

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

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The Board of Directors of Laboratorios Farmacéuticas Rovi, S.A. ("the Company") authorises the following Statement of Non-Financial Information in accordance with Law 11/2018, which amended the Code of Commerce, the revised text of the Capital Companies Act and the Account Auditing Law in respect of non-financial information and diversity.

**1. BASES FOR AUTHORISATION OF THE STATEMENT OF NON-FINANCIAL INFORMATION**

In view of the foregoing, the Company has analysed the impacts derived from its business model and considers the following non-financial aspects to the relevant:

- General Group information: business model, geographical presence, objectives, strategy and market trends.
- Environment: pollution and waste management, sustainable use of resources and climate change.
- Social and employee issues: employment, organisation of work, employee health and safety, labour relations, training and equality.
- Human rights.
- Corruption and bribery.
- Information on social contribution: commitment to sustainable development, subcontractors and suppliers, consumers and tax information.

## **2. GENERAL INFORMATION**

### **2.1.- Group's business model (business environment and organisation)**

The Company is the parent company of a leading pharmaceutical group ("ROVI" or the "Group") company engaged in the research, development, manufacturing and marketing of small molecules and biological specialties. It has three principal pillars of growth:

- Pharmaceutical specialties: with a diversified portfolio of innovative products, both of its own and licensed, protected by patents. The company has more than 30 products on its portfolio (including both its own and licensed products) for which there is growing demand and which are not affected by the reference pricing system in Spain, covering nine therapeutic areas. The most important products in terms of their contribution to the Group's EBITDA are:
  - Hibor® (bemiparin). Low-molecular-weight heparin (fast-acting anticoagulant) used to prevent and treat venous thromboembolic disease
  - Enoxaparin biosimilar. This is the leading low-molecular-weight heparin worldwide and was first marketed in 2017.
  - Neparvis® (sacubitril/valsartan). This product is indicated in adult patients for treatment of symptomatic chronic heart failure with reduced ejection (the proportion of blood leaving the heart) fraction. The product is marketed under a licence from Novartis.
  - Absorcol®, Vytorin® y Orvatez® (ezetimibe) / (ezetimibe and simvastatin) /(ezetimibe y atorvastatin). Adjunctive therapy to diet in patients with hypercholesterolemia. It is distributed by ROVI under a co-marketing agreement with MSD.
  - Hirobriz® Breezhaler® y Ulunar® Breezhaler® (indacaterol maleate) / (indacaterol maleate and glycopyrronium bromide). Long-acting bronchodilators indicated for the maintenance treatment of Chronic Obstructive Pulmonary Diseases (COPD). These products are marketed by ROVI under licence from Novartis.
  - Volutsa® (solifenacin succinate and tamsulosin hydrochloride). Indicated for the treatment of moderate to severe storage systems symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not responding adequately to monotherapy treatment. This product is marketed by ROVI under licence from Astellas Pharma.
  - Medikinet® y Medicebrán® (methylphenidate hydrochloride with modified release) ((methylphenidate hydrochloride with immediate release). Prescription medicines that are indicated for treatment of ADHD (Attention Deficit Hyperactivity Disorder) in children and adolescents. These products belong to the company Medice.

Additionally, ROVI is one of the market leaders in the marketing of contrast agents, hospital products for imaging diagnosis. This area comprises a broad product portfolio, including those marketed under licence from Bracco: Iomeron® and Iopamiro® (for computed tomography and intervention), Multihance® and Prohance® (for magnetic resonance imaging), Sonovue® (for ultrasounds), and Bracco Injeenering: EmpowerCTA+®, EmpowerMR® and CT Exprès (contrast injection systems and compatible disposable material).

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

---

- Contract manufacturing of prefilled syringes and oral forms. Through three production plants, two of which are used for injectables (one in Madrid and one in San Sebastián de Los Reyes), while the other is more specialised in oral forms (Alcalá de Henares), ROVI provides manufacturing services to other companies for a wide range of pharmaceutical forms, including prefilled syringes, vials, suppositories, tablets, hard capsules and sachets.
- A sound, low-risk R&D policy. Currently, ROVI's product portfolio in the research and development phase focuses mainly on the development of new controlled-release systems based on ISM® technology, in order to obtain new pharmaceutical products that allow drugs that require daily administration for chronic or prolonged conditions to be administered only periodically, such as Risperidona ISM® and Letrozol ISM®. In addition, in the Glycomics field, ROVI has recently developed an enoxaparin sodium biosimilar (currently the leading low-molecular-weight heparin worldwide), which was first marketed in 2017 in Germany. Likewise, the company continues to expand scientific knowledge of the use of its second-generation low-molecular-weight heparin, Hibor® (bemiparin), in various clinical situations and special patient populations, through co-operation agreements with several research centres.

ROVI has a series of competitive edges that have positioned it as one of the main leaders in its market niche in a sector which, moreover, has high entry barriers:

- Unique knowledge of LMWH (low-molecular-weight heparins): As a result of ROVI's more than 70 years' experience, its main product, Beminparin, has positioned itself as one of the principal treatments for venous thromboembolic disease worldwide.
- Infrastructure with operating advantages: ROVI is one of the main companies in the contract manufacturing business in the sector and among the world leaders in prefilled syringe production.
- Diversified portfolio: the Company has a portfolio of more than 30 products (of its own and licensed) for which there is growing demand and which are not affected by the reference pricing system in Spain.
- Low-risk innovation. ROVI operates with a low-risk strategy, concentrating on chronic diseases with broad medical requirements.
- International expansion: ROVI continues with its strategic objective of expanding its international presence and, in 2018, made great strides forward in this respect.

At 31 December, 2018, ROVI had a total of 1,224 employees and sales of 303,203 thousand euros in the period ended at said date.

ROVI is listed on the Barcelona, Bilbao, Valencia y Madrid stock exchanges. In 2018, the Company carried out a capital increase, after which the share capital consisted of 56,068,965 shares with a face value of 0.06 euros each. The quoted price of the share at 31 December, 2018 was 17.45 euros.

## **2.2.- Geographical presence**

Laboratorios Farmacéuticos Rovi, S.A. has its current registered office in Madrid (C/ Julián Camarillo, 35). In addition to these offices, in 2017, ROVI opened new offices in Pozuelo de Alarcón, Madrid (Calle José Isbert 2), where the management team and the marketing and sales area are located, as well as other central group services.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

---

At the end of 2018, ROVI was operating directly in the following countries:

- Spain, where a large part of its marketing operations are conducted, as well as all the manufacturing services and R&D activities.
- France
- Portugal
- Italy
- Germany
- United Kingdom

In the last four of these countries, ROVI has corporate structures through which it carries out pharmaceutical product marketing activities directly. In the case of the French subsidiary, product marketing had not commenced at 31 December, 2018.

As we have said, the ROVI Group is present directly in Spain, Portugal, Germany, France, United Kingdom and Italy.

Additionally, through strategic alliances with international partners, at the end of 2018, ROVI was distributing its principal product, bemiparin, in more than 50 countries all over the world, as well as its enoxaparin biosimilar in France, Austria, Latvia and Estonia.

Likewise, ROVI has one of the largest European plants for the manufacture of oral solid forms and exports to over 40 countries.

### **2.3.- The organisation's objectives and strategies**

In a complicated environment which, nevertheless, offers new opportunities, over the last few years, ROVI has been getting ready to take advantage of the circumstances with:

1. The marketing of an enoxaparin biosimilar, which began in 2018 and with which ROVI aspires to become one of the main European players, due to the competitive edge provided by the vertical integration of processes in the Group. Likewise, the company hopes to increase its presence in emerging markets, where enoxaparin sales total 500 million euros.
2. The development of drugs to treat complaints with high growth prospects. Currently, ROVI's product portfolio in the research and development phase focuses mainly on the development of new controlled-release systems based on ISM® technology, as mentioned above.
3. Launching new products in the market.

Additionally, all the companies that form the ROVI Group are aware of the health improvements provided by their products and wish to provide a response to certain social demands in relation to the impacts of their activities on society and the environment. For this reason, ROVI's economic development must be compatible with its conduct in respect of ethics, society, employment, the environment and respect for human rights.

The knowledge, communication and implementation of these values, which express the Group's commitment to business ethics and corporate social responsibility, guide the actions of the Board of Directors and other Group bodies in their relations with stakeholders. Therefore, the Group has support tools the objectives of which are to:

- Favour attainment of the group's strategic objectives.
- Improve the group's competitiveness by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- Manage risks and opportunities derived from the changing environment responsibly, maximising the positive impacts of the group's activities in the different territories where it operates and minimising any adverse impacts as far as possible.
- Promote a culture of ethical conduct and increase business transparency, in order to generate credibility and confidence among stakeholders, including society as a whole.
- Promote trust relationships and value creation for all stakeholders, providing all of them with a balanced and integrating response.

#### **2.4.- Main factors and trends that may affect future evolution**

Although public spending on medicines has dropped over recent years, especially in Spain, the prospects for forthcoming years are more optimistic. As QuintilesIMS Institute says in its report "*Outlook for Global Medicines through 2021*", medicine expenditure worldwide will grow by between 4% and 5%, mainly driven by new medicines in developed markets and a higher volume in emerging markets. According to said document, the total volume of medicines consumed all over the world will rise by approximately 3% per year until 2021. This growth rate is a little faster than the growth in the population and demographic changes, caused by different factors worldwide.

The U.S.A. continues to be the principal world market, although it will suffer a reduction in its growth, followed by China, which has remained in this position since 2012. In the first 20 places, there are nine countries with emerging medicine markets, which will continue to be driven by generic products, which already account for 98% of the market and 78% of the spending. The opposite is true in the developed markets, where the original brands still have specific weight in comparison with generics.

But the difference between some companies and others will be denoted by their capacity to provide the market with new and better products. New medicines, which represented 20% ten years ago, will hold 35% of the market in 2021. This growth is due to the latest scientific and R&D advances, such as ROVI's ISM® technology, including their capacity to contribute to improving costs and the value provided by prescribing these products.

#### **2.5.- Reporting framework used to select key non-financial result indicators**

The key non-financial result indicators used in this Statement on Non-Financial Information are those that are generally applied and meet the guidelines of the European Commission on the subject, as well as the standards of the Global Reporting Institute (GRI) for each one of the matters discussed herein.

### **3.- ENVIRONMENT**

#### **3.1.- ROVI's objective in relation to performance concerning environmental variables**

ROVI's commitment to environmental protection is firm and constant and forms part of its day-to-day activity. Together with the principles of quality and occupational safety for protection of ROVI's employees, the Company assumes care of the environment as an indispensable foundation for its actions.

In this respect, ROVI carries on its activity with the firm commitment of contributing to sustainability from an environmental standpoint, which materialises through pollution prevention, efficient resource management and fomenting responsibility in respect of the environment in accordance with the Group's Environmental Policy.

By defining environmental objectives and goals, ROVI undertakes to improve day by day, upholding a firm vision of a more sustainable future in which to develop. The main goals that ROVI has defined in relation to the environment are:

- Attaining efficient energy management, rationalizing the use of natural resources.
- Promoting the best guidelines for risk and waste management, including the principles of risk prevention, waste minimization and, whenever possible, recycling in its activities.
- Obtaining certifications of the environmental management systems. At present, the environmental management systems of the Group companies Frosst Ibérica S.A., Rovi Contract Manufacturing S.L. and Laboratorios Farmacéuticos ROVI S.A. are certified under the standard ISO14001:2015.

Additionally, ROVI is committed to making a joint effort with its suppliers and contractors to minimise the impact of their activities on the environment and the risks derived for safety and health, both in the environment and for their workers.

#### **3.2.- Main environmental risks that affect the organisation**

ROVI has a corporate Risk and Opportunity Management Procedure, the objective of which is to define a work method that allows environmental risks and opportunities to be identified, together with an action plan to address them and the planning and review of the resulting actions, taking the context of the organisation and the interested parties into account. This procedure is applied to all the activities carried on by any of the Group's plants and/or companies, including internal and external factors that affect or may exert an influence on the preparation of the product, provision of the service and/or operational control.

In accordance with the corporate Risk and Opportunity Management Procedure, the Company detects the risks and opportunities related to:

- Environmental aspects.
- Legal and regulatory requirements.
- Other questions and requirements related to the organisation and its context, and the needs and expectations of the interested parties.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

---

Among the main risks related to the environmental activity, apart from those inherent thereto, are those concerning access to and verification of the environmental regulations in the different areas in which ROVI operates, as well as possible restrictions imposed by the authorities in particular locations and specifically the following:

- Non-compliance with legal requirements due to deficient identification of either legal requirements concerning the environment or environmental aspects or of emergencies, when this may lead to possible sanctions or stakeholder dissatisfaction.
- Failure to adapt to a change in the trend in legislation or any applicable new legislation on a timely basis.
- Possible administrative restrictions in force in particular locations.
- Impact on material and human assets due to an environmental incident caused by neighbours or employees.
- Bad environmental practices on the part of external companies providing services on a permanent basis or the Group personnel supervising them.
- Non-compliance with noise regulations that leads to contingencies or disciplinary sanctions.
- Pollution due to exceeding the pollutant emission limits on boilers or discharges to groundwater that may lead to an administrative sanction.
- Incidents in transporting hazardous waste that may lead to a sanction.
- Deficiencies in personnel training on environmental matters.
- Releasing emissions into the atmosphere due to the absence of mechanisms to prevent the product leaking from the equipment.
- Mixture of different kinds of waste and generation of hazardous waste.
- Absence of energy efficiency certification.
- Failure to file the annual waste report and minimisation plan on a timely basis.

Specific control of environmental risks stems from, among other mechanisms, the Environmental Management System applied by the aforementioned Group companies, certified under the standard ISO14001:2015, and all the tools that form part of it.

Likewise, ROVI has information systems that keep the personal updated on these matters. Company personnel communicate smoothly and cooperate with the different public authorities that ensure environmental conservation, which allows constant updating of the changes in legislation that apply to ROVI.

In addition, ROVI manages indirect environmental aspects resulting from trading relations, products or services that may have adverse effects in the environmental area. For each production plant, an analysis is made of the life cycle of the process or product, where all direct and indirect environmental aspects involved (coming from suppliers) are identified bidirectionally. Once they have been identified, in accordance with the corporate Procedure for Identification and Assessment of Environmental Aspects, the indirect aspects on which ROVI is able to take action are verified.

The possible materialisation of environmental risks is managed, likewise, through the aforementioned corporate Procedure for Identification and Assessment of Environmental Aspects, which sets out how environmental risks should be identified, communicated and quantified.

### **3.3.- Policies and commitments**

One of the key tools to ensure correct management of environmental aspects is the introduction of an environmental management system based on the criteria established by the international standard ISO 14001:2015. These certifications recognise the quality of ROVI's environmental management system and assure its commitment to the environment in terms that go beyond current national legislation. Therefore, at all ROVI's production facilities, production management respectful of the environment is fostered, meaning a constant effort to reduce energy consumption and manage waste more efficiently.

The ROVI Group has a department that is responsible exclusively for aspects related to environmental management, as well as those concerning workplace health and safety throughout the Group, and an Integrated Environmental Management and Occupational Hazard Prevention Policy which governs ROVI's activities in respect of environmental issues, most recently updated in June 2017. Within its project of environmental management and workplace health and safety, ROVI assumes not only compliance with current legal requirements and the different third-party requirements that it meets voluntarily, but also the concept of sustainable development. ROVI's vocation is to be a business project that is sustainable in environmental terms and committed to the prevention of any damage to or deterioration in people's health.

In relation to environmental queries, ROVI has a corporate communication, participation and query procedure, through which communications (queries, complaints, etc.) related to the environment and workplace health and safety are managed. On the corporate website ([www.rovi.es](http://www.rovi.es)), the environmental certificates held by group companies are available to the public.

As mentioned previously, ROVI has a Corporate Procedure for Risk and Opportunity Management, which defines the work method that allows environmental risks and opportunities to be detected, together with the action plan to address them. Additionally, ROVI has a Procedure for Identification and Assessment of Environmental Aspects, which sets out how environmental risks should be identified, communicated and quantified, with, likewise, a Procedure for Identification and Assessment of Legal Aspects.

ROVI also has a Procedure for Management of Non-Conformity, Preventive and Corrective Actions, which sets out the mechanisms for the identification of deviations (in quality or work procedures), the implementation of actions to correct these deviations and the procedures to prevent them (preventive actions).

Among its operating procedures, ROVI has specific waste, noise and discharge management procedures, which are intended to establish the methodology to follow to control waste, noise in the external environment and liquid discharges generated at ROVI's production plants, respectively.

### **3.4.- Results of application of the policies and indicators**

The result of the policies and procedures applied by ROVI in environmental issues is, year after year, a favourable assessment of the Group's integrated environmental management system, both internally and externally by the firms issuing the certificates. Additionally, the whole system is periodically reviewed with the management of the different centres and the points on which these reviews are based include any improvement opportunities and significant changes that may affect the system and/or environmental management.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

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1. Pollution and waste management

Waste generation is inherent to ROVI's activity. Precisely for this reason, the treatment and reduction of waste form an essential part of the Company's commitment to prevent pollution. The processes related to waste treatment are intended mainly to minimise it in the production processes and, once it has been produced, to manage it correctly to foment using and valuing it whenever possible.

2. Sustainable use of resources

Regarding energy, at all ROVI's product plants, water, electricity and gas indicators are verified and reported on a monthly basis, analysing any possible deviations. Likewise, in the Distribution business, the energy has been contracted with a provider of 100% renewable energy.

3. Climate change

At ROVI, as a contribution to the fight against climate change, not only is electricity taken into account, but the CO<sub>2</sub> emissions caused by the consumption of natural gas and diesel fuel, derived from electricity and automobiles, are measured, as are other substances that act to destroy the ozone layer. ROVI's greenhouse gas emissions have always been insignificant and very much below the legally-established levels.

Likewise, in the Distribution business in Spain, a Mobility Plan that is intended to decrease fuel and electricity consumption, which are ROVI's only sources of emissions, has been approved.

**3.5.- Indicators**

The following are the main environmental indicators. The data have been divided between different companies or businesses to enable comparisons between them, since the units produced are measured in different units for each company / business. Specifically

- Own products manufacturing plant of Laboratorios Farmacéuticos ROVI, S.A. located in Granada: this is the plant in which Bemiparin and Enoxaparin are produced, the active substances of ROVI's main research products. In this case, the units produced are measured in MUI, that is, the activity of the active substance produced.
- Laboratorios Farmacéuticos ROVI, S.A. distribution business: in this case, unit used is reflected as distributed items.
- Injectables plant of Rovi Contract Manufacturing, S.L. (Plants located in San Sebastián de los Reyes and Madrid): in this case, the units produced are expressed in individual packaged units.
- Oral solid forms plant of Frosst Ibérica, S.A. located in Alcalá de Henares: for this case, pack of oral solid forms conditioned as unit produced (tablets, coated tablets, hard capsules and envelopes) is used.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

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<b>WASTE (*)</b>	<b>ROVI Granada</b>	<b>ROCM</b>	<b>Frosst</b>	<b>Distribution</b>
Tn of hazardous waste generated	1,037	186	176	25
Tn of non-hazardous waste generated	1,336	464	283	1
<b>TOTAL</b>	<b>2,373</b>	<b>651</b>	<b>459</b>	<b>25</b>
Tn of hazardous waste/ million units produced	0.003	1.70	5.17	1.15
Tn of non-hazardous waste/ million units produced	0.004	4.24	8.31	0.03
<b>Ton. Waste/million units produced</b>	<b>0.008</b>	<b>5.95</b>	<b>13.49</b>	<b>1.18</b>
<b>ENERGY CONSUMPTION (*)</b>	<b>ROVI Granada</b>	<b>ROCM</b>	<b>Frosst</b>	<b>Distribution</b>
kWh electricity consumed	3,002,572	7,206,775	8,100,711	630,352
<b>kWh electricity consumed/million units produced</b>	<b>10</b>	<b>65,863</b>	<b>238,256</b>	<b>29,306</b>
kWh natural gas consumed	1,941,716	6,371,676	14,426,850	-
<b>kWh natural gas consumed/million units produced</b>	<b>6</b>	<b>58,231</b>	<b>424,319</b>	-
Litres vehicle fuel	500	409	1,279	518,653
<b>NATURAL RESOURCE CONSUMPTION (*)</b>	<b>ROVI Granada</b>	<b>ROCM</b>	<b>Frosst</b>	<b>Distribution</b>
m3 water consumed	27,399	51,842	62,516	985
<b>m3 water / million units produced</b>	<b>0.1</b>	<b>473.8</b>	<b>1,838.7</b>	<b>45.8</b>
<b>ATMOSPHERIC EMISSIONS (*)</b>	<b>ROVI Granada</b>	<b>ROCM</b>	<b>Frosst</b>	<b>Distribution</b>
Tonnes of CO2 emitted	1,135	3,073	4,936	290
<b>Tonnes of CO2 emitted / million units produced</b>	<b>0.004</b>	<b>28.08</b>	<b>145.18</b>	<b>13.47</b>

(\*) Last month of 2018 data is an estimate made based on information from previous periods.

## **4.- SOCIAL AND EMPLOYEES ISSUES**

### **4.1.- Employment**

The key figures concerning ROVI's personnel structure are shown below. They show that workforce management in 2018 continued the sustained upward trend of previous years. This is consistent with the Company's continuing growth strategy and is aimed to adapt the workforce to current needs.

The workforce management strategy fosters stable employment through permanent and temporary contracts, both of which are used to cover, in a balanced manner, both structural needs and specific needs for workers at any given moment in time. This is shown in the distribution of the workforce, where permanent contracts and stable employment prevail.

In the recruitments carried out in 2018, the bet on job creation with young professionals continued, at the same time as they were supplemented by experienced professionals. Thus, a balanced workforce that allows the Company's strategy to be implemented is achieved.

Likewise, the results of the Company's efforts to maintain and consolidate its workforce with a balance between men and women and promote the inclusion and access of candidates with disabilities under equitable conditions, consistent with the strategy of consolidating diversity and equal opportunities as part of its culture, may be observed.

Indicators concerning ROVI's personnel at 31 December, 2018 are set out below. Data shown do not consider information related to scholarship contracts.

- Total number and distribution of employees by:

a) Gender

DISTRIBUTION OF EMPLOYEES BY GENDER	2018
Men	558
Women	666
<b>TOTAL</b>	<b>1.224</b>

b) Age

DISTRIBUTION OF EMPLOYEES BY AGE / GENDER	Men	Women	TOTAL
18-30 years	78	106	184
31-40 years	156	216	372
41-50 years	195	213	408
51-60 years	109	114	223
>60 years	20	17	37
<b>TOTAL</b>	<b>558</b>	<b>666</b>	<b>1,224</b>

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

c) Country

DISTRIBUTION EMPLOYEES BY COUNTRY / GENDER	Men	Women	TOTAL
Spain	550	654	1,204
UK	-	1	1
Germany	3	3	6
Italy	3	3	6
France	1	1	2
Portugal	1	4	5
<b>TOTAL</b>	<b>558</b>	<b>666</b>	<b>1,224</b>

d) Professional group

DISTRIBUTION EMPLOYEES BY PROFESSIONAL GROUP / GENDER	Men	Women	TOTAL
1	1	5	6
2	27	35	62
3	68	88	156
4	108	93	201
5	210	201	411
6	60	84	144
7	59	142	201
8	5	3	8
0	12	3	15
Subsidiaries	8	12	20
<b>TOTAL</b>	<b>558</b>	<b>666</b>	<b>1,224</b>

\* Professional group according to the XIX Collective Agreement of the Chemical Industry.

- Total number and distribution of types of employment contract by:

a) Gender

DISTRIBUTION EMPLOYEES BY TYPE OF CONTRACT / GENDER	Men	Women	TOTAL	Distribut.
Permant full-time	462	532	994	81%
Permanent part-time	-	4	4	0%
<b>Total permanent</b>	<b>462</b>	<b>536</b>	<b>998</b>	<b>82%</b>
Temporary for specific project or service	2	3	5	0%
Temporary due to work backlog	47	55	102	8%
Temporary substitution contract	4	6	10	1%
Training / apprenticeship	27	49	76	6%
Temporary part-time	15	17	32	3%
Temporary full-time - empl. with disabilities	1	-	1	0%
<b>Total temporary</b>	<b>96</b>	<b>130</b>	<b>226</b>	<b>18%</b>
<b>TOTAL</b>	<b>558</b>	<b>666</b>	<b>1</b>	

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

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b) Age

DISTRIBUTION EMPLOYEES BY TYPE OF CONTRACT / AGE	18-30	31-40	41-50	51-60	>60	TOTAL
Permanent	79	328	370	213	8	998
Temporary for specific project or service	2	2	1	-	-	5
Temporary due to work backlog	31	31	33	7	1	103
Temporary substitution contract	1	5	3	1	-	10
Training / apprenticeship	69	6	1	-	-	76
Temporary part-time	2	-	-	2	28	32
<b>TOTAL</b>	<b>184</b>	<b>372</b>	<b>408</b>	<b>223</b>	<b>37</b>	<b>1,224</b>

c) Professional group

DISTRIBUTION OF EMPLOYEES BY TYPE OF CONTRACT / PROFESSIONAL GROUP *	1	2	3	4	5	6	7	8	0	Subsidiaries	TOTAL
Permant full-time	3	19	119	171	336	109	196	8	15	18	994
Permanent part-time	-	1	-	1	1	-	1	-	-	-	4
Temporary for specific project or servi	-	1	-	-	2	2	-	-	-	-	5
Temporary due to work backlog	1	39	20	9	25	6	2	-	-	-	102
Temporary substitution contract	-	2	4	4	-	-	-	-	-	-	10
Training / apprenticeship	-	-	7	7	35	27	-	-	-	-	76
Temporary part-time	1	-	6	9	12	-	2	-	-	2	32
Temporary full-time - empl. with disabi	1	-	-	-	-	-	-	-	-	-	1
<b>TOTAL</b>	<b>6</b>	<b>62</b>	<b>156</b>	<b>201</b>	<b>411</b>	<b>144</b>	<b>201</b>	<b>8</b>	<b>15</b>	<b>20</b>	<b>1,224</b>

- Number of dismissals by:

a) Gender

DISTRIBUTION OF DISMISSALS BY GENDER	2018
Men	17
Women	16
<b>TOTAL</b>	<b>33</b>

b) Age

DISTRIBUTION OF DISMISSALS BY AGE / GENDER	Men	Women	TOTAL
18-30 years	2	-	2
31-40 años	3	4	7
41-50 años	5	8	13
51-60 años	3	2	5
>60 años	4	2	6
<b>TOTAL</b>	<b>17</b>	<b>16</b>	<b>33</b>

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

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c) Professional group

DISTRIBUTION OF DISMISSALS BY PROFESSIONAL GROUP * / GENDER	Men	Women	TOTAL
1	-	-	-
2	3	-	3
3	2	2	4
4	1	2	3
5	7	5	12
6	-	3	3
7	3	2	5
8	-	1	1
0	1	1	2
<b>TOTAL</b>	<b>17</b>	<b>16</b>	<b>33</b>

- Average remuneration by:

a) Gender

AVERAGE REMUNERATION BY GENDER	2018	2017	Var.
Men	40,733 €	40,953 €	-1%
Women	36,738 €	35,534 €	3%
<b>AVERAGE</b>	<b>38,735 €</b>	<b>38,244 €</b>	<b>1%</b>

b) Age

AVERAGE REMUNERATION BY AGE/GENDER	2018		2017		Var.
	Men	Women	Men	Women	
18-30 years	21,966 €	21,983 €	21,099 €	19,787 €	7%
31-40 years	30,535 €	34,460 €	29,625 €	32,108 €	5%
41-50 years	47,312 €	45,095 €	46,989 €	45,167 €	0%
51-60 years	58,097 €	41,546 €	55,003 €	28,357 €	20%
>60 years	33,459 €	11,908 €	53,148 €	14,612 €	-33%

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

c) Professional group

AVERAGE REMUNERATION* BY PROFESSIONAL GROUP** / GENDER	2018		2017		Var.
	Men	Women	Men	Women	
1	15,311 €	14,892 €	0 €	17,472 €	73%
2	16,677 €	17,012 €	16,170 €	16,194 €	4%
3	19,000 €	19,266 €	18,209 €	19,065 €	3%
4	25,082 €	23,432 €	25,641 €	23,736 €	-2%
5	42,078 €	40,546 €	41,099 €	38,237 €	4%
6	50,426 €	36,687 €	52,153 €	37,993 €	-3%
7	51,208 €	47,265 €	54,958 €	44,413 €	-1%
8	105,465 €	105,050 €	153,205 €	146,637 €	-30%
0	202,978 €	130,182 €	197,584 €	112,505 €	7%
Subsidiaries	87,949 €	72,367 €	106,499 €	103,300 €	-24%

Remuneration data shown above contains concepts related to fixed and variable remuneration (commissions and bonuses).

- Average remuneration of management

The average remuneration of the members of the Company's Management Committee in 2018, including fixed and variable remuneration and remuneration in kind, was 234,142 euros for men and 135,462 euros for women. The difference is because, in the case of the men, three of them are also Executive Directors and their salaries reflect the additional responsibilities they hold.

Details of the above figures are shown below:

AVERAGE REMUNERATION OF MANAGEMENT COMMITTEE	Men	Women	AVERAGE
Fixed remuneration	163,430 €	93,419 €	128,425 €
Variable remuneration	61,960 €	36,763 €	49,362 €
Remuneration in kind	8,752 €	5,280 €	7,016 €
<b>TOTAL</b>	<b>234,142 €</b>	<b>135,462 €</b>	<b>184,802 €</b>

- Gender Pay gap

ROVI is convinced of the need to apply the principle of equal pay for equal work effectively and takes said principle as the basis of its wage policy, applying it in its salary-fixing practice upon recruitment of the employee and in the salary reviews throughout the employee's working life.

In order to ensure application of the principle of wage equality, ROVI monitors the gender pay gap by periodically assessing indicators that show pay gaps by job and gender, in order to follow up on any gender differences and reduce them.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

---

In 2018, ROVI engaged the audit firm PricewaterhouseCoopers Auditores S.L. to carry out a limited assurance review of wage group indicators by professional classification in Group companies. The indicators related to the annual period running from 1 April, 2017 to 31 March, 2018 and the reports were prepared on the basis of the methodology published in January 2015 by the Ministry of the Presidency, Parliamentary Relations and Equality in relation to calculating the gender pay gap.

The aforementioned indicators make a diagnostic analysis of the Group's workforce to find out the differences in the remuneration of men and women with the same jobs. The analysis of the indicators shows, according to the opinion of the aforementioned auditor, that there is no gender-based pay discrimination or differences in remuneration that is not based on personal factors (qualifications, work experience, length of service, etc.) or position (duties, degree of responsibility, working hours, etc.).

- Disconnection from work

So that its employees can enjoy their time off effectively and conserve their personal and family privacy, ROVI foments policies aligned with disconnection from work, avoiding communication with employees through any channel (telephone, e-mail or any other) outside working hours unless there is an urgent, unforeseen need that cannot be met otherwise.

Likewise, meetings in the later part of the working day are avoided, in order to prevent overstepping working hours at the end of the day and thus affecting the work-life balance.

- Employees with disabilities

ROVI is aware that the group of people with disabilities is one of the groups at risk of social exclusion with the greatest difficulties in finding work. Additionally, we are convinced that the Company is enriched by the contribution of these differently-abled people, who provide us with added value.

In line with the foregoing, ROVI is committed to mainstreaming people with disabilities at work and encourages hiring them. Thus, at 31 December, 2018, 25 employees with disabilities were working for the Company, 20 of them formed part of ROVI's workforce directly, while 5 were working through temporary employment companies.

The Company holds an agreement with the Fundación Prodis whereby it conducts a supported employment programme aimed at the workplace inclusion of persons with intellectual disabilities who are able to perform high-quality work when they receive the necessary training and support.

In addition to the foregoing, ROVI carries out actions to foment the inclusion of this group in the workplace in two spheres. First, within its activities related to Corporate Social Responsibility, it provides economic cooperation to various non-profit entities that carry on their activities in the area of the workplace and social inclusion of persons with intellectual disabilities. Likewise, Special Employment Centres are its service providers in several different areas of the Company's activity (to consult these two spheres of action, see the CSR section).

#### **4.2.- Organisation of work**

##### **- Organisation of working hours**

ROVI carries on its economic activities in three different environments: the industrial production area, the sales area and the industrial structure/offices area. The activity of each one of them has different dynamics, requiring different working hours and ways of organising working time. In all of them, the Company foments criteria for organising working time and time off to facilitate the best work-life balance possible, as well as enabling ROVI employees to exercise motherhood and fatherhood responsibly.

The industrial environment, which includes the employees working at the pharmaceutical product production plants, makes it necessary for employees who are engaged in manufacturing tasks or work directly related thereto to have working hours that coincide with the times of activity of the production processes. This means that this group of people works, in general, under a shift system. Since we are aware that shift work is more arduous, it is used when there is no other possible alternative that is compatible with the viability of the activity and the demand for the product manufactured and we strive to reduce the inconvenience of the shift dynamics as much as possible. The holiday period in the industrial area is also subject to the volume of activity and must, in general, be arranged on fixed dates for the whole workforce. At any event, we endeavour to ensure that it is always in summer and ROVI undertakes that at least half the holidays will be enjoyed in the summer period. Additionally, the time off scheduled to adjust the work calendar of this group of employees is fixed to coincide with school holidays, so that the employees can enjoy it with the rest of their families.

Employees in the sales area carry on their activity in daytime working hours, coinciding with those of the customers to whom they market ROVI's products. Given the nature of their activity, they have a high degree of independence in planning their work, which allows them to reconcile their work with any needs that may arise in their family life.

In the industrial structure and office area, time is organised through flexible working hours. This allows employees to start and end their working day with a margin of choice, depending on their needs or preferences.

In these last two groups, holidays are preferably taken in summer and, additionally, time off is arranged during school holidays.

##### **- Absenteeism**

A fundamental element for the proper operation of ROVI's activity is the health of its workers. Good management in this respect has a direct effect on the health and well-being of the workforce and, as a consequence, on the Company's economic performance and the attainment of its strategic objectives.

In view of the foregoing, the indicators shown below are of great importance to the Company, since they monitor the monthly and annual absenteeism in accordance with whether the cause is an ordinary illness, an accident at work or an occupational disease. These indicators are set out below compared with those of the pharmaceutical sector. It may be seen that ROVI's levels are lower than those of the sector in which it carries on its activity.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

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Next table shows the summary of absolute absence rate in the period:

	2018		2017	
	ECONOMIC GROUP	COMP. SECTOR	ECONOMIC GROUP	COMP. SECTOR
Total absolute absence rate	2.25%	3.44%	2.03%	3.20%
Absolute absence rate WA & OD	0.16%	0.20%	0.19%	0.22%
Absolute absence rate OI	2.09%	3.23%	1.84%	2.98%

WA: Work-related Accident    OD: Occupational Disease    OI: Ordinary Illness

	2018				2017			
	Days off	Days worked	Absence rate	Sector absence rate	Days off	Days worked	Absence rate	Sector absence rate
<b>TOTAL</b>	<b>9,972</b>	<b>443,803</b>	<b>2.25%</b>	<b>3.44%</b>	<b>8,943</b>	<b>440,817</b>	<b>2.03%</b>	<b>3.20%</b>

Source: Mutua de Accidentes de Trabajo FREMAP. Global Annual Absenteeism Report ROVI GROUP

From the figures shown, it may be noted that the number of days of absence was 9,972, which is equivalent to lost working hours of 79,776, meaning an absenteeism rate of 2.09%.

- Reconciliation of work and family life and support of co-responsibility therein

At ROVI, a set of measures to reconcile family life and work are applied, with options adapted to different personal and family situations aimed to create a work environment that allows a higher quality of life and harmony between the employees' family life and their promotion and professional career.

The Company applies the work-life balance measures contained in current legislation and the enhancements introduced by the Collective Agreement of the Chemical Industry. Regarding working hours and time off, as stated above, ROVI has flexible starting and finishing times for office and industrial structure personnel, allows changes in shift or day between workers in the industrial area, and shorter working days adapted to the needs of each person. Likewise, it offers flexibility in the holiday calendars provided this is compatible with the activity of the area in which the employee works.

In respect of remuneration, ROVI guarantees that maternity does not represent any decrease in the usual income of the pregnant woman. Thus, the Company pays a wage supplement that completes the benefit received from the Social Security to 100% of her salary. It also offers salary options, with the availability of nursery school vouchers, restaurant vouchers and health insurance. Furthermore, ROVI offers all its permanent employees cover by the life insurance policy paid by the Company.

In order to prevent avoidable travel and trips, ROVI provides all the personnel who so require with a laptop computer with connectivity to the ROVI network and encourages the use of videoconferences and on-line meetings. Likewise, if the work performed so permits, teleworking is organised during the last weeks of pregnancy. Additionally, at work centres where street parking is difficult, parking spaces are made available to pregnant women.

#### **4.3.- Health and Safety**

The management of personnel-related risks is the duty of the Health and Environment Department, which holds exclusive responsibility for aspects related to environmental management, as well as workplace safety and health throughout the Group.

As stated in other sections of this report, ROVI has an Integrated Environmental and Occupational Hazard Prevention Management Policy, applicable to the whole group, the objective of which to protect the life, physical integrity and health of all the workers, including both the group's own workers and those of the companies who work with ROVI. This Policy is based on a series of corporate procedures, as well as local procedures or work instructions specific to each centre.

Specifically, the ROVI Group set a goal of an accident rate (No. of accidents / No. of workers \* 100) of lower than 1.5% with sick leave and lower than 3.5% without sick leave. In addition, each plant, individually, defines specific prevention objectives. Examples of these are:

- Acquisition of a system for neutralising chemical products that allows injuries caused by contact with chemicals to be minimised in laboratory and production jobs in comparison with 2017. This goal was set at the Madrid plant.
- Increase of 20% in comparison with 2017 of Production Area workers with broader prevention training. This goal was set at the Granada plant.
- Reduction in the moderate risk category associated to falling to a different level in the task of installing/removing the rotary valve of the roller compactor. This goal was set at the Alcalá de Henares plant.

The principal occupational hazards identified by ROVI, having followed the corporate procedure for identifying hazards, assessing risks and determining controls, are mainly those inherent to a production plant: contact with and exposure to chemical products, noise exposure, overexertion, etc.

These risks are managed through planning the preventive activity (existence of specific procedures compliance with which minimizes the probability that these risks will materialize) and training (there are occupational hazard training plans and refresher plans). Furthermore, the risks identified are managed in accordance with the specific procedures created to control and regularly monitor the actions taken, such as those concerning work permits, safety inspections and the identification and evaluation of legal requirements.

Furthermore, the Group has several Health and Safety Committees, on which all ROVI employees (100%) are represented.

In addition, in the aspect of promoting healthy lifestyle habits among employees, ROVI continued with the initiatives implemented in previous years, such as healthy breakfasts and vending, cooperation with sports centres to encourage sports among the employees and participation in races, among others.

Annually, the Safety and Environment Department prepares a report reviewing the prevention management system with the managements of the different plants. This year's conclusion is that the evolution is satisfactory, although there is always room for potential improvement.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

In particular, application of the specific employee safety protection measures contributed to meeting the accident goal for 2018 in all Group companies, with an accident rate lower than 1.5% per number of workers at all the centres.

The workplace accident indicators for 2018 are shown below:

FREQUENCY RATE FOR WORK-RELATED ACCIDENTS (*) BY GENDER	2018
Men	3.176
Women	4.662
<b>TOTAL</b>	<b>3.919</b>

\* Rate calculated as No. of accidents / No. of hours worked \* 1000000

WORK-RELATED ACCIDENT SEVERITY RATE (*) BY GENDER	2018
Men	0.229
Women	0.125
<b>TOTAL</b>	<b>0.177</b>

\* Rate calculated as No. of working days lost / No. of hours worked \* 1000

WORK-RELATED ACCIDENT FREQUENCY RATE (*) BY GENDER	2018
Men	0.375
Women	0.674
<b>TOTAL</b>	<b>0.524</b>

\* Rate calculated as No. of accidents / No. of workers \* 100

*Note: accidents on the way to work and data of ROVI Group employees are included. Information on personnel hired through temporary employment companies are excluded.*

#### **4.4.- Labour relations**

Labour relations at ROVI are based on respect for the workers' legal representatives, strict compliance with the different applicable regulations and permanent dialogue that allows a constructive relationship of trust to be built between the Company and its workers.

Dialogue with the workers takes place with smooth communication using all the resources available, especially meetings -both regularly, in accordance with a scheduled calendar, and specific, at the request of either the company or the workers' representatives. This allows the status of agreements to be monitored and any incidents arising from the Company's day-to-day activity to be solved swiftly.

In 2018, labour relations ran as normal without any conflictive incidents. During the year, two significant negotiations were commenced and concluded in relation to items of remuneration, with a substantial change to working conditions and a move from one work centre to another, which concluded successfully.

ROVI informs its employees of matters of general interest, company milestones, agreements or organisational changes through the channels available. The resources used try to make the best use of the latest technological advances available to reach the entire workforce, both the people who have access to office IT in the course of the work and those who do not. Thus, communication takes place through the internal television channel, notice boards, e-mail or the mobile phone application that is currently being implemented.

We should highlight the fact that all ROVI's employees in Spain work under the employment conditions regulated in the Collective Agreement of the Chemical Industry, signed in 2018. The employees of the subsidiaries in the rest of Europe also work under the relevant collective agreements, except in those cases where local legislation states that general labour law is applicable because the subsidiary has very few employees.

An important aspect of the Group's works councils is that they are highly representative and participate in the Safety and Occupational Health Committees. On these committees, on a regular basis, the Company's actions in these areas are consulted, debated and proposed, as well as any incidents that have arisen and proposals for corrective measures.

The main matters discussed on these committees where the company and the workers have equal representation are: the assessment and valuation of occupational hazards, the provision of individual protection equipment, the protection facilities, information and training on occupational hazards, among other issues. Through these joint bodies, ROVI's employees are represented in these matters at the highest level.

#### **4.5.- Training**

In the ROVI Group, it is known that making training a priority is a long-term investment so that the Company's talent is well prepared and develops its highest potential.

For this reason, we strive for the employees to have the necessary training to cover, not only the requirements of their present job, but also to tackle future needs derived from the use of new technologies, equipment, instruments, etc. or the need to take on greater responsibilities and more important projects.

To draw up the annual training plans, the training needs in each area are identified, a process in which the Human Resources Department, Group Management and Middle Management are involved.

ROVI's annual plan is aligned with the strategic and business objectives. Through training, it is sought to efficiently help people to contribute and add value to the attainment and achievement of ROVI's strategic objectives. Likewise, ROVI has Individual Development Plans. Depending on the specific needs identified, different alternatives and training plans are put into place in order to promote the career plans of specific employees.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

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ROVI works with a training model that foments self-responsibility and commitment. Thus, 10% of development and learning takes place through training actions in the classroom or in virtual or e-learning format and 20% takes place through feed-back, observation or with the support of mentors, coaches, professional associations, spaces for reflection, conversations with other people, leaders, etc. Lastly 70% of development and learning takes the form of job experience, applying new learning in real situations, problem-solving, participating in projects and new challenges, rotating through different departments, etc., always taking the professional profile and the needs of each area into account.

- Basic principles of ROVI Group's training programmes/actions:

- Training programmes will contain aspects related to respect for human rights and will foster an ethical culture.
- No discrimination on the grounds of gender, age or origin. Professionals with equal positions and professional development have the same training opportunities.
- Training actions will respect the current regulatory framework and demands of the work and business environment. ROVI will provide training in new legislation, so that workers know and comply with current laws.
- The use of different training tools is favoured (classroom, on-line, platforms, etc.).
- Sharing the knowledge that exists in the Company, continuing learning and cultural exchange is encouraged.

- Scholarship policy:

For the ROVI Group, cooperation with universities and professional training centres is of key importance in recruiting new, young talent for its teams. This is why the Company holds more than 20 agreements with Spanish universities at national level, so that undergraduates in their last year and students studying for a Master's degree or doctorate can carry out their practical training in different areas of the Company, while professional training students can obtain their practical training credits with ROVI.

85% of the people who have a scholarship at ROVI finally join the Company with a contract. The possibility for young talents to train and ROVI's investment in this training is indispensable in order to have a good reserve of talent for the future.

- 90% of the ROVI Group's scholarships are remunerated
- 90% of the scholarship are full time
- 90% of the scholarships last for 6+6 months

The total number of hours of training distributed by professional group are shown below:

	1	2	3	4	5	6	7	8	0	TOTAL
<b>TOTAL HOURS OF TRAINING BY PROFESSIONAL GROUP *</b>	0.0	973.4	3,014.1	3,860.6	8,735.4	2,996.0	4,180.8	170.1	127.5	<b>24,057.9</b>

\* Professional group according to the XIX Collective Agreement of the Chemical Industry.

The number of hours shown refers to training actions recorded either in the quality system or with the State Foundation for Training in Employment. In addition to the aforementioned, numerous training actions are carried out as part of normal job dynamics.

#### **4.6.- Universal accessibility**

The problems of physical accessibility in work environments and difficulty in using objects and products, irrespective of their technical, cognitive or physical skills, are barriers that hinder the full mainstreaming of people with disabilities in work and social environments.

Regarding the first of the barriers, ROVI strives for the work centres where it carries on its activity to be accessible to everyone safely, comfortably and autonomously.

In addition, the products marketed by ROVI are also labelled in Braille for the blind, so that the latter can use them autonomously, thus fully attaining the objectives for which they were designed.

In addition to the foregoing, ROVI fosters sensitisation as the primary tool to combat barriers to persons with disabilities. In this respect, it conducts corporate volunteering activities in cooperation with non-profit organisations engaged in the social integration of persons with mental and intellectual disabilities.

Thus, employees obtain first-hand knowledge of the main barriers that persons with disabilities have to surmount in their daily lives. These activities are made known through the Company's internal television channel and periodic internal publications. Thus, the Company's commitment to accessibility and inclusion is shared with the employees and ROVI strives to raise awareness of disabilities and combat the discrimination suffered by this group of people.

#### **4.7.- Equality**

ROVI is committed to establishing and developing policies that include equal treatment and opportunities for women and men, with no direct or indirect gender discrimination, and to drive and foster measures to achieve real equality within the organisation, establishing equal opportunities as a strategic principle in its human resources policy.

ROVI is committed to no discrimination based on gender or any other personal characteristic in selection, promotion and personal development processes and the remuneration policy according to which workers are paid.

Applying this commitment, it has an Equal Opportunities Plan for men and women. Applying this Plan, an Equal Opportunities Commission has been created, with the main mission of properly monitoring the measures implemented to ensure equal opportunities and non-discrimination and to promote the inclusion of new actions in this respect.

ROVI's commitment to equality and non-discrimination is also set out in the Company's Code of Ethics and the principles that govern training programmes and actions.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2018

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ROVI does not tolerate harassment and rejects any kind of violence, physical, sexual, psychological or moral harassment, the abuse of authority at work or any other form of conduct that generates an atmosphere that is intimidatory or offensive in respect of the employees' rights.

Therefore, ROVI has a Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment in the workplace, which all employees are obliged to know and respect.

To guarantee that any reports that may be received informing of a violation of the aforementioned Protocol, the Regulations of the Ethics Channel or, in general, any approved policy or procedure are handled properly and receive an appropriate response, ROVI has made an Ethics Channel available to its employees, suppliers, trading partners, agents and external collaborators. The Regulations of the Ethics Channel govern the procedure to follow to handle and process any reports or notifications received and ensures that, when faced with an action that potentially contravenes the Company's principles and values, the Company is able to react strictly, efficiently and diligently.

## **5.- HUMAN RIGHTS**

### **5.1.- Principal risks**

The ROVI Group operates in Spain and the European Union (UK, Germany, Italy, France and Portugal) through subsidiaries. Since these are territories with legislation that protects human rights more than sufficiently, no risks of this nature that can derive directly from the ROVI Group's activity have been identified.

In addition, more than 90% of the ROVI Group's suppliers also operate in countries belonging to the European Union and those that carry on their activity outside the European Union enjoy recognised prestige in the international community.

At any event, the ROVI Group considers that the main risk affecting the organisation in relation to human rights comes from possible non-compliance in this respect on the part of a supplier.

Additionally, in the Crime Prevention Model, the possible existence of risks related to (i) criminal offences against foreign citizens; and (ii) the offence of human trafficking, was analysed and it was concluded that these risks do not currently exist within the ROVI Group's organisation.

### **5.2.- Policies and commitments:**

As may be seen from the Code of Ethics, ROVI is committed to actively supporting the Universal Declaration of Human Rights and requires its employees to comply with the principles thereof in the course of the Group's day-to-day activity. The Company combats practices contrary to human dignity and strives to prevent workplace discrimination.

ROVI upholds, by adopting and communicating it, the inclusion of the principles of the United Nations Global Compact, as well as other international instruments, especially in the spheres of human rights, workplace practices, the environment and the fight against corruption.

Additionally, the ROVI Group has a Code of Ethics for Suppliers, which establishes that all suppliers must respect the protection of fundamental human and labour rights recognised internationally. Specifically, the Code of Ethics for Suppliers requires all suppliers to comply with the following principles:

- Elimination of forced labour.
- Elimination of child labour.
- Respect for the right of association and collective bargaining.
- Equal opportunities and non-discrimination.
- The supplier must provide a fair work environment, free of any kind of violence.
- Respect for current legislation on working hours and remuneration.

**5.3.- Results of application of the policies:**

- Human rights due diligence procedures, prevention of the risk of violation of human rights and, where applicable, measures to mitigate, manage and provide reparation for any abuses committed

The ROVI Group applies the Collective Agreement of the Chemical Industry in all its business in Spain, likewise complying with the labour legislation in force at any given moment in all the territories where it operates. Additionally, it has the following procedures and measures in place:

- The ROVI Group has an Ethics Channel through which all employees must communicate any situation that may represent a breach of (i) current legislation; (ii) the standards and codes to which the ROVI Group has adhered voluntarily, (iii) the Group's internal policies, (iv) the Crime Prevention Model, or (vi) accounting and financial standards. Said Ethics Channel has a Regulation that was approved by the Board of Directors on November 7, 2017 and is managed by a Management Committee. Likewise, the Compliance Department reports periodically to the Compliance Committee, the Audit Committee and the Board of Directors on the communications received through the Ethics Channel.
- The Group has a Protocol on Moral and Sexual Harassment.
- The workers have legal representatives at the Julián Camarillo, San Sebastián de los Reyes and Alcalá de Henares work centres.

- Number of reports of human rights violations

No reports have been received in relation to human rights violations.

- Description of the measures implemented for promotion of and compliance with the rules of the fundamental conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; the effective elimination of child labour;

We refer to the contents of the first point of this section "Human rights due diligence procedures, prevention of the risk of violation of human rights and, where applicable, measures to mitigate, manage and provide reparation for any abuses committed".

## **6.- CORRUPTION AND BRIBERY**

### **6.1.- Principal risks**

The ROVI Group has a Crime Prevention Model in which the risks related to corruption and bribery are analysed. The main risks observed in this respect are:

1. Relations with public authorities and/or political office-holders, both national and foreign, for any reason related to the Group's activities; for example: (i) receipt and processing of inspections on the part of the authorities, (ii) obtaining authorisations and licences related to the Group's activities, (iii) subscription and signature of public contracts (medicine supply), (iv) relations with health professionals, and (v) applications for subsidies and European public funds.
2. Management of the processes for contracting works and services with third parties, related to the activities carried on by the ROVI Group.
3. Signature of donation and sponsorship agreements with public or private entities.

These risks were identified within the framework of the analysis of crime risks performed in accordance with article 31 bis of the Spanish Criminal Code, which requires "*identification of the activities in the sphere of which the offences that must be prevented may be committed*". The risk assessment was prepared by an external consultant and approved by the Audit Committee and Board of Directors, and is reviewed regularly (on an annual basis) by the ROVI Group's Compliance Department with the help of an external consultant.

### **6.2.- Policies and commitments**

To detect and prevent the risks of corruption and bribery, the ROVI Group has the following policies and procedures in place:

- ROVI's Code of Ethics (the update of which was approved by the Board of Directors on 19 February, 2018) sets out ROVI's commitment to fight against corruption and bribery. Specifically, the Code of Ethics expressly rejects any practice that includes bribery and corruption as a way to obtain a decision in favour of ROVI Group companies and any practice intended to do business using improper means is prohibited. Likewise, the Code of Ethics prohibits any ROVI employee from offering a third party any kind of benefit intended to influence, or given with the intention of unlawfully influencing, said person's capacity to adopt objective and lawful business decisions. Likewise, ROVI employees are expressly prohibited from accepting any form of corruption or bribery that may be offered by a third party.
- The Group has an Anti-Bribery Policy (the update of which was approved by the Board of Directors on 19 February, 2018) that prohibits: (i) any form of bribery, (ii) corruption between private individuals, and (iii) influence peddling, and in which the guidelines for action and the precautions that all ROVI Group employees should adopt to prevent and mitigate the risks related to corruption and bribery are set out. Said Policy also includes the rules on courtesies, gifts and hospitality.

- The ROVI Group's medicine marketing activity is subject to the Code of Good Practice for the Pharmaceutical Industry (CBPIF), which means that all relations with health professionals must apply the content of said Code.

#### **6.3.- Results of application of the policies**

- Anti-corruption and anti-bribery measures

In addition to the policies described in the preceding section, the Group has the following measures in place:

- The Group has entrusted the management and supervision of crime risks to the Audit Committee, which, in turn, has delegated the ordinary management of said risks to a Compliance Committee that advises the Group on these matters and the Compliance Department. Both the Compliance Committee and the Compliance Department have a charter that governs their operation and in which their obligations in this respect are described.
- The ROVI Group has a Practice Surveillance Department the purpose of which is to monitor compliance with the Code of Good Practice for the Pharmaceutical Industry. Likewise, the Group is audited in this respect by an independent auditor on a quarterly basis.
- The ROVI Group has an Ethics Channel through which all employees must notify any situation that may represent a breach of i) current legislation; (ii) the standards and codes to which the ROVI Group has adhered voluntarily, (iii) the Group's internal policies, (iv) the Crime Prevention Model, or (vi) accounting and financial standards. Said Ethics Channel has Regulations that were approved by the Board of Directors on November 7, 2017 and is managed by a Management Committee. Likewise, the Compliance Department reports periodically to the Compliance Committee, the Audit Committee and the Board of Directors on the communications received through the Ethics Channel.
- The Crime Prevention Model is reviewed annually by an external consultant, who verifies its degree of efficacy and suggests recommendations and improvements.
- The ROVI Group has a procedure for contract approval, which includes, among other items, a review by the following departments: Legal, Intellectual and Industrial Property, and Compliance.
- The Group has a payment policy and a policy for per diem allowances and other expenses.

- Anti-money laundering measures

None of the companies that form the ROVI Group is considered an obligated entity in the terms of article 2 of Spanish Law 10/2010 on the Prevention of Money Laundering and Terrorist Financing.

However, ROVI has procedures in place to combat money laundering. All of them are listed below:

- The registration process for any new Group supplier requires submission of the following documentation: (i) Spanish tax identification card or tax residency card for foreign suppliers, and (ii) bank account-holder's certificate. Additionally, a supplier registration form must be completed with other information.

- The registration of a new customer requires submission of the following documentation: (i) completion of the new customer template, in which the following information is requested: corporate name, registered address, contact details and bank details, (ii) copy of tax identification number or equivalent document, (iii) in the case of customers of the medicine marketing area, a copy of the authorisation as a pharmaceutical product distributor is likewise requested.
  - All payments are processed in SAP. No payments are made outside SAP and the customer / supplier is only registered in SAP if the aforementioned documentation has been provided.
  - There is a supplier selection policy, SOP 002, that includes a list of the criteria used to select each type of supplier. It provides for an initial evaluation and another periodic evaluation. This is used to draw up a list of approved suppliers custodiated by Quality Department.
  - Supplier engagement and payment: (i) suppliers with an annual volume of over 100,000 euros, always have a duly signed contract, (ii) it regulates how invoices should be sent and recorded, and (iii) the means of payment accepted.
  - Policy for reimbursement of expenses and payment of per diem allowances: (i) ROVI only reimburses the following expenses: Transport, Accommodation, Food (per diem) and others: Photocopies / Paper / Envelopes / Couriers / Toner / Ink; Books / Publications; Projector Hire; Professional Association Fees; Courses / Training; Exchange Rate Adjustments. The reimbursement of expenses is preceded by the pertinent expense note, which must be accompanied by the documentary support of the expenses (invoices, etc.). Employees must settle the expenses incurred in providing their services preferably with the corporate credit card and must minimize cash payments.
  - The ROVI Group accepts the following means of payment for collections:
    - Transfers - 61%
    - Direct debits - 38%
    - Cheque, promissory notes - 1%
    - Cash and point-of-sale terminals (only in the business of Pan Química – it represents roughly 5% of the total collections of Pan Química and 0.5% of the group total).
  - The ROVI Group accepts the following means of payment for payments:
    - "Confirming"
    - Bank transfers
    - Direct debits
    - Nominative cheques: only for payments of conferences to health professionals. The average invoice from speakers is €500.
- Donations to foundations and non-profit organisations

The ROVI Group has a Donation Management Procedure that describes the process to be followed to approve a donation. As part of this procedure, the Group has appointed a Donations Committee, which evaluates and, if appropriate, approves or rejects the Group's donation requests. This procedure came into force in July 2018.

## **7.- INFORMATION ABOUT SOCIETY**

### **7.1.- Commitment to sustainable development:**

ROVI has a strong commitment to Corporate Social Responsibility, which materialises in co-operation with a series of non-profit organisations with a marked social nature. Thus, in 2018, it continued to co-operate with the Granada Red Cross in its child assistance and protection projects; with Proyecto Hombre Granada, in the continuity of its social reintegration activities; and with Fundación Recover, co-operating in its programmes to improve healthcare in Africa.

The Company has continued to bet on co-operation with entities that work on the integration and mainstreaming of persons with disabilities through sport, such as Fundación También and Fundación Deporte & Desafío.

Working with many of these foundations, ROVI has been able to expand the corporate volunteering activities available, so that ROVI employees can get to know the world of disability first-hand, thanks to our inclusive sports events, such as the Adaptive Skiing Campus in Sierra Nevada (Granada), the Adaptive Descent of the River Sella (Asturias), the VII Sponsored Race of Madrid, and the Eco Trekking and Multisports Days (both in Madrid). In 2018, 135 ROVI employees took part in some of the activities scheduled by the CSR Area.

Furthermore, continuing with its policy of promoting healthy living habits and co-operation with non-profit entities that work to include groups at risk or to improve healthcare in different countries, ROVI co-operated, for the first time, as a sponsor for several charity races, such as the VII Charity Race for Mental Health, organised by Fundación Manantial in Madrid, or the I Medicusmundi South Charity Race South, organised by Medicusmundi South (Granada).

Fundación Prodis also joined the list of foundations that co-operate with ROVI in 2018. In this case, through a dual channel: Prodis helped the company in the process of recruiting a person with Down's syndrome for ROVI's Human Resources Department, while its Special Employment Centre worked with the Corporate Social Responsibility Department as a supplier of sports material for corporate volunteering (T-shirts, caps, etc.). Thus, Prodis joined other suppliers, such as ISS Facility Services (Gelim), Ilunion or Fundación Manantial, which are engaged to provide certain services performed by persons with disabilities.

Additionally, throughout 2018, ROVI continued the work of the Donations Committee, which channels the requests for co-operation that ROVI receives from healthcare organisations and social or humanitarian entities. Its mission is to review each application and check that it complies with current legislation, the Code of Good Practices of the Pharmaceutical Industry and ROVI's Code of Ethics.

#### **- Commitment to research**

ROVI is fully committed to supporting medical research and uses a significant part of its resources to promote it. Over recent years, it has been carrying on intensive research activity to foment the prevention and knowledge of certain diseases, in order to improve patient health and quality of life. At the same time, ROVI focuses on supporting co-operative research, holding important co-operation agreements with different public bodies and universities, such as the co-operation agreement with the University of Granada, with which it aims to combine efforts to increase scientific, technological and training activities, as well as to spread knowledge.

The Company likewise co-operates with scientific associations and societies of different types in supporting the health professionals' quest for innovation. An example is the SEFH/ROVI Hospital Pharmacy Development awards, which have been awarded jointly with the Spanish Hospital Pharmacy Society (SEFH) for the last two years and which recognise projects that represent the contribution of innovative and beneficial solutions for patient well-being and quality of life.

- Commitment to training

In order for qualified students to enter a work environment and improve their skills, knowledge and experience, the Company has a training programme underway in the organisation. In this respect, there are co-operation agreements with 73 educational centres (universities, institutes, centres imparting official training programmes and business schools) all over Spain. This practical training helps students to start their working life in a professional work environment. In 2018, 49 persons took part.

**7.2.- Subcontracting and suppliers**

The Group's General Corporate Social Responsibility Policy establishes a course of action in relation to suppliers that allows them to find in ROVI a partner for mutual benefit. It is indispensable to ensure a supply chain that respects the principles of corporate social responsibility assumed by the ROVI Group. To do this, ROVI undertakes to promote CSR-related values among its suppliers and subcontractors of goods and services.

Suppliers are a group of strategic interest in relation to ROVI's activities. For this reason, it has put in place a series of specific action principles aligned with the company's principles and values and intended to reinforce the sustainability and competitive edge of the value chain

As stated in preceding sections, the ROVI Group has a Code of Ethics for Suppliers, which establishes that all suppliers must respect the protection of fundamental human and labour rights recognised internationally. Specifically, the Code of Ethics for Suppliers requires all suppliers to comply with the following principles:

- Elimination of forced labour.
- Elimination of child labour.
- Respect for the right of association and collective bargaining.
- Equal opportunities and non-discrimination.
- The supplier must provide a fair work environment, free of any kind of violence.
- Respect for current legislation on working hours and remuneration.

In the same way as ROVI maintains a constant focus on equal opportunities, occupational safety or care of the environment, it invites all its suppliers to guarantee these factors and to declare their commitment to basic principles of ethics and professional conduct. To do this, in the same way as ROVI develops them internally, it tries to involve suppliers and subcontractors in the adoption of the best corporate social responsibility practices in order to regulate their activities in accordance with the standards included in the certifications SA-8000, SGE-21 or similar.

We highlight the fact that, as stated above, more than 90% of the ROVI Group's suppliers operate in countries belonging to the European Union and those that carry on their activity outside the European Union enjoy recognised prestige in the international community. This means that supplier non-compliance with Human Rights requirements is considered limited and under control.

Additionally, regarding the environment, as stated above, ROVI is committed to making a joint effort with its suppliers and contractors to minimise the impact of their activities on the environment and the risks derived for safety and health, both in the environment and for their workers.

ROVI has a supplier selection policy (SOP 002) that includes a list of the criteria used to select each type of supplier. It provides for an initial evaluation and another periodic evaluation. This is used to draw up a list of approved suppliers kept by the Quality Department.

There is also a Supplier Engagement and Payment Policy, in order to establish a framework for relations with suppliers and creditors that is shared by the whole Company. It sets out the following: (i) suppliers with an annual volume of over 100,000 euros must always have a duly signed contract, (ii) it regulates how invoices should be sent and recorded, and (iii) the means of payment accepted.

Additionally, on-site audits are conducted to check that suppliers operate in accordance with national and local regulations, there are no important breaches in respect of workplace safety and there are no practices that violate the workers' rights. Among other aspects, the auditors ensure that a safe working environment is provided, environmental legislation is respected and employees are not subject to abuse or discrimination.

### **7.3.- Consumers**

Given their nature, products intended to improve patient health, medicines and healthcare products, require the instructions of a health professional for their administration or final use. The health professional determines the best therapeutic approach for a specific patient. Thus, prescription medicines and healthcare products are those that reach patients on the instructions of a doctor, using a prescription, irrespective of whether they are dispensed in a pharmacy or administered at health centres. There is, furthermore, a third category: non-prescription pharmaceuticals (OTC), which do not need a medical prescription but are obtained through pharmacies on the recommendation of the pharmacist.

Most of ROVI's medicines and health products fall within the category of prescription products, which means they reach the patients because they have been prescribed by a health professional. Therefore, ROVI's "consumers" can be divided into three broad groups:

- Customers, mainly wholesalers, who then distribute to pharmacies, but to whom service must be given.
- Professionals: doctors, nursing staff or pharmacists.
- Patients.

- Health and safety measures for patients and professionals

Customers, including potential customers, health professionals and patients, are the basis of the business and, therefore, ROVI assumes the following commitments:

- a) To bet on innovative drugs as a growth engine for ROVI.
- b) To place special importance on the protection of the health and safety of customers and patients throughout the products' life cycles through strict compliance with the applicable legislation.
- c) To observe due confidentiality in processing customer data.
- d) To manage and solve their queries and complaints in the shortest period possible.
- e) To monitor the customer's experience through surveys that measure their satisfaction and other means and systems that allow us to actively and permanently listen to the customer in all the processes and operations in which the latter interacts with the Company.
- f) To have appropriate and efficient communication channels, using the most suitable means to do so.
- g) To observe and comply with the rules that govern communication and marketing activities and assume the voluntary codes that ensure the transparency and veracity of such actions.

Guaranteeing the quality, safety and efficacy of the products that the Company places in the market is the main goal of ROVI and all the people who form part of it. In this respect, all the Group companies have procedures in place that define the verifications performed in all phases of the processes, including product research and development, the receipt of raw materials and packaging materials, production, storage and distribution, until the products are consumed by the customers.

The standards in place fully meet the Company's internal requirements and also the external requirements imposed by the regulatory bodies for the different products on ROVI's portfolio.

In order to assess the compliance of these procedures, internal audits are performed periodically at all the Group's facilities. Furthermore, there are annual management reviews, which analyse the main points where our organisations have room for improvement.

In addition, the quality audits by external entities show the commitment to continuing improvement and maintaining high quality standards.

Moreover, in accordance with the frequency stipulated in the legislation applicable to the products, all Group companies, both in Spain and in the countries to which our products are exported, are inspected by the health authorities.

- Complaints system: complaints received and solution thereto

When any customer or health professional contacts ROVI to notify a claim or complaint, the Company immediately opens an enquiry in order to identify the cause and prevent any repetition. These enquiries may involve several departments and may also include suppliers and/or subcontractors. The efficacy of these actions is analysed annually in the review that ROVI management conducts of the system.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

Any request for information made by a customer/health professional and/or customer is considered a query. Depending on its content, it is handled by one department or another (Quality, Pharmacovigilance or Medical Science Liaison), both in Spain and in the subsidiaries.

		Lab. Fcos. Rovi	Pan Química	Lab. Fcos. Rovi establ. Permanente Portugal	Rovi GmbH (Alemania)	Rovi Biotech Limited (Reino Unido)	Rovi Biotech, S.R.L (Italia)	Rovi S.A.S (Francia)	SUB.DISTR
<b>GENERAL</b>	Units manufactured / Units distribut.	19,571,222	25,353	296,268	312,691	135,192	1,168,506	0	<b>21,509,232</b>
	Employees	465	5	5	4	1	6	2	<b>475</b>
<b>CUSTOMER COMPLAINTS</b>	No. of customer complaints	155	9	10	13	3	4	0	<b>174</b>
	Complaints / million units	7.92	354.99	33.75	0	22	3	0	<b>8.09</b>
<b>CUSTOMER QUERIES - QUALITY + THERAPEUTIC -</b>	No. of customer queries	237	0	9	171	19	0	0	<b>246</b>
	Queries / million units	12.11	0.00	30.38	547	141	0	0	<b>11.44</b>

ROVI has, likewise, a Pharmacovigilance System in place, which allows detection of any possible adverse reactions (any response to a medicine which is noxious and unintended) that take place in relation to our medicines or healthcare products.

The system means that, if an adverse reaction is notified, the Pharmacovigilance Department analyses whether it may be due to a quality problem, so that the process described above may be initiated. In the event that, while a complaint is being studied, a possible risk for the patient and/or health professional is observed, the Quality Department informs Pharmacovigilance, so that the case can be handled correctly.

ROVI's Pharmacovigilance Department has communications channel open by e-mail ([farmacovigilance@rovi.es](mailto:farmacovigilance@rovi.es)) or telephone ([(+34) 91 021 30 00], both of which may be accessed through the Company's website ([www.rovi.es](http://www.rovi.es)).

#### **7.4. Tax information**

ROVI has a tax policy that sets out how tax matters should be managed by applying good tax practices and acting with transparency, paying taxes responsibly and efficiently, and promoting co-operative relations with governments, endeavouring to prevent significant risks and unnecessary conflicts.

To support its tax practices, ROVI has engaged the services of an external tax advisor, who keeps the Group updated on new developments in this field and advises on any doubts that may arise. Additionally, the tax advisor reviews the preparation and filing of the different taxes as well as the Group's decision-making on tax matters.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

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In general, ROVI pays special attention to compliance with the tax obligations that are applicable in the different countries where it operates. Specifically, the following tax information by country or company is provided for 2018:

<b>In thousand euros</b>	<b>Profit before tax</b>	<b>Corporate income tax paid</b>	<b>Government grants received</b>
Laboratorios Farmacéuticos Rovi, S.A.	11,444	(3,108)	1,587
Laboratorios Farmacéuticos Rovi, S.A. establecimiento permanente Portugal	(343)	(33)	-
Laboratorios Farmacéuticos Rovi, S.A. establecimiento permanente Polonia	(2)	-	-
Laboratorios Farmacéuticos Rovi, S.A. establecimiento permanente Alemania	-	-	-
Rovi Contract Manufacturing, S.L. (*)	16,348	-	-
Bemipharma Manufacturing, S.L. (*)	(36)	-	-
Pan Química Farmacéutica, S.A. (*)	531	-	-
Gineladius, S.L. (*)	(9)	-	-
Frosst Ibérica, S.A. (*)	5,351	-	-
Bertex Pharma GmbH	-	-	-
Rovi Biotech, Limited	(30)	-	-
Rovi Biotech, S.R.L.	9	-	-
Rovi Biotech, GmbH	(82)	-	-
Rovi S.A.S.	(729)	-	-
Rovi Biotech, Ltda.	-	-	-
<b>TOTAL</b>	<b>(3,141)</b>		<b>1,587</b>

(\*) These companies are part of the fiscal group 362/07 of which Laboratorios Farmacéuticos Rovi, S.A. is the parent company.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

## 8.- INDEX OF GRI INDICATORS

Code Information required by Law 11/2018	Relationship with GRI indicators (Guidance only)	Page SNFI
<b>0. General information</b>		
<b>0.1 Business model</b>		
0.1.a Brief description of the group's business (business environment and organisation).	102-2 Activities, brands, products, and services . 102-7 Scale of the organisation.	1-3
0.1.b Geographic presence.	102-3 Location of headquarters. 102-4 Location of operations. 102-6 Markets served.	3-4
0.1.c The organisation's objectives and strategies.	102-14 Statement of senior decision-maker .	4-5
0.1.d Main factors and trends that may affect future evolution.	102-15 Key impacts, risks and opportunities.	5
<b>0.2 General</b>		
0.2.1 Reference in the report to the national, European or international reporting framework used to select the key non-financial performance indicators included in each section.	102-54 Claims of reporting in accordance with GRI Standards.	5
<b>1. Cuestiones issues</b>		
<b>1.1 General information</b>		
1.1.a A description of the <b>policies</b> applied by the Group on these issues, which will include the due diligence procedures applied to identify, assess, prevent and attenuate material risks and impact and the verification and control procedures, including the measures adopted.	103-2 The management approach and its components.	6-8
1.1.b The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	8-10
1.1.c The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	6-7
<b>1.1 Detailed information</b>		
<b>1.1.1 Detailed general information</b>		
1.1.1.1 On the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety.	-	8-9
1.1.1.2 On the environmental evaluation or certification procedures.	-	6
1.1.1.3 On the resources devoted to environmental risk prevention.	-	8
1.1.4 On application of the precautionary principle.	102-11 Precautionary principle or approach.	7
1.1.5 On the amount of environmental risk provisions and guarantees.	-	10

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

**1.1.2 Pollution**

---

1.1.2.1	Measures to prevent, reduce or repair emissions that seriously affect the environment, taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution.	305-5 Reduction of GHG emissions	8
---------	--	----------------------------------	---

**1.1.3 Circular economy and waste prevention and management**

---

1.1.3.1	Measures for waste prevention, recycling and reutilisation and other forms of waste recovery and disposal; actions to combat food waste.	301-2 Recycled import materials. 306-2 Waste by type and disposal method.	9-10
---------	--	--	------

**1.1.4 Sustainable use of resources**

---

1.1.4.1	Water consumption and water supply in accordance with local limitations.	303-1 Water withdrawal by source.	10
1.1.4.2	Consumption of raw materials and measures adopted to enhance efficiency in using them.	301-1 Materials used by weight or volume.	-
1.1.4.3	Direct or indirect energy consumption.	302-1 Energy consumption within the organisation. 302-2 Energy consumption outside the organisation..	9-10
1.1.4.4	Measures taken to improve energy efficiency.	302-4 Reduction of energy consumption.	9-10
1.1.4.5	Use of renewable energies.	302-1 Energy consumption within the organisation.	9-10

**1.1.5 Climate change**

---

1.1.5.1	Important elements of greenhouse gas emissions generated as a result of the company's activity, including the use of the goods and services it produces.	305-1 Direct (Scope 1) GHG emissions. 305-2 Energy indirect (Scope 2) GHG emissions.	9-10
1.1.5.2	Measures taken to adapt to the consequences of climate change.	201-2 Financial implications and other risks and opportunities due to climate change.	9-10
1.1.5.3	Medium- and long-term reduction measures fixed voluntarily to reduce greenhouse gas emissions and the means implemented for this purpose.	305-5 Reduction of GHG emissions.	9-10

**1.1.16 Biodiversity protection**

---

1.1.6.1	Measures taken to conserve or restore biodiversity.	304-3 Habitats protected or restored.	-
1.1.6.2	Impacts caused by the activities or operations in protected areas.	304-2 Significant impacts of activities, products and services on biodiversity.	-

**2. Social and employee issues**

---

**2.1 General information**

---

2.1.a	A description of the <b>policies</b> applied by the Group on these issues, which will include the due diligence procedures applied to identify, assess, prevent and attenuate material risks and impact and the verification and control procedures, including the measures adopted.	103-2 The management approach and its components .	11-24
2.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	11-14

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks.</b>	102-15 Key impacts, risks and opportunities.	11-24
2.1.c			
<b>2. 2 Detailed information</b>			
<b>2.2.1 Employment</b>			
2.2.1.1	Total number and distribution of employees, employing criteria that represent diversity (gender, age, country, etc.).	102-8 Information on employees and other workers. 405-1 Diversity of governance bodies and employees.	11-12
2.2.1.2	Total number and distribution of types of employment contracts, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification.	102-8 Information on employees and other workers.	12-13
2.2.1.3	Number of dismissals by gender, age and professional classification.	401-1 New employee hires and employee turnover.	13-14
2.2.1.4	Average remuneration and the evolution thereof broken down by gender, age and professional classification or equivalent.	102-38 Annual total compensation ratio. 102-39 Percentage increase in average total compensation ratio.	14-15
2.2.1.5	Wage gap, remuneration for the same jobs or average remuneration in the company.	405-2 Ratio of basic salary and remuneration of women to men.	15-16
2.2.1.6	Average remuneration of directors and management, including variable remuneration, per diems and indemnities.	-	15
2.2.1.7	Payment into long-term savings schemes and any other amounts received, broken down by gender.	201-3 Defined-benefit plan obligations and any other retirement plans.	-
2.2.1.8	Implementation of disconnection-from-work policies.	-	16
2.2.1.9	Employees with disabilities.	405-1 1 Diversity of governance bodies and employees.	16
<b>2.2.2 Organisation of work</b>			
2.2.2.1	Organisation of working time.	-	17-18
2.2.2.2	Number of hours of absence.	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	18
2.2.2.3	Measures aimed to facilitate reconciliation of family life and work and foster the co-responsibility of both parents.	401-3 Parental leave.	18
<b>2.2.3 Health and safety</b>			
2.2.3.1	Workplace health and safety conditions.	403-3 Workers with a high incidence or high risk of diseases related to their occupation.	19-20
2.2.3.2	Workplace accidents, in particular their frequency and severity, as well as occupational diseases, broken down by gender.	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	20

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

**2.2.4 Social relations**

2.2.4.1	Organisation of social dialogue, including procedures to inform and consult the personnel and negotiate with them.	102-43 Approach to stakeholder engagement. 402-1 Minimum notice periods regarding operational changes. 403-1 Workers representation in formal joint management-worker health and safety committees.	20-21
2.2.4.2	Percentage of employees covered by collective agreements by country.	102-41 Collective bargaining agreements.	20-21
2.2.4.3	The balance of the collective agreements, particularly in the workplace health and safety field.	403-4 Health and safety topics covered in formal agreements with trade unions	20-21

**2.2.5 Training**

2.2.5.1	The policies implemented in the training field.	404-2 Programs for upgrading employee skills and transition assistance programs.	21-22
2.2.5.2	Total number of hours of training by professional category.	404-1 Average hours of training per year per employee.	22

**2.2.6 Universal accessibility for persons with disabilities**

2.2.6.1	Universal accessibility for persons with disabilities	-	23
---------	---	---	----

**2.2.7 Equality**

2.2.7.1	Measures adopted to promote equal treatment and opportunities for women and men.	401-3 Parental leave.	23-24
2.2.7.2	Equality Plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality between men and women), measures adopted to promote employment, protocols against sexual and gender harassment, the inclusion of universal accessibility for persons with disabilities.	-	23-24
2.2.7.3	The policy against all kinds of discrimination and, where applicable, diversity management policy.	406-1 Incidents of discrimination and corrective actions taken.	23-24

**3. Respect for human rights**

**3.1 General information**

3.1.a	A description of the <b>policies</b> applied by the Group on these issues, which will include the due diligence procedures applied to identify, assess, prevent and attenuate material risks and impact and the verification and control procedures, including the measures adopted.	103-2 The management approach and its components.	25
3.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	26
3.1.c	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	25

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

**3.2 Detailed information**

3.2.1	Application of due diligence procedures in respect of human rights; prevention of risks of violation of human rights and, where applicable, measures to mitigate, manage and provide reparation for any possible abuses committed.	102-16 Values, principles, standards, and norms of behaviour. 102-17 Mechanisms for advice and concerns about ethics. 410-1 Security personnel trained in human rights policies or procedures. 412-1 Operations that have been subject to human rights reviews or impact assessments. 412-2 Employee training on human rights policies or procedures. 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	25-26
3.2.2	Reports of cases of violation of human rights	419-1 Non-compliance with laws and regulations in the social and economic area.	25-26
3.2.3	Promotion of and compliance with the provisions of the fundamental conventions of the World Labour Organisation related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; and the effective abolition of child labour.	406-1 Incidents of discrimination and corrective actions taken. 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. 408-1 Operations and suppliers at significant risk for incidents of child labour. 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour.	25-26

**4. Fight against corruption and bribery**

**4.1 General information**

4.1.a	A <b>description of the policies</b> applied by the Group on these issues, which will include the due diligence procedures applied to identify, assess, prevent and attenuate material risks and impact and the verification and control procedures, including the measures adopted.	103-2 The management approach and its components.	27
4.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	28
4.1.c	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	27

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

**4.2 Detailed information**

4.2.1	Measures adopted to prevent corruption and bribery.	102-16 Values, principles, standards and norms of behaviour. 102-17 Mechanisms for advice and concerns about ethics. 205-1 Operations assessed for risks relating to corruption. 205-2 Communication and training about anti-corruption policies and procedures. 205-3 Confirmed incidents of corruption and actions taken.	28
4.2.2	Anti-money laundering measures taken.	102-16 Values, principles, standards and norms of behaviour. 102-17 Mechanisms for advice and concerns about ethics.	28
4.2.3	Contributions to non-profit foundations and entities.	201-1 Direct economic value generated and distributed.	29

**5. Information about the society**

**5.1 General information**

5.1.a	A <b>description of the policies</b> applied by the Group on these issues, which will include the due diligence procedures applied to identify, assess, prevent and attenuate material risks and impact and the verification and control procedures, including the measures adopted.	103-2 The management approach and its components.	30-35
5.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	30-35
5.1.c	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	30-35

**5.2 Detailed information**

**5.2.1 Company's commitments to sustainable development**

5.2.1.1	The impact of the company's activity on local employment and development.	204-1 Proportion of spending on local suppliers. 413-1 Operations with local community engagement, impact assessments, and development programmes.	30-31
5.2.1.2	The impact of the company's activity on the local population and the population of the territory.	204-1 Proportion of spending on local suppliers. 411-1 Incidents of violations involving rights of indigenous peoples. 413-1 Operations with local community engagement, impact assessments, and development programmes.	30-31
5.2.1.3	Relations maintained with local community players and methods for dialogue with them.	413-2 Operations with significant actual and potential negative impacts on local communities. 102-43 Approach to stakeholder engagement.	30-31
5.2.1.4	Partnership or sponsorship actions.	-	30-31

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
 Statement of Non-Financial Information for the year ending 31 December, 2018

---

**5.2.2 Subcontracting and suppliers**

5.2.2.1	The inclusion of social, gender equality and environmental issues in the purchasing policy.	308-1 New suppliers that were screened using environmental criteria. 414-1 New suppliers that were screened using social criteria.	31-32
5.2.2.2	In relation to new suppliers, consideration of their social and environmental activity.	308-1 New suppliers that were screened using environmental criteria. 414-1 New suppliers that were screened using social criteria.	31-32
5.2.2.3	Oversight and Audit systems and the results thereof.	308-2 Negative environmental impacts in the supply chain and actions taken. 414-2 Negative social impacts in the supply chain and actions taken.	31-32

**5.2.3 Consumers**

5.2.3.1	Consumer health and safety measures.	416-1 Assessment of the health and safety impacts of product and service categories.	32-34
5.2.3.2	Complaints system, complaints received and solution thereof.	102-43 102-43 Approach to stakeholder engagement 102-44 Key topics and concerns raised. 418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data.	32-34

**5.2.4 Tax information**

5.2.4.1	Profits obtained by country.	201-1 Direct economic value generated and distributed.	34-35
5.2.4.2	Income taxes paid.	201-1 Direct economic value generated and distributed.	34-35
5.2.4.3	Public grants received.	201-4 Financial assistance received from government.	34-35