has the purpose or effect of violating a person's dignity, especially

if it creates an intimidating, degrading or offensive environment. The objective of this protocol is to raise awareness among all collaborators and provide information and guidance in order to learn and understand what sexual and gender-based harassment is, how to prevent it, and how to establish effective protection and responses within the company.

The sexual or gender-based harassment prevention and handling protocol was revised in 2023 by the Equality Plan Monitoring Committee. The individuals charged with investigating harassment claims are those making up the Equality Plan Monitoring Committee (two men and two women).

7.1.4 Labour relations

We are committed at AGC Pharma Chemicals Europe to ensuring healthy labour relations with employees' representatives. This commitment is reflected in the company's labour relations policy, which sets out the rights and powers of the Workers' Committee, the body representing our employees. Trade union elections were held in June 2023.

Our Workers' Committee is made up of 13 people (two women and 11 men), some of whom are also members of other joint committees, together with the company's representatives. These committees are:

- Health and Safety Committee. This committee is made up of three prevention officers, one of whom also acts as the environmental officer, and three people representing the company, specifically the Environmental, Health and Safety Director, the Production, Operations and Logistic Director and the Technical Department Director. Of the six committee members, one is a woman.
- The Equality Plan Monitoring Committee, made up of two employee representatives, an HR technician and the Director of Human Resources. Of the four members of the committee, two are women and two are men.
- The Training Committee, made up of two employee representatives, one HR technician and the Director of Human Resources. Of the four members of the committee, two are women.

We hold regular meetings with the legal representatives of our employees and with the other committees.

We hold quarterly meetings with the Workers' Committee in which we discuss different aspects of our everyday business and reach agreements in certain areas, such as the schedule or other working conditions. We also hold ad-hoc meetings when required by issues on which we work together.

We also convene the Workers' Committee on a quarterly basis to report on our performance and to provide data on sales, production, operating profit, hiring and absenteeism.

Our entire workforce is covered by collective bargaining agreements. The following was agreed over the course of 2023:

- Salary policy for new hires pertaining to professional groups three and four.
- Nightshift agreement: The agreement affects employees on rotating morning, day and night shifts and enables nightshift workers aged 55 or over to request an opt-out of their nighttime working.
- Availability agreement for personnel in the IPC area. It regulates working conditions in order to extend the operating hours of the process control laboratory to cover the temporary or one-off requirements of new projects.

7.1.5 Forced labour and child exploitation

We have a formal policy of zero tolerance for child and forced labour to ensure compliance with Spanish and European legislation and international agreements on the prohibition of labour of this nature, in particular the precepts set out in the Convention on the Rights of the Child, in the United Nations International Bill of Human Rights, and in the standards set by the International Labour Organization on child labour.

This policy also compels us to encourage our business partners to respect human rights and ensure that subcontractors and suppliers are also committed to the eradication of child or forced labour.

7.2 People management

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Our corporate culture encourages the personal and professional development of employees, supporting teamwork while acknowledging individual contributions.

The main value of our company is the people who form it. We are concerned about their personal and professional development, as well as their physical and mental well-being. We work to create a safe and healthy work environment in which people feel valued and motivated to do their best. To this end:

- We establish training plans to ensure our personnel have the technical knowledge and social skills necessary to do their jobs properly.
- For many jobs, we define annual targets together with employees and regularly conduct performance appraisal processes. In 2023, 102 people (30.08% of employees) underwent this appraisal process.
- We have recognition systems in place.
- We regularly conduct workplace climate surveys and psychosocial risk assessments.

The table below reflects the results of the climate survey over the past three years:

KPI	2023	2022	2021
Engagement	64 %	62 %	63 %
Enablement	61 %	58 %	62 %
Participation rate	87 %	73 %	86 %

- We seek to create interdepartmental areas to give people the chance to get to know and appreciate one another.
- We are committed to teamwork.
- We encourage employee participation in our continuous improvement processes.

- We collaborate with workers' representatives.
- We facilitate the striking of a work-life balance and provide employee benefits.

7.2.1 People: our best asset

By the end of 2023, AGC Pharma Chemicals Europe was made up of a total of 339 people, five more than the previous year, representing a 1% increase. These figures do not take into account people from other group companies who are on secondment, as they are not included in our payroll system.

All of our personnel work at the Malgrat de Mar plant. 33.04% of the workforce took advantage of a hybrid working model, and were able to work remotely for one to four days a week.

The tables and graphs included below provide details of the workforce over the last three years, broken down by gender, age and professional group.

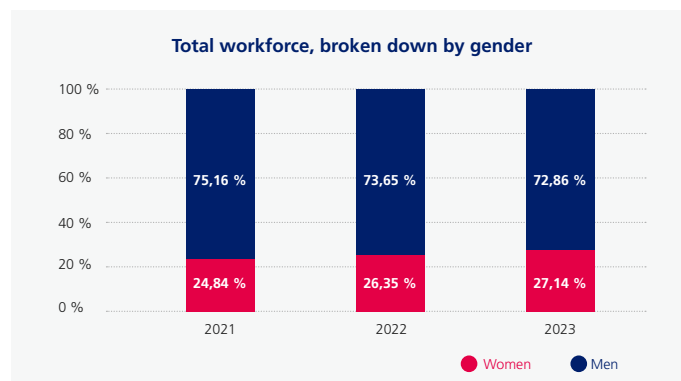


The following table shows the workforce at 31 December by gender.

KPI*	2023	2022	2021
Total number of employees, broken down by gender	339*	334	318
Women	92	88	79
Men	247	246	239

(*) Not including expatriate personnel.

Since 2018, our recruitment policies have stated that, under equal conditions, women should be given preference. We have therefore gradually increased the presence of women in the workforce. Since 2021, the percentage of women in the total workforce has increased by almost 2.30 percentage points, from 24.84% to 27.14%.

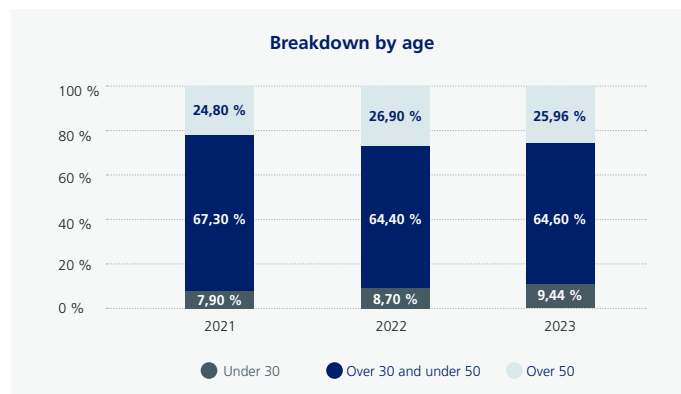


A breakdown of the workforce by age at 31 December is shown below:

KPI	2023	2022	2021
Total number of collaborators, broken down by age	339	334	318
Under 30	32	29	25
Over 30 and under 50	219	215	214
Over 50	88	90	79

The average age of the workforce at the end of 2023 stood at 44.78, falling below the average age at the end of the previous year, which was 44.87.

Our human resources policies, wage levels and the job security offered by a sector like ours mean that the turnover rate at AGC Pharma Chemicals Europe is low and average seniority high. At the end of 2023, it stood at 15.07 years.



66% of our personnel have been with our company for more than ten years.

In 2023 six people celebrated their tenth year with us, while 16 employees celebrated their 25-year work anniversary at AGC Pharma Chemicals Europe.

The following table provides a breakdown of the workforce by position at the end of 2023:

KPI	2023	2022	2021
Total number of collaborators, broken down by position	339	334	318
Administrative assistants	17	21	19
Operators and analysts	175	176	179
Technicians	73	90	79
Middle management	43	44	42
Management	31	29	27

In the above groups, women only predominate in the group of administrative assistants, of whom 71% are women. There is a greater male presence in all other groups, reaching 82% in the case of operators and analysts.

In terms of age, in all groups most people are aged between 30 and 50, the exception being middle management, most of whom are over the age of 50.



Of our management positions, 32% are women, 40% are over the age of 50 and 60% are between the ages of 30 and 50.

Job stability is a value within our personnel policies. This is why, in recent years, more than 98% of new recruits have been hired on a permanent basis.

KPI	2023	2022	2021
Number of contracts (annual average)	342	328	315
Number of permanent contracts	333	312	293
Number of temporary contracts, broken down by gender	6	16	22
Women	2	90	79
Men	4	44	42
Number of temporary contracts, broken down by position	6	29	27
Administrative assistants	0	2	2
Operators and analysts	3	12	16
Technicians	3	1	4
Percentage of temporary contracts	1,77 %	4,87 %	6,98 %

Providing certainty about the present and future of work increases the degree of satisfaction of those forming part of our team and enables us to project better management of internal talent to improve both our company and our results.

Of all our hires, only two (<1%) have been part-time in the past three years. The two hires were women (one administrative assistant and one operator), aged between 30 and 50 in 2023.

A total of 23 people left the company in 2023, seven of whom (30.43%) were women. The reasons for their resignation are provided below.

KPI	2023	2022	2021
Number of resignations, broken down by gender	23	10	9
Women	7	2	7
Men	16	8	2
Number of resignations, broken down by reason	23	10	9
Dismissal on objective grounds	1	1	-
Disciplinary dismissal	2	1	2
Voluntary redundancy	5	5	4
Exhaustion of temporary medical leave period	4	1	1
Failure to successfully complete the trial period	1	-	-
End of contract	4	2	3
Retirement	5	-	-
Leave of absence	1	-	-

7.2.2 New additions

We work to attract talent and endeavour to find the best candidate for all vacancies, irrespective of gender, race, origin or status. The prevailing criterion is full equality, valuing professional background and skills, regardless of other factors. Under equal conditions, we favour the recruitment of women and people with disabilities compatible with the risks of the job.

In 2023, we hired 28 new people, classified according to their age, position, gender, type of contract and working hours, in line with the following table:

KPI	2023	2022	2021
Number of new hires, broken down by position	28	25	22
Administrative assistants	1	4	1
Operators and analysts	11	5	12
Technicians	12	13	7
Middle management	0	2	1
Management	4	1	1
Number of new hires, broken down by gender	28	25	22
Women	10	11	7
Men	18	14	15
Number of new hires, broken down by age	28	25	22
Under 30	8	11	11
Between 30 and 50	20	13	11
Over 50	0	1	0
Number of new hires, broken down by type of contract	28	25	22
Temporary contract	7	8	15
Permanent contract	21	17	7
Number of new hires, broken down by working hours	28	25	22
Part-time	1	1	0
Full-time	27	24	22

Of the 28 new hires, ten (35.71%) were women (one administrative assistant, one operator, one analyst, six technicians and one middle manager).

We have an onboarding procedure which sets out the activities to be carried out to accommodate new personnel

and the people involved in the onboarding process. Within the defined roles, we highlight the figure of the Aibou (friend/colleague), who accompanies new recruits during their first two months at the company. Follow-up interviews are also held during the first and second months among HR/Manager/Aibou. Three months after joining the company, the new recruit is given feedback from their supervisor. After six months, HR invites the new recruit to a follow-up interview and, after 12 months, this interview is conducted with the HR Department.

In 2023, 21 of the 28 new hires were accompanied by this figure during their initial months at the company. Four people did not have this support as they joined after an internship period of more than six months, one person had been employed through a temporary employment agency for more than six months, one person had previously been employed by AGC Pharma Chemicals for more than six months and one person rejoined the company following the termination of their contract due to temporary medical leave.

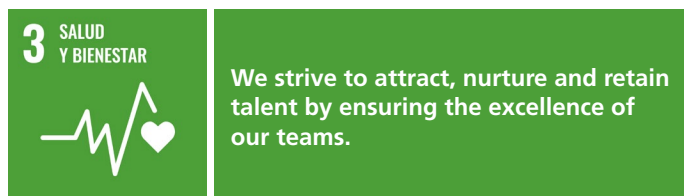
Culture and Strategy sessions are held every six months to explain our vision, mission, values and strategic objectives to new recruits.

84% of those who joined in 2022 were still with the company at 31 December 2023. This ratio stood at 91% in 2022 and 71% in 2021. These data include both temporary and permanent contracts.

KPI	2023	2022	2021
Percentage of people hired during the previous year who remained at the company at 31 December	84 %	91 %	71 %

7.2.3 Talent management

We recognise people as a cornerstone of our company's growth. AGC Pharma Chemicals Europe strives to promote a working environment that looks after and fosters the well-being of people.



By applying high standards of excellence and promoting teamwork at all times, we succeed in creating a positive, inclusive, respectful and diverse work environment in which all opinions count.

We not only promote corporate values to be shared by our collaborators, but we also seek to create a space that promotes the personal and professional growth and development of all members of our team.

7.2.3.1 Talent attraction and loyalty

We work with different universities and vocational training schools under internship agreements and through DUAL training programmes to equip students with practical knowledge.

Seven people (four men and three women) participated in DUAL training programmes in 2023. Four of them joined the company after completing an internship, while the rest will continue their training hours in 2024.

In addition, four university students (one woman and three men) and two vocational training students (one woman and one man) completed internships at our company in 2023.

We work in an environment of continuous, innovative and positive learning that enables our teams to achieve excellence.

We have internal promotion policies in place to ensure the personal and professional development of our collaborators. We also favour rotation between different jobs.

The table below shows that there were six internal promotions in 2023, 33% of which were awarded to women, compared to 17 in 2022 and four in 2021. As regards rotation, seven employees were assigned to other roles in 2023, compared to nine in 2022 and two in 2021.

KPI	2023	2022	2021
Number of promotions	6	17	4
Women	2	4	2
Men	4	13	2
Number of rotations	7	9	2
Women	4	3	0
Men	3	6	2

We should highlight the launch in March 2022 of our Leadership School, which aims to promote the development of the people who lead our teams so that they can become the lever of change required by the Cultural Transformation process we began in 2019. A total of 80 people are participating in this initiative, which will end in March 2025.



7.2.3.2 Training

We are in a highly competitive and constantly changing sector. We continue to train our personnel to give them the skills and knowledge required for their professional development, enabling them to achieve excellence.

We create opportunities to develop and improve skills and abilities. To this end, we delivered 17 456 hours of training in 2023, 1% less than in 2022. This accounts for an average of almost 51.49 hours of training per employee, compared to 53 hours in the previous year.

KPI	2023	2022	2021
Number of training hours, broken down by position			
Administrative assistants	324	431	3483
Operators and analysts	9 393	9 043	6 147
Technicians	4 229	4 021	1 993
Middle management	1.993	2 540	1 995
Management	1 514	1 625	320
Hours of training per collaborator (h)	51,5	52,9	43,6

AGC Pharma Chemicals Europe adopts biennial training plans that set out the training to be carried out according to the needs of the different areas. The training plan includes training activities in the field of safety and the environment, among others. This training plan may be modified in accordance with the different needs arising over the course of its duration. This is agreed by the training committee, which includes the legal representative of our employees, as well as representatives from the different areas of our company, and is approved by our CEO.

We also offer the possibility of individual training activities on any subjects or topics that the applicant and their manager consider appropriate for the purpose of improving their professional development. 17 personalised training activities were implemented in 2023.

In 2022, we launched two programmes that will last for several years. On one hand, we set up the leadership school for team leaders and, on the other, we organised a more

operational kind of training for production area personnel, the total duration of which is 80 hours.

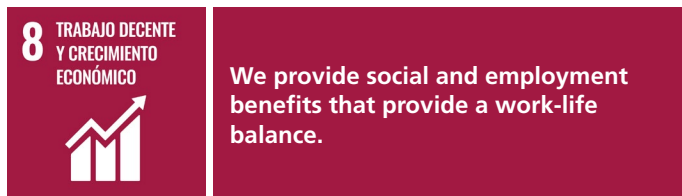
Only by having properly trained and educated personnel can we ensure that our performance in terms of sustainability is as expected. Therefore, a significant portion of the training hours in recent years was devoted to health and safety issues (including emergency response) as well as environmental protection issues.

KPI	2023	2022	2021
Hours of EHS training, broken down by type			
Health and safety training	3 426	3 249	3 729
Environmental training	550	141	176
Hours of EHS training per collaborator	11,7	10,1	12,3



7.2.4 Work-life balance

We are concerned about the well-being of collaborators and recognise the importance of implementing measures to enable a work-life balance in order to reduce the risk of double burden and the associated stress.



We work 8 hours a day. The maximum number of working hours per year is stipulated by the collective bargaining agreement for the chemical industry at 1,752 hours. At AGC Pharma Chemicals we work around the clock, 24 hours a day and seven days a week, with two maintenance stops, one in the summer and the other at year end. Work schedules are usually agreed with employee representatives.

47.19% of staff work continuous shifts (Monday to Sunday, six days on and three days off). The rest of the personnel have flexible working hours, with the possibility of adapting their start and finish times to their work-life balance needs. This schedule enables workers to accumulate hours at times of peak workload during the week or year, which they can then take back at other times. In addition to the 21 days of annual leave under the collective bargaining agreement, personnel with flexible working hours may take an additional four days in lieu of accumulated hours and as many half-days as their balance of hours and the workload allow.

The flexible schedule stipulates two time slots when presence is mandatory, from 9:30 am to 12:30 pm and from 3:00 pm to 4:30 pm, with the earliest possible start time being 7:30 am and a latest finish time 8:00 pm.

KPI	2023	2022	2021
Total number of contracts, of which...	339	334	318
Number of people with flexible working hours, of whom by gender...	179	191	159
Women	71	69	61
Men	108	122	98
Number of people working continuous shifts, of whom by gender...	160	138	155
Women	21	19	18
Men	139	119	137
Number of people on special schedules for work reasons (*), of whom by gender...	5	5	5
Women	0	0	0
Men	5	5	5

(*) Logistics staff (Monday to Friday on morning or afternoon shift) or mechanical supervision staff (weekends)..

Labour law and the collective bargaining agreement provide for different types of leave that AGC Pharma Chemicals Europe has wholly incorporated into its labour practices, such as:

- 15 days for own marriage or forming a civil partnership.
- 1 day for marriage of children, parents or siblings.
- 1 day for a house move.
- 5 days for hospitalisation, surgery with rest, accident or death of relatives up to second degree.
- Leave to exercise the right to vote.
- Leave to sit official exams.
- Leave to go to a doctor's appointment or to accompany first-degree relatives who are minors or in need of support.
- Co-parenting leave.

The table below provides data on employees who availed of co-parenting leave (maternity/paternity) in 2023:

KPI	2023	2022	2021
Number of people who availed of leave, of whom by gender...	4	5	7
Women	0	1	1
Men	4	4	6

Of those who took such leave in 2022 and 2021, 100% returned to work after their leave and were still with the company 12 months later.

People who, for reasons of legal guardianship, have in their care minors up to the age of 12 or persons with disabilities who are not gainfully employed, and victims of gender-based violence, may avail of a shorter working week. Upon request, and workload permitting, people on a shorter working week may also set their work schedule.

Moreover, employees may request a leave of absence to care for minors or dependent relatives for a period of no more than three years.

KPI	2023	2022	2021
Number of people on a shorter working week, of whom by gender...	25	30	25
Women	11	16	12
Men	14	14	13
Number of people on leave, of whom by gender...	2	1	0
Women	1	0	0
Men	1	1	0
Number of people on leave of absence to care for minors or dependent relatives...	0	0	0

In 2021 we drew up a remote working policy together with the employee representatives, to regulate the force majeure situation arising from the pandemic. At 31 December 2023, 112 people had taken up this policy and were working under a hybrid model, with between 1 and 4 days outside the workplace.

KPI	2023	2022	2021
Number of people working remotely, of whom by gender...	112	106	87
Women	43	35	34
Men	69	71	53

In 2022, we reached an agreement with employee representatives regarding a digital disconnection policy to guarantee employees the right to a satisfactory work-life balance, particularly those choosing to work remotely, so as to avoid work-time/rest-time volatility, the sensation of being always available, and the fatigue generated by the feeling of working long hours.

To this end, we do not take into account unanswered emails and calls outside flexible working hours. Notwithstanding this policy, any exceptional, urgent or unforeseen situations may require the involvement of various people outside their normal working hours.

To ensure a rapid response in the event of a facilities failure where there is no night-time presence (e.g. the waste water treatment plant) or in the event of an emergency, we have various reserve teams on standby. Individuals involved in the reserve teams receive monetary compensation in consideration of their availability beyond their normal working hours.

7.2.5 Employee benefits

Employee benefits attract and retain personnel because they enhance the salary package and also help collaborators to improve their work-life balance.

At AGC Pharma Chemicals Europe we offer a range of employee benefits to the workforce as a whole, including:

- Maternity benefits
- School subsidies
- Life and accident insurance
- Children's camps
- Social club
- Loyalty rewards
- Loans and advances
- Subsidised vending
- Christmas hamper (or its value in a gift card)
- Discount programme
- Flexible remuneration scheme (training, health insurance, childcare vouchers and travelcards)

In addition to the benefits listed, personnel working flexible hours, whether full time or on a shorter working week for family reasons, receive a credit card loaded with Euros 11 to use as a meal voucher each working day.

To foster good health, AGC Pharma Chemicals Europe has an in-company medical service and rolls out various health promotion campaigns (e.g. the gynaecology campaign that has been running for several years now, and for the first time in 2022, the urology campaign for the over-50s). The company also negotiates group health insurance for collaborators, their partners and descendants. The cost of the policy is paid in full by the collaborator, but it is paid out of their gross salary, with the consequent tax benefit.



7.2.6 Absenteeism

Absenteeism has a significant impact on our ability to operate efficiently and sustainably. It is a matter we are proactively addressing, while recognising that the health and well-being of our employees is critical to the long-term success of our company.

Work absences may be for a variety of reasons, including illness or injury.

We have implemented the following measures with a view to reducing absenteeism:

- Presence of a trained nurse for 40 hours per week and a doctor for 16 hours per week.
- Programmes to promote healthy lifestyles, disease prevention and stress reduction.

Nevertheless, in 2023 and 2022 we failed to maintain the downward trend observed in 2021

KPI	2023	2022	2021
Absenteeism hours	42.269	38.962	33.894
Absenteeism rate	7,00%	6,44%	5,63%

Note: Absenteeism calculated in accordance with Article 36 of the 20th General Collective Bargaining Agreement for the Chemical Industry.

The absenteeism rate is calculated by dividing the number of absenteeism hours due to common contingencies for the entire workforce by the number of theoretical hours multiplied by 100.

The increase in 2023 is due to cases of long-term sick leave, which increased the average sick leave from 15 days in 2022 to 27 days in 2023.

7.2.7 Remuneration

Our salary policy is set out in the 20th General Collective Bargaining Agreement for the Chemical Industry, which stipulates, with regard to salary structure, that personnel remuneration shall comprise the base salary and supplements.

In addition to the salary structure, the aforementioned Agreement regulates the salary of new recruits, workers from temporary employment agencies, the guaranteed salary in the event of promotion, and the guaranteed minimum wage, among others.

Details of the average salaries of our personnel by gender, job and age, taking into account only the annual gross fixed salary, are presented below.

KPI	2023	2022	2021
Average personnel remuneration, by gender...	44 152 €	42 874 €	41 642 €
Women	45 885 €	45 005 €	44 186 €
Men	43 518 €	42 112 €	40 801 €
Average personnel remuneration, by job...	44 152 €	42 874 €	41 642 €
Administrative assistants	38 268 €	35 702 €	37 623 €
Operators and analysts	35 632 €	35 157 €	34 329 €
Technicians	44 330 €	43 999 €	43 132 €
Middle management	49 338 €	48 111 €	48 016 €
Management	87 869 €	84 476 €	80 224 €
Average personnel remuneration, by age...	44 152 €	42 874 €	41 642 €
Under 30	31 780 €	30 433 €	27 346 €
Between 30 and 50	42 916 €	42 132 €	41 358 €
Over 50	51 727 €	48 656 €	46 937 €

At AGC Pharma Chemicals Europe, we are committed to equality and our salary policy likewise favours equality; we make no pay distinctions on the basis of gender. We calculate the company pay gap on the basis of the gross hourly wage.

KPI	2023	2022	2021
Gross hourly wage for women (€)	26,17 €	25,69 €	25,22 €
Gross hourly wage for men (€)	24,84 €	24,04 €	23,34 €
Pay gap	- 5,37%	- 6,87%	-8,05%

On average, women at the company earned 5.37% more than men in 2023.

Comparing salaries of women and men by job, in only a few cases (administrative assistants and technicians) do men earn more than women. In the operators and analysts positions, men are paid only 0.80% more than women. In all other cases, women were paid more, and the gross salary of women in the middle management group exceeded that of their male colleagues by more than 8%.

KPI	2023	2022	2021
Pay gap, by job...			
Administrative assistants	6,25%	3,53%	1,49%
Operators and analysts	0,80%	-2,91%	1,69%
Technicians	8,01%	3,51%	2,17%
Middle management	-8,48%	-9,40%	-6,12%
Management	-12,29%	-4,37%	-1,21%

7.2.8 Executive remuneration

The company's management personnel received the following annual gross salaries by gender.

KPI	2023	2022	2021
Average remuneration of management, by gender...	87 869 €	84 476 €	80 223 €
Women	94 906 €	86 857 €	80 831 €
Men	84 518 €	83 223 €	79 866 €

In addition, they received a bonus for meeting targets (both personal and corporate).

KPI	2023	2022	2021
Average bonus to management (€), by gender...	13 886 €	12 453 €	8 402 €
Women	14 857 €	13 465 €	7 960 €
Men	13 423 €	11 920 €	8 696 €

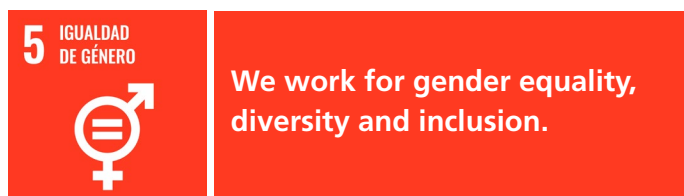
The increase in the 2022 bonus is due to the adjustment to match the market, our sector, and the good results achieved by the company in 2021.

AGC Pharma Chemicals Europe also has a Pension Plan, which is regulated by Additional Provision One of Royal Legislative Decree 1/2002 of 29 November 2002 approving the Revised Law on Pension Plans and Funds. This Plan was implemented on 1 April 1999 to provide the persons included therein and their relatives with certain independent benefits compatible with those of the Spanish Social Security.

At 31 December 2023, a total of 26 people were included in the Pension Plan.

KPI	2023	2022	2021
Average Management Pension Plan (€), by gender...	5 784 €	5 299 €	3 992 €
Women	7 025 €	6 103 €	4 579 €
Men	5 127 €	4 897 €	3 699 €

7.3 Equality and non-discrimination



7.3.1 Gender equality

At AGC Pharma Chemicals Europe, we are committed to equal opportunities. We value all people equally in terms of rights and obligations in the social context in which they live, work and act.

Diversity and equal opportunities are important to our company. We therefore take care to incorporate these messages and implement them fairly and correctly, taking the necessary measures and using the appropriate mechanisms.

Our first Equality Plan was signed in 2018, while the second was signed in 2023 for a period of four years. This plan sets out the objectives and actions needed to provide fully equal

opportunities and to raise awareness of these issues among personnel and the society around us.

We have also prepared a selection guide, which includes the guidelines to be followed to avoid any discrimination during the selection process. Aware of the impact we can have on our society, this guide seeks to streamline and improve personnel selection, without falling into the cultural and social prejudices that negatively discriminate selection processes.

At the end of 2023, the percentage of female employees in our company stood at 27%, reflecting a consolidation of the proportion of jobs held by women. Of the new hires in technical positions in 2023, 50% were women (six women). Meanwhile, all new hires in administrative positions were women (one woman), whereas 18.8% of operator and analyst positions were filled by women.

The company aims to increase the presence of women in its workforce by three percentage points by 2026, bringing the ratio up to 30%.

It should be noted that for operator positions, the number of male candidates in the selection processes is higher than the number of female candidates (80% men vs 20% women). 25% of new hires in executive and managerial positions were women (one woman).

In addition, we have a harassment protocol aimed at establishing the means of action to guarantee the prevention, protection and resolution of all possible situations of sexual or gender-based harassment that may occur in the workplace, based on the principles of equality, proportionality and the duty of confidentiality.

In 2023, a case was handled in line with the provisions of the protocol, thus demonstrating the fact that it is up and running.

7.3.2 People with disabilities

The 20th General Collective Bargaining Agreement for the Chemical Industry applicable to our company's activity regulates the hiring of people with disabilities by establishing their right to work under conditions that guarantee the application of the principles of equality and non-discrimination.

At AGC Pharma Chemicals Europe, we fully comply with the law on the social inclusion of people with different capabilities. In 2023 we employed four people with disabilities (1.18% of the total workforce): two men (one

operator and one administrative assistant) and two women (one administrative assistant and one operator), and we have also been granted authorisation for exceptional measures by the Regional Government of Catalonia, given that we work with special employment centres such as Anwar Protección, S.L. and Fundación Aspronis.

Our medical service assesses the workstations of people with disabilities and determines whether they require adaptation or additional work equipment. These employees also receive certain benefits, such as the possibility of parking in areas closer to where they work and an extra day of paid leave.

With regard to the accessibility of our facilities, we have parking spaces adapted for people with mobility problems. There are also a number of meeting rooms in accessible areas (on the ground floor or in buildings with lifts) to receive business partners. We also have adapted changing rooms, toilets and showers.

Many areas of existing industrial buildings are not accessible due to their use. However, we have equipped a number of production areas (micronisation and unloading rooms) with glass surfaces so that the area can be viewed without the need to physically access it.

Accessibility has been factored into the design of the new production plant, in terms of both the interior design of common areas and the accesses themselves, which include ramps and pavements, in addition to parking at the door of the building for people with reduced mobility. Although the manufacturing area is not easily accessible due to its regulatory characteristics (cGMP), glass panels have been installed to allow visits without the need to access the clean rooms, which have architectural barriers imposed by pharmaceutical design. Social areas and offices on the ground floor, in addition to changing rooms and toilets, are designed for people with reduced mobility.

This criterion will be factored into all new projects implemented in the future.

7.3.3 Diversity

At AGC, we know that every person is unique. We respect and appreciate what makes us different, whether this is age, gender, sexual orientation, ethnicity, nationality, religion, disability, education or experience, because we believe that diversity enriches us as an organisation.

Inclusion is a call to action within the teams to actively involve each individual's ideas, knowledge, styles, approaches and perspectives, thereby maximising team performance and individual well-being.

For the first time in 2022, we conducted a study on the diversity of our workforce. Apart from ascertaining the situation of the company, the aim of this study was to create awareness at all levels of the organisation with regard to the wealth provided by the diversity of the people forming it.

Of the aspects studied, the breakdown by generation, level of education, professional group and seniority are highlighted.

KPI	2023	2022	2021
Breakdown of the workforce by generation	339	334	318
Baby boomers (1946-1964)	5,60 %	8,86 %	8,81 %
Generation X (1965-1980)	61,06 %	61,38 %	63,84 %
Millennials (1981-1996)	27,14 %	27,75 %	23,58 %
Generation Z (1997-2012)	6,19 %	4,19 %	3,77 %

The most significant change between the two years was the decline in the number of baby boomers, which fell from 29 in 2022 to 19 in 2023. The number of Generation Z and Millennials varied by seven people, while the number of Generation X employees fell by just two.

KPI	2023	2022	2021
Breakdown of the workforce by level of education	339	334	318
Secondary education	3,54%	5,39%	5,66%
A-level education	12,09%	12,87%	13,84%
Vocational training	46,31%	46,41%	47,80%
University studies	38,05%	35,33%	32,70%

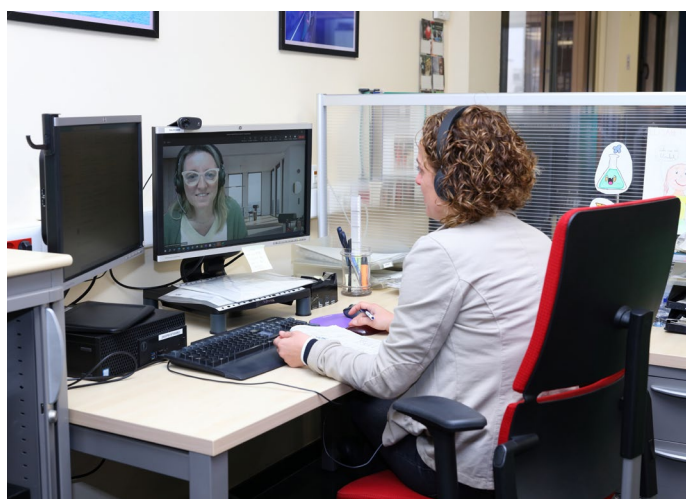
In 2023 we recruited more university-educated personnel, bringing the total up to 129 people compared to 118 in 2022. However, the largest group continues to be vocational training, with 157 people in 2023.

The experience of our personnel contributes to the excellence of our teams, which are also enhanced by the vision of people who have progressed in other companies and then joined ours, and those who join the labour market at AGC Pharma Chemicals.

KPI	2023	2022	2021
Breakdown of the workforce by seniority	339	334	318
0 to 9 years	32,15 %	29,34 %	24,84 %
10 to 20 years	35,10 %	38,02 %	44,34 %
20 to 30 years	28,02 %	27,24 %	25,16 %
30 to 40 years	4,13 %	3,89 %	4,09 %
Over 40 years	0,59 %	1,50 %	1,57 %

In terms of the geographical origin of our workforce, only twelve people are not Spanish. Of these, six are South American, another is African and the rest are from different European countries.

At AGC we promote diversity and inclusion, because we want people to feel respected and valued for who they are. We offer everyone a safe and positive work environment in which differences are not only tolerated but valued, and where each individual is provided with the support they need to succeed, grow and develop their potential, thus contributing to the company's success.



7.4 Health, safety and well-being at work

7.4.1 Prevention management

The environmental, industrial and property safety, occupational health and safety, and quality policies of the AGC group include two fundamental principles relating to health and safety, as follows:

- Ensuring industrial safety is our fundamental obligation as a company operating in local communities.
- We do not produce without first ensuring the health and safety of our collaborators.

These principles are specified in AGC Pharma Chemicals Europe's health, safety and environment policy (see Chapter 6) and are implemented thanks to our integrated management system covering all aspects of occupational risk prevention, environmental protection and major accident prevention, as defined in the ISO 14001 and 45001 standards.

We regularly review the integrated management system with senior management of the company. Review meetings monitor compliance with safety and prevention objectives and performance, and verify compliance with legal requirements. Senior management provides the company and its collaborators with the tools and resources needed to maintain the level of excellence achieved in recent years and ensure continuous improvement.

KPI	2023	2022	2021
Number of people working in occupational health and safety management	8	8	7
Occupational health and safety expenditure (thousands of €)	1 107	924	1 077
Investments in health and safety (thousands of €)	110	205	124

Note: The investment data only includes investments that have the sole objective of health and safety.

People are our greatest asset, and we are working to make our jobs as safe as possible. We identify and assess the risks to our facilities, workplaces, processes and tasks in order to define the most appropriate planning, operating, prevention and control measures. To this end, we have

qualified personnel (prevention officers) who work in our in-house prevention department (IPD), a technical unit designed to provide the entire company with occupational risk prevention advice and support.

The IPD has taken over the three technical prevention fields (safety, industrial hygiene and ergonomics, and psycho-sociology) and outsources the field of occupational medicine to Quiron Prevención. In addition, AGC Pharma Chemicals has a qualified nurse on its workforce.

The IPD acts as an advisory body in:

- Designing, implementing and coordinating preventive action plans and programmes.
- Assessing risk factors that could affect the health and safety of employees under the terms of article 16 of the Occupational Risk Prevention Law.
- Identifying priorities for taking appropriate preventive measures and monitoring their effectiveness.
- Informing and training employees.
- Preparing and implementing emergency plans.

The IPD is headed by the Occupational Health and Safety Manager, who reports to EHS management. EHS management represents the company on the Health and Safety Committee (HSC) together with management of the Production Operations & Logistics and Technical Departments.

Employee representatives with specific duties in occupational risk prevention (prevention officers), who are also members of the HSC, work together to improve preventive actions and are informed and consulted by the IPD on issues related to health and safety as set out in Occupational Risk Prevention Law 31/1995.

The Health and Safety Committee meets quarterly to jointly address all occupational risk initiatives.

We inform everyone about the risks associated with their jobs and the relevant preventive measures through the Risks and Measures

Reports (RMR). These reports are produced in collaboration with the prevention officers. New recruits receive the RMR before joining the company, and are therefore informed of the following types of risk:

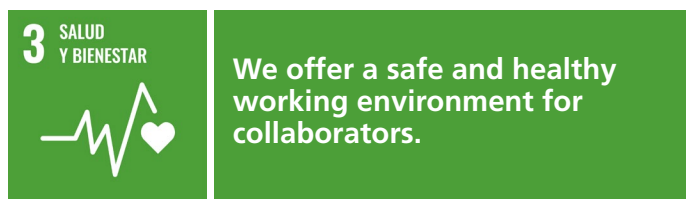
- Chemical risks
- Physical risks
- Biological hazards
- Psychosocial risks
- Ergonomic risks
- Mechanical hazards

We provide employees with personal protective equipment (PPE) in line with the risks associated with their job.

By means of physical hygiene (noise, vibrations, etc.), chemical (exposure to solvents, active ingredients, etc.), ergonomic and psychosocial assessments, we ensure that collaborators are not exposed to risks that could affect their health by implementing preventive measures in line with risk identification and assessment.

In 2023 we launched a new lone worker alarm network. Over 70 people will have access to a system enabling them to seek help quickly and easily in the event that they suffer a safety incident. When the alarm is triggered, a geolocation signal is sent to the relevant response teams.

7.4.2 Health protection



Along with our provider Quiron Prevención, we conduct health surveillance in accordance with the risks to which each individual is exposed in their job. Every year, Quiron Prevención conducts epidemiological studies that assess how our activities impact people's health. Based on the results of these studies, we plan the preventive activities for the next period.

We have a medical service with dedicated facilities and personnel capable of providing primary care in response to occupational or non-occupational needs. Our personnel have a specialist doctor on hand for 16 hours per week and a qualified nurse for 40 hours per week.

In addition to the activities of the preventive field of occupational medicine, health personnel act in the event of an accident or medical emergency, take care of collaborators in the event of a common illness, and conduct various health promotion campaigns.

The most salient activities carried out in 2023 were as follows:

Campaign	Observations
Flu vaccination campaign	37 participants
"Fruit in Company" campaign	305 pieces of fruit, every Wednesday from May to July
Gynaecological campaign (breast and cervical cancer prevention)	15 visits covered by the company
Prostate cancer prevention campaign targeted at the over 50s	1 visit covered by the company
Awareness campaigns	Breast cancer, lung cancer, cardiovascular health, etc. Posters and/or face-to-face or videoconference sessions
Mental health day campaign	Posters and four mindfulness sessions, with 41 participants
Safety culture campaign	End-of-year campaign carried out via screens. Four different impacts aimed at raising awareness of the importance of preventing unsafe acts and conditions.

7.4.3 Accident rate

The purpose of all the preventive actions undertaken at AGC Pharma Chemicals Europe is to prevent our activities from negatively impacting the health of collaborators, patients, the environment and the local community. We work to prevent accidents and incidents but, if they occur, we launch an investigation to analyse their causes and implement measures to prevent their recurrence.

KPI	2023	2022	2021
Number of hours worked, broken down by gender	609 163	611 223	580 032
Women	164 028	153 522	144 096
Men	445 135	457 701	435 936
Number of accidents involving sick leave, broken down by gender	2	3	3
Women	0	1	1
Men	2	2	2



KPI	2023	2022	2021
Total accident frequency involving sick leave (*), broken down by gender	3,28	4,91	5,17
Women	0	6,51	6,94
Men	4,49	4,37	4,59
Number of days lost, broken down by gender	9	95	175
Women	0	60	10
Men	9	35	165
Total severity (**), broken down by gender	15	155	302
Women	0	391	69
Men	20	76	378

(*) Number of accidents per million hours worked.

(**) Days lost per million hours worked.

In 2023, in addition to the accidents reported in the table above, a male employee was involved in an accident on his way to work, which resulted in sick leave and a loss of 52 days. At the plant there were also 17 accidents involving in-house personnel (4 women and 13 men), which did not result in leave, and 3 accidents involving subcontracted personnel (1 woman and 2 men). One man was injured on the way to work but did not require leave.

Most of the accidents involved falls or blows, causing musculoskeletal injuries, or chemical splashes.

28 incidents (events without victims) occurred, none of which led to activation of the Self-Protection Plan.

None of the accidents in recent years resulted in major injuries or the death of the injured person.

No work-related ill health was reported in 2021, 2022 or 2023.

7.4.4 Emergency preparedness

We have an approved Self-Protection Plan that lays out the procedures to be followed in the event of an emergency. More than 60 people are trained to act as first responders or fire-fighters. These individuals have the appropriate response equipment to be able to act if needed, and they practice regularly. In addition, we conduct an annual drill and an evacuation and confinement exercise involving all collaborators and contractors present on site. Five vehicles from the Catalan regional fire department actively participated in the 2023 drill (ammonia leak from a cold unit).

KPI	2023	2022	2021
Number of people trained as first responders, broken down by gender	20	20	20
Women	2	2	2
Men	18	18	18
Number of people trained as volunteer firefighters, broken down by gender	30	27	30
Women	2	2	2
Men	28	25	28
Number of people trained as company firefighters, broken down by gender	16	14	11
Women	0	0	0
Men	16	14	11

In 2023 we implemented a new emergency evacuation headcount system, based on a computer application, which provides us with an up-to-date list of the people present at all times, accessible from a large number of wireless communication devices held by the evacuation teams. The system has been tested in a partial drill specifically designed for the purpose, and subsequently in the General Factory Drill.

8. Commitment to health and society

8.1 Social contribution



We have identified priority lines of action (environment, community, health and future generations) on which to focus our social contribution.



We take into account the needs and expectations of our stakeholders, especially those identified in the communities where our production centres are located.

AGC Pharma Chemicals Europe has defined the priority lines of action to show our commitment to society. We have added health to the three lines defined by the group (environment, new generations and local community) in order to reflect the mission of our company.

To manage the budget allocated to social contributions by identifying the actions to be carried out and leading their implementation, we have a social contribution committee (SCC) chaired by our CEO and made up of the management of EHS, Human Resources, Finance, Strategic Planning and Global Marketing, the main functions of which are:

- Drawing up and monitoring the annual social contribution plan
- Managing the social contribution budget
- Evaluating proposals for social contribution activities presented by collaborators
- Reporting on the performance of the social contribution to stakeholders
- Promoting socially responsible behaviour among collaborators


















We bring value to society through our products but also through numerous social contribution activities involving the company and its employees.

KPI	2023	2022	2021
Social contribution expenditure (€)	19 284	19 954	14 837
Number of activities carried out	24	25	15
Number of people involved in the activities (*)	75	1 001	173
Hours spent on the activities	209	965	135

(*) The number may be higher than the headcount because if the same person takes part in three activities, they are counted three times.

The number of people involved and hours spent were very high in 2022 because the Christmas party was dedicated to sustainability, with the 226 people involved taking part in social contribution activities for the Federation of Child and Adolescent Care and Education Organisations (Fedaiia) and XCN (Nature Conservation Network).

In 2023, we collaborated with various organisations on our priority lines of action and our additional goal of promoting equality, on which the SCC works closely with the Equality Committee.

Organisation		Lines of action				
		Local community	Environment	New generations	Health	Equality
Mossèn Joan Batlle School in Blanes <ul style="list-style-type: none"> Talk on Women and Girls in Science Day Donation for the Fish Run trail event 		×		×	×	×
Adecco Foundation <ul style="list-style-type: none"> Donation in support of the Women's Day campaign Violence against women awareness campaign 						×
ERDF. Awareness and Donation Campaign for Rare Disease Day					×	
Socialesport. Organisation for the integration of children at risk of exclusion through sport. Donation as a Gold Sponsor		×		×		
Artistic Circle of Malgrat. Donation for the fast painting competition (first prize in the watercolour category)		×				
La Nocturna. Charity walk to promote children's cancer research. Donation used for the registration platform and bibs. Participation as a judge in the drawing competition.		×			×	
La Nocturna Rosa. Charity dinner to raise funds for breast cancer research. Donation.		×			×	
Blood Bank. Organisation of a donation campaign in the company 19 donations.					×	
Invincible for Inclusion Association. Organisation for the integration of differently abled children through sport. Donation.		×		×	×	
Il·lusions Solidàries. Christmas toy drive. Staff collaboration and company donation.		×	×			
Divers Association - Diversity is a treasure. The aim of the organisation is to raise awareness and give visibility to diversity. Donation.				×		
Universitat de Girona <ul style="list-style-type: none"> Student visit to the facilities Donation of material 			×	×		
Red Cross. Donation of toys		×		×		
CRAM. Foundation for the Conservation and Recovery of Marine Animals. Signing of a three-year sponsorship agreement			×			
Quatre Vents School in Blanes. Donation of laboratory equipment		×	×	×		
IQS Companies Foundation for the promotion of higher education, scientific research and technological innovation. Contribution as a partner company.				×		
La Barretina Vermella Sardana Association. Contribution for the commemorative magazine of the Sardana Event		×				

Our Social Contribution Policy takes into account the requests of collaborators. Thanks to these, laboratory equipment was donated to Universidad de Girona and the Quatre Vents School in 2023. The rare disease awareness campaign was carried out at the request of a person affected by a rare disease, and the Social Contribution Committee decided to make a donation to the Federation. The donation to the Divers Association also came about as a result of a request from a collaborator who volunteers at the association.

The collaboration with the Sardana Association, one of the oldest cultural entities in Malgrat de Mar, took place for the first time. We not only made a monetary contribution, but we also held an interview with the publication.

In 2023 we signed a three-year sponsorship agreement with the Foundation for the Conservation and Recovery of Marine Animals (CRAM), a pioneer and leading organisation in marine conservation. Our financial backing helps the Foundation carry out projects focused on research, rescue and rehabilitation of endangered marine animals, as well as educational programmes to promote environmental awareness.

This collaboration responds to our priority line of action on the Environment, which until now had not been sufficiently represented among the entities with which we collaborate, and represents our commitment to SDG 14 on Protecting Life Below Water.

8.2 Stakeholder engagement

In line with our corporate culture, we foster smooth communication with collaborators. As well as in-person interactions in each area of the company, our communication team uses a variety of tools, such as emails, plasma screens with digital signage and the AGCConnect platform, to keep the entire workforce informed.

In September 2023 we organised the first town hall where we discussed business-relevant topics with all our collaborators. The first town hall was attended by 139 people (41% of the workforce), who rated the session very positively. Similar town halls will be held every six months from now on.

To communicate with our external stakeholders (mainly, but not limited to, current or potential customers), we have

a presence on the professional social network LinkedIn (<https://www.linkedin.com/company/agc-pharma-chemicals/mycompany/>). At the end of 2023 we had more than 9000 followers on the network. We also have a website: <https://www.agcpharmachemicals.com/>.

We closely monitor, with the collaboration of a specialised communications agency, the mentions of our company in the media and on social networks. Our external communications strategy states that all mentions on social media or blogs must be analysed by our internal communications and public relations team, who carry out a thorough assessment of their impact and veracity.

We are open to providing information if requested, as was the case in 2023 with the regional television channel. However, we have decided to refrain from responding to mentions that are not directly addressed to us. Where we identify that a publication could cause concern in the community due to a misinterpreted situation, we proactively communicate with the Malgrat municipal council management team or other official bodies with the aim of improving the situation and its impact on the community.

We have had procedures in place for years to handle complaints and claims. In 2023 we received three complaints from a waste management company due to the high salt content of the waste received, which deviated from the contractually agreed conditions and led to a surcharge being applied to the management cost. As per the procedure, we conducted an investigation to determine the source of this deviation and implemented corrective actions to prevent similar occurrences in the future.

In 2023 we received no complaints from the local community or public bodies.

For years we have maintained a fluid communication with the Malgrat de Mar municipal council, which has been stepped up in recent years due to the authorisation process for the expansion of the factory in Malgrat de Mar. Prior to the municipal elections in 2023, we also convened all the political forces represented in the municipal council to clarify any doubts they might have about the impact of the expansion on the local community.

8.3 End consumer health

3 SALUD
Y BIENESTAR



We operate in the pharmaceutical industry and help improve people's lives through our products.

The active ingredients we make are used in medicines for human and veterinary use, and have a direct impact on health. Even if our direct customer is not the end patient, we are committed to them and have made it our mission to improve people's health by providing our products with the best quality. We currently manufacture active ingredients and intermediates applicable in different therapeutic areas, such as cardiovascular and metabolism, gastrointestinal or respiratory. We inform our customers about the physicochemical properties and the hazardous nature of these substances through Material Safety Data Sheets (MSDS) and labels on our products.

Senior management has established a Quality Policy. Based on this, we have developed a robust management system that incorporates the requirements applicable to the production of active pharmaceutical ingredients:

- ICH Q10 "Pharmaceutical Quality System"
- ICH Q7 "Good Manufacturing Practice for Active Pharmaceutical Ingredients"
- "Good Distribution Practice for Active Pharmaceutical Ingredients".
- ICH Q9 "Quality Risk Management".

In addition to international standards, our customers occasionally generate additional requirements specific to their product, process or market, which are incorporated into the quality agreements we sign with them. Our quality system is designed to also meet these additional requirements.

Our Quality Management System is designed and implemented to meet the following basic objectives:

1. To ensure product supply with the quality characteristics required by patients, health professionals, regulatory authorities (including compliance with regulatory dossiers), and other internal and external customers.
2. To establish and maintain a state of control through process and product quality monitoring systems, providing a guarantee of ongoing compliance with standards.
3. To facilitate continuous improvement in order to increase the ability to consistently meet quality needs. In order to identify and prioritise areas of continuous improvement, our system supports the use of tools to assess quality risks based on scientific- and knowledge-based criteria.



The Management Committee regularly reviews the Quality System. We set targets annually and have established a system of indicators to monitor our performance, which we follow up on monthly and quarterly, with a full annual review (including trends and comparing with previous years, as well as the effectiveness of actions carried out).

We have the GMP (Good Manufacturing Practices) Certificate issued by the Spanish health authority (Regional Government of Catalonia, Department of Health, by delegation of the Spanish Agency for Medicinal Products and Medical Devices, AEMPS) which certifies compliance with the standards of good manufacturing of medicinal products (GMPs), as well as the RUESA certificate (of inclusion in the registry of companies that manufacture, import or distribute active substances) issued annually by the AEMPS. Both certificates are essential for us to perform our activity.

Our business directly impacts people's health, and we thus work to ensure the quality of our products.

We are also regularly inspected by other health authorities, such as those of the United States (US FDA), Japan (PMDA), etc.

In 2022, we implemented a quality system management computer system which enables us to automatically and easily monitor trends and draw up reports, in comparison to the previous system, adding value to the system. The new TrackWise Digital QMS covers the management of the main quality systems: change controls, corrective and preventive actions (CAPA), out of specification and out of trend (OOS and OOT), deviations, etc.

8.3.1 Complaint management

We have internal procedures in place for the management of all complaints, returns, and other communications from our customers related to the quality of any product we manufacture or whose sale we manage, as well as for the handling of any complaints involving the environment or occupational health and safety.

In the case of product complaints, all communications received from a customer that involves doubts, requests for additional information or clarifications are assessed individually.

If it is a product, environmental or occupational health and safety complaint, we begin the corresponding investigation by sending the information to all areas involved to coordinate the necessary analyses in order to find the root cause of the problem and establish all the necessary corrective and preventive actions to ensure it does not happen again in the future with any customers.

All complaints are reported using the appropriate form within our quality management system.

There are different mechanisms for stakeholders to channel their complaints to us. The reception and response channels are via email for internal and external stakeholders, and via a corporate platform for internal stakeholders.

In 2023, we received 3 complaints related to packaging that did not affect product quality. Only in one case did the customer return one drum of the total batch of product. These were dealt with according to processes established in our quality management system, analysing and identifying the causes of the discrepancies found, where applicable, and proposing and implementing appropriate corrective and preventive actions, responding both to customer needs and to the expectations of the audit teams and the health authorities.

In addition, collaborators can make suggestions relating to safety, the environment or sustainability. These suggestions are channelled to the pertinent areas, which assess whether they should be acted on, handling the matter if so, and informing the person who made the suggestion.

9. Afterword



This Sustainability Report describes our path towards a more sustainable future. It reflects our commitment to ethics and good governance, people, the environment and health, and society.

In this document we have shared our objectives, achievements, challenges and performance in all these areas, in an exercise of transparency. This information is intended for all stakeholders who accompany us on this road, in particular our collaborators, customers, business partners, government and the local community.

We recognise that without the input of all these stakeholders, we would not be able to move towards a more sustainable future and achieve the sustainable development goals we have set ourselves.

Thank you for being part of this important journey.

10. Table of contents of law 11/2018

In this Sustainability Report, AGC Pharma Chemicals Europe has reported the information cited in this table of contents of Law 11/2018 on non-financial reporting and diversity.

CONTENTS OF LAW 11/2018		CHAPTERS	COMMENTS
GENERAL ASPECTS			
Description of the group's business model	Brief description of the group's business model, which will include: its business environment, its organisation and structure, the markets in which it operates, its objectives and strategies and the main factors and trends potentially affecting its future performance.	3. Who we are and what we do, our business model, in particular: 3.1 Our business 3.2 Our company 3.3 Objectives and strategies 3.5 Our commitment to quality 3.6 Innovation	
Policies	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control procedures, as well as the measures adopted.	3.4 Governance 3.5 Our commitment to quality 4. Our approach to sustainability 4.3 Risk management 5.1 Compliance procedures 5.3 Tax obligations 5.4 Supply chain management 7.1.4 Labour relations 7.1.5 Forced labour and child exploitation	Each chapter of the report describes the pertinent policies and includes information on the results and indicators.
Results	The results of these policies, including key performance indicators to monitor and assess progress and facilitate comparability.	7.2.1 People: our best asset 7.2.3 Talent management 7.2.4 Work-life balance 7.2.6 Remuneration 8.3 End consumer health	

Main risks	Main risks linked to the group's activities, its business relationships, products and services, and how the group manages these risks, explaining the procedures used to detect and assess them. Information on any impacts detected must be included, providing a breakdown thereof, particularly as regards the main short-, medium- and long-term risks.	4.3 Risk management	
Indicators	<p>Key indicators that meet the criteria of comparability, materiality, relevance and reliability.</p> <p>In particular, generally applied standard key indicators which comply with the European Commission guidelines and the Global Reporting Initiative standards will be used. These indicators must be useful. The information presented must be accurate, comparable, and verifiable.</p>	10. Table of contents of the GRI standards	Throughout the report, indicators are included for the different aspects referred to. Chapter 10 relates the contents of the report to GRI standards.
INFORMATION ON ENVIRONMENTAL ISSUES			
General	Actual and foreseeable effects of the company's activities on the environment and, as the case may be, health and safety	6. Commitment to the environment 7.4 Health, safety and well-being at work	
	Environmental assessment or certification procedures	4.4 Our commitments and certifications	
	Resources allocated to preventing environmental risks	6.1 Objectives of the management system. Spending on environmental protection.	
	Application of the precautionary principle	6. Commitment to the environment	
	Provisions and guarantees for environmental risks	6.1 Objectives of the management system. Spending on environmental protection.	

Pollution	Measures to prevent, reduce or remedy emissions seriously affecting the environment, factoring in any activity-specific form of air pollution, including noise and light pollution	6.2.2 Energy consumption and efficiency, and fighting climate change 6.3.3 Air emissions	
Circular economy and waste prevention and management	Measures for the prevention, recycling, reuse and other recovery and disposal of waste.	6.3.1 Waste management	
	Actions to combat food waste	6.3.1 Waste management	Not relevant to the activity
Sustainable use of resources	Water consumption and water supply according to local constraints	6.2.1 Water consumption	
	Consumption of raw materials and measures set in place for more efficient use thereof	6.2.3 Raw materials	
	Direct and indirect consumption, measures taken to improve energy efficiency, use of renewable energy	6.2.2 Consumption, energy efficiency, and fighting climate change	
Climate change	Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	6.2.2 Consumption, energy efficiency, and fighting climate change	
	Measures in place to adapt to the consequences of climate change	6.2.2 Consumption, energy efficiency, and fighting climate change	
	Voluntary medium- and long-term greenhouse gas reduction targets and the measures in place to achieve them	6.2.2 Consumption, energy efficiency, and fighting climate change	
Protection of biodiversity	Measures taken to preserve or restore biodiversity	6.4 Protection of biodiversity	
	Impacts caused by activities or operations in protected areas	6.4 Protection of biodiversity	No impacts caused

INFORMATION ON SOCIAL ISSUES RELATING TO PERSONNEL			
Employment	Total number and distribution of employees by gender, age, country and professional category.	7.2.1 People: our best asset 7.3.3 Diversity	
	Total number and distribution of types of employment contract, average annual number of permanent, temporary and part-time contracts by gender, age and professional category	7.2.1 People: our best asset	
	Number of dismissals by gender, age and professional category	7.2.1 People: our best asset	
	Average remuneration and trends, broken down by gender, age and professional category	7.2.6 Remuneration	
	Pay gap	7.2.6 Remuneration	
	Remuneration of like positions or average remuneration in the company.	7.2.6 Remuneration	
	Average remuneration of board members and management, including variable remuneration, allowances, indemnities, payments into long-term savings schemes and any other amounts received, broken down by gender	7.2.7 Executive remuneration	The members of the Board of Directors receive no remuneration, allowances or insurance premiums from AGC Pharma Chemicals Europe.
	Implementation of disconnection from work policies	7.2.4 Work-life balance	
	Employees with disabilities	7.3.2 People with disabilities	
Organisation of work	Organisation of working time	7.2.4 Work-life balance	
	Number of hours of absenteeism	7.4.2 Health protection	
	Measures aimed at facilitating a work-life balance and encouraging the joint sharing of responsibilities by both parents.	7.2.4 Work-life balance	

Health and safety	Occupational health and safety conditions	7.4 Health, safety and well-being at work	
	Occupational accidents (frequency and severity) broken down by gender	7.4.3 Accident rate	
	Occupational illnesses broken down by gender	7.4.3 Accident rate	
Labour relations	Organisation of social dialogue, including procedures for notifying, consulting and negotiating with staff	7.1.4 Labour relations	
	Percentage of employees covered by collective bargaining agreements by country	7.1.4 Labour relations	Our entire workforce is covered by collective bargaining agreements.
	Assessment of collective bargaining agreements, particularly in the field of occupational health and safety	7.1.4 Labour relations 7.4 Health, safety and well-being at work	
Training	Training policies in place	7.2.3 Talent management	
	Total hours of training by professional category	7.2.3 Talent management	
Accessibility	Universal accessibility for people with disabilities	7.3.2 People with disabilities	
Equality	Measures adopted to promote equal treatment and opportunities for men and women	7.1.2 Equality 7.3.1 Gender equality	
	Equality plans	7.3.1 Gender equality	
	Measures adopted to promote employment	7.3.1 Gender equality 8.1 Social contribution	
	Protocols to combat sexual and gender-based harassment	7.1.2 Equality 7.1.3 Harassment	
	Integration and universal accessibility for people with disabilities	7.3.2 People with disabilities	
	Policies against all forms of discrimination and, as the case may be, diversity management	7.3 Equality and non-discrimination 7.3.3 Diversity	

INFORMATION ON RESPECT FOR HUMAN RIGHTS			
Human rights	Implementation of human rights due diligence procedures	7.1 Labour and human rights	
	Prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and redress any such violations.	7.1 Labour and human rights	
	Reported human rights violations	5.1 Compliance procedures	No violations identified
	Promotion of and compliance with the provisions of the core conventions of the International Labour Organization as regards respect for freedom of association and the right to collective bargaining	7.1 Labour and human rights	
	Elimination of discrimination in employment and occupation	7.3 Equality and non-discrimination	
	Elimination of forced or compulsory labour and the effective abolition of child labour	7.1.5 Forced labour and child exploitation	
INFORMATION ON THE FIGHT AGAINST CORRUPTION			
Corruption and bribery	Measures adopted to prevent corruption and bribery	5.1 Compliance procedures	
	Anti-money laundering measures	5.1 Compliance procedures	
	Contributions to foundations and non-profit organisations	8.1 Social contribution	
INFORMATION ON SOCIAL ISSUES			
Company commitments to sustainable development	Impact of the company's activity on local employment and development	8.1 Social contribution	
	Impact of the company's activity on local populations and the region	5.4 Supply chain management	
	Relations with local community stakeholders and the nature of engagement therewith	4.2 Materiality analysis and stakeholders 8.1 Social contribution	
	Association or sponsorship initiatives	8.1 Social contribution	

Subcontracting and suppliers	Inclusion of social, gender equality and environmental topics in the procurement policy	5.4 Supply chain management	
	Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors	5.4 Supply chain management	
	Supervision systems and audits and results	5.4 Supply chain management	In addition to quality audits, aspects of health, safety, environmental protection, emergency management and respect for human rights are assessed by means of questionnaires
Consumers	Consumer health and safety measures	8.3 End consumer health	
	Complaint systems, complaints received and resolution	8.3.1 Complaint management	
Tax information	Country-by-country earnings	5.3 Tax obligations	
	Corporate income tax paid	5.3 Tax obligations	
	Government grants received	5.3 Tax obligations	

11. Table of contents of the GRI standards

In this Sustainability Report, AGC Pharma Chemicals Europe has reported the information cited in this table of contents of GRI for 2023 using GRI 1: Foundation 2021.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	3.1. Company
	2-2 Entities included in the organization's sustainability reporting	1. Our first sustainability report
	2-3 Reporting period, frequency and contact point	1. Our first sustainability report
	2-4 Restatements of information	1. Our first sustainability report
	2-5 External assurance	10. External assurance
	2-6 Activities, value chain and other business relationships	3. Who we are and what we do, our business model
	2-7 Employees (Collaborators)	7.2.1 People: our best asset
	2-8 Workers who are not employees (collaborators from other companies)	7.2.1 People: our best asset
	2-9 Governance structure and composition	3.4 Governance 5.2 Good corporate governance
	2-10 Nomination and selection of the highest governance body	Not included
	2-11 Chair of the highest governance body	5.2 Good corporate governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Not included
	2-13 Delegation of responsibility for managing impacts	Not included
	2-14 Role of the highest governance body in sustainability reporting	5.2 Good corporate governance
	2-15 Conflicts of interest	Not included

GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Not included
	2-17 Collective knowledge of the highest governance body	Not included
	2-18 Evaluation of the performance of the highest governance body	Not included
	2-19 Remuneration policies	Not included
	2-20 Process to determine remuneration	Not included
	2-21 Annual total compensation ratio	Not included
	2-22 Statement on sustainable development strategy	4. Our approach to sustainability
	2-23 Policy commitments	EHS : 6. Commitment to the environment Compliance: 5. Ethics and good governance HR: 7. Commitment to people
	2-24 Embedding policy commitments	Not included
	2-25 Processes to remediate negative impacts	Not included
	2-26 Mechanisms for seeking advice and raising concerns	Not included
	2-27 Compliance with laws and regulations	3.3 Objectives and strategies 4.3 Risk management 5. Ethics and good governance 5.1 Compliance procedures 6. Commitment to the environment 7.1.5 Forced labour and child exploitation 7.3.2 People with disabilities
	2-28 Membership associations	3.7 Membership of industry associations
	2-29 Approach to stakeholder engagement	Not included
	2-30 Collective bargaining agreements	7.2 People management
GRI 3: Materials Topics 2021	3-1 Process to determine material topics	4.2 Materiality analysis and stakeholders
	3-2 List of material topics	4.2 Materiality analysis and stakeholders
	3-3 Management of material topics	Entire report
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	6.2.2 Consumption, energy efficiency, and fighting climate change
	201-2 Financial implications and other risks and opportunities due to climate change	Not included
	201-3 Defined benefit plan obligations and other retirement plans	Not included
	201-4 Financial assistance received from government	5.3. Tax obligations

GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not included
	202-2 Proportion of senior management hired from the local community	5.2 Good corporate governance
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Not included
	203-2 Significant indirect economic impacts	Not included
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	5.4 Supply chain management
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	4.3 Risk management
	205-2 Communication and training about anti-corruption policies and procedures	5.1 Compliance procedures
	205-3 Confirmed incidents of corruption and actions taken	5.1 Compliance procedures
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.1 Compliance procedures
GRI 207: Tax 2019	207-1 Approach to tax	3.2 Our company
	207-2 Tax governance, control, and risk management	Not included
	207-3 Stakeholder engagement and management of concerns related to tax	Not included
	207-4 Country-by-country reporting	Not applicable
GRI 301: Materials 2016	301-1 Materials used by weight or volume	6.2.3 Raw materials
	301-2 Recycled input materials used	6.2.3 Raw materials
	301-3 Reclaimed products and their packaging materials	6.2.3 Raw materials
GRI 302: Energy 2016	302-1 Energy consumption within the organization	6.2.2 Consumption, energy efficiency, and fighting climate change
	302-2 Energy consumption outside of the organization	6.2.2 Consumption, energy efficiency, and fighting climate change (only company cars)
	302-3 Energy intensity	Not included
	302-4 Reduction of energy consumption	6.2.2 Consumption, energy efficiency, and fighting climate change
	302-5 Reduction in energy requirements of products and services	Not included
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	6.2.1 Water consumption
	303-2 Management of water discharge-related impacts	6.3.2 Waste water management
	303-3 Water withdrawal	6.2.1 Water consumption
	303-4 Water discharge	6.3.2 Waste water management
	303-5 Water consumption	6.2.1 Water consumption

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.4 Protection of biodiversity
	304-2 Significant impacts of activities, products, and services on biodiversity	Not applicable
	304-3 Habitats protected or restored	Not applicable
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	6.2.2 Consumption, energy efficiency, and fighting climate change
	305-2 Energy indirect (Scope 2) GHG emissions	6.2.2 Consumption, energy efficiency, and fighting climate change
	305-3 Other indirect (Scope 3) GHG emissions	6.2.2 Consumption, energy efficiency, and fighting climate change
	305-4 GHG emissions intensity	Not currently calculated (see 6.2.2 Consumption, energy efficiency, and fighting climate change)
	305-5 Reduction of GHG emissions	6.2.2 Consumption, energy efficiency, and fighting climate change
	305-6 Emissions of ozone-depleting substances (ODS)	6.2.2 Consumption, energy efficiency, and fighting climate change
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	6.3.3 Air emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	6.3.1 Waste management
	306-2 Management of significant waste-related impacts	6.3.1 Waste management
	306-3 Waste generated	6.3.1 Waste management
	306-4 Waste diverted from disposal	6.3.1 Waste management
	306-5 Waste directed to disposal	6.3.1 Waste management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.4 Supply chain management
	308-2 Negative environmental impacts in the supply chain and actions taken	None identified
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	7.2.1 People: our best asset
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Only that they do not receive meal vouchers (see 7.2.5 Employee benefits)
	401-3 Parental leave (co-responsibility)	7.2.4 Work-life balance

GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not included. The provisions of the workers' statute and the collective bargaining agreement of the chemical industry apply.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	7.4.2 Prevention management
	403-2 Hazard identification, risk assessment, and incident investigation	7.4 Prevention management 7.4.3 Accident rate
	403-3 Occupational health services	7.4.2 Health protection
	403-4 Worker participation, consultation, and communication on occupational health and safety	Structured through the Health and Safety Committee (see 7.4.2 Prevention management)
	403-5 Worker training on occupational health and safety	7.2.3 Talent management
	403-6 Promotion of worker health	7.4.2 Health protection
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not included
	403-8 Workers covered by an occupational health and safety management system	The system covers all the people, facilities and activities of the company
	403-9 Work-related injuries	7.4.3 Accident rate
	403-10 Work-related ill health	7.4.3 Accident rate
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	7.2.3 Talent Management - Training
	404-2 Programs for upgrading employee skills and transition assistance programmes	7.2.3 Talent Management - Training
	404-3 Percentage of employees receiving regular performance and career development reviews	7.2 People management
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.2 Good corporate governance 7.2.1 People: our best asset
	405-2 Ratio of basic salary and remuneration of women to men	Only pay gap included (see 7.2.6 Remuneration)
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None reported in 2020, 2021 or 2022
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None known. This risk is assessed in the approval process. (See 5.4. Supply chain management)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	None known. This risk is assessed in the approval process. (See 5.4. Supply chain management)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None known. This risk is assessed in the approval process. (See 5.4. Supply chain management)
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Security personnel verify that subcontracted personnel are registered with the Social Security.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	None reported

GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	8.1 Social contribution
	413-2 Operations with significant actual and potential negative impacts on local communities	None Identified
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.4 Supply chain management
	414-2 Negative social impacts in the supply chain and actions taken	None identified
GRI 415: Public Policy 2016	415-1 Political contributions	None made in 2021, 2022 or 2023
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	8.3 End consumer health
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	8.3.1 Complaint management
GRI 417: Marketing and Labelling 2016	417-1 Requirements for products and service information and labeling	8.3 End consumer health
	417-2 Incidents of non-compliance concerning product and service information and labeling	None received in 2020, 2021 or 2022
	417-3 Incidents of non-compliance concerning marketing communications	None reported in 2020, 2021 or 2022
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None reported in 2020, 2021 or 2022

12. Glossary

- **AEMPS:** Spanish Agency for Medicinal Products
- **AFAQUM:** Spanish Association of Fine Chemical Products.
- **APCE:** AGC Pharma Chemicals Europe S.L.U.
- **API:** Active Pharmaceutical Ingredient
- **ARC:** Catalan Waste Agency
- **BPE:** Business Process Excellence
- **BR:** Batch Record
- **CAPA:** Corrective Actions, Preventive Actions
- **cGMP:** Current Good Manufacturing Practices
- **CDMO:** Contract Development & Manufacturing Organisation
- **CEJE:** Japan-Spain Business Circle
- **COASHIQ:** Autonomous Commission on Occupational Safety and Hygiene of Chemical Industries
- **VOC:** Volatile Organic Contaminant
- **HSC:** Health and Safety Committee
- **DPO:** Data Protection Officer
- **COD:** Chemical Oxygen Demand
- **DUE:** University Nursing Graduate
- **WWTP:** Waste Water Treatment Plant
- **EHS:** Environment, health and safety
- **NFIS:** Non-Financial Information Statement
- **EMA:** European Medicines Agency
- **PPE:** Personal Protective Equipment
- **FEIQUE:** Business Federation of the Spanish Chemical Industry
- **FDA:** US Food & Drug Administration
- **FEDAIA:** Federation of Child and Adolescent Care and Education Organisations
- **GHG:** Greenhouse Gas
- **GMP:** Good Manufacturing Practices
- **GRI:** Global Reporting Initiative
- **HAPI:** High Active Pharmaceutical Ingredient
- **ICAC:** Spanish Accounting and Auditing Institute
- **ICH:** International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use
- **IT:** Information Technology
- **IQS:** Institut Químic de Sarrià
- **RMR:** Risks and Measures Report
- **ISO:** International Organization for Standardization
- **Ti:** Temporary Incapacity
- **J-SOX:** Japanese version of the US Sarbanes-Oxley Act
- **MSDS:** Material Safety Data Sheet
- **MWh:** Megawatt per hour
- **SDGs:** Sustainable Development Goals
- **OOS:** Out of Specification
- **OEB:** Occupational Exposure Band
- **NOx:** Nitrogen Oxides
- **OT:** Operational Technologies

- **PES:** Special Action Plan in State of High Alert and Possible Drought
- **PMDA:** Japanese Pharmaceuticals and Medical Devices Agency
- **PRTR:** Pollutant Release and Transfer Register
- **MCP:** Monitoring and Control Programme
- **RUESA:** Registry of Companies that Manufacture, Import or Distribute Active Substances
- **SBTi:** Science Based Target initiative
- **SCC:** Social Contribution Committee
- **IPD:** In-House Prevention Department
- **SO_x:** Sulphur Oxides
- **tCO₂eq:** Tonne of CO₂ equivalent
- **XCN:** Nature Conservation Network



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