

TRANSITION RISKS & OPPORTUNITIES



Almirall may be directly and indirectly exposed to risks related to the introduction of new or stricter carbon taxes and regulations related to energy production. Considering the importance of energy in the pharma production process, this issue might result in an increase of operating costs (e.g., fuel costs) for Almirall and its supply chain in the short and medium term.

As part of the process to build an environmental strategy for the company (e.g., reducing the carbon emissions), Almirall recognizes the opportunity to optimize the energy use in the production process, R&D and offices sites by implementing energy efficiency actions, which may require identification of innovative technology solutions.

New regulations related to energy consumption and saving also represent an opportunity for Almirall to increase the self-generation of energy from renewable sources and to reduce the energy related costs of its plants.



The ecological transition to a low carbon economy will affect the transportation sector. This will require adaptation efforts from Almirall in the short and medium term. In particular, the company will need to implement dedicated practices to decarbonize the company fleet and engage with suppliers adopting more sustainable logistics and procurement practices and processes.



The inability to respond to enhanced reporting requests regarding climate change management, targets and KPIs (in particular from financial stakeholders) might affect the Group's reputation, in the short and medium-term, with consequences on sales and make access to capital more difficult.

Almirall is aware of the increasing pressures (i.e., from investors and shareholders) regarding company's climate change sustainability performance and recognizes this as an opportunity in the long-term to reinforce its brand reputation by implementing several actions to reduce its GHG emissions (e.g., energy efficiency actions), enhancing the environmental culture of its employees.

PHYSICAL RISKS



The increased severity and number of fluvial floods and longer-lasting events over a few days of heavy rainfall might cause manufacturing/production interruptions and damage to sites.



Droughts/ water scarcity might cause water and energy shortages and increased costs for water and raw materials purchase in Almirall's and CMO's sites. Specifically, the main critical region regarding the water stress risk is Spain, especially for the locations of Barcelona and Sant Celoni, for which the scenario is expected to worsen in the long-term.



Changes in temperatures due to climate change may affect the production process and increase costs for energy and water supply, in both Almirall's and CMO's sites, to maintain adequate conditions of production.

CLIMATE SCENARIOS



TIME HORIZONS

