

farmaindustria

annual report **_ 2021**

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contents

a word from the
president — / 3

members — **01** / 12

organisation — **02** / 14

- 2.1 Governing Bodies / 15
- 2.2 Executive Organisation / 19

institutional activity — **03** / 21

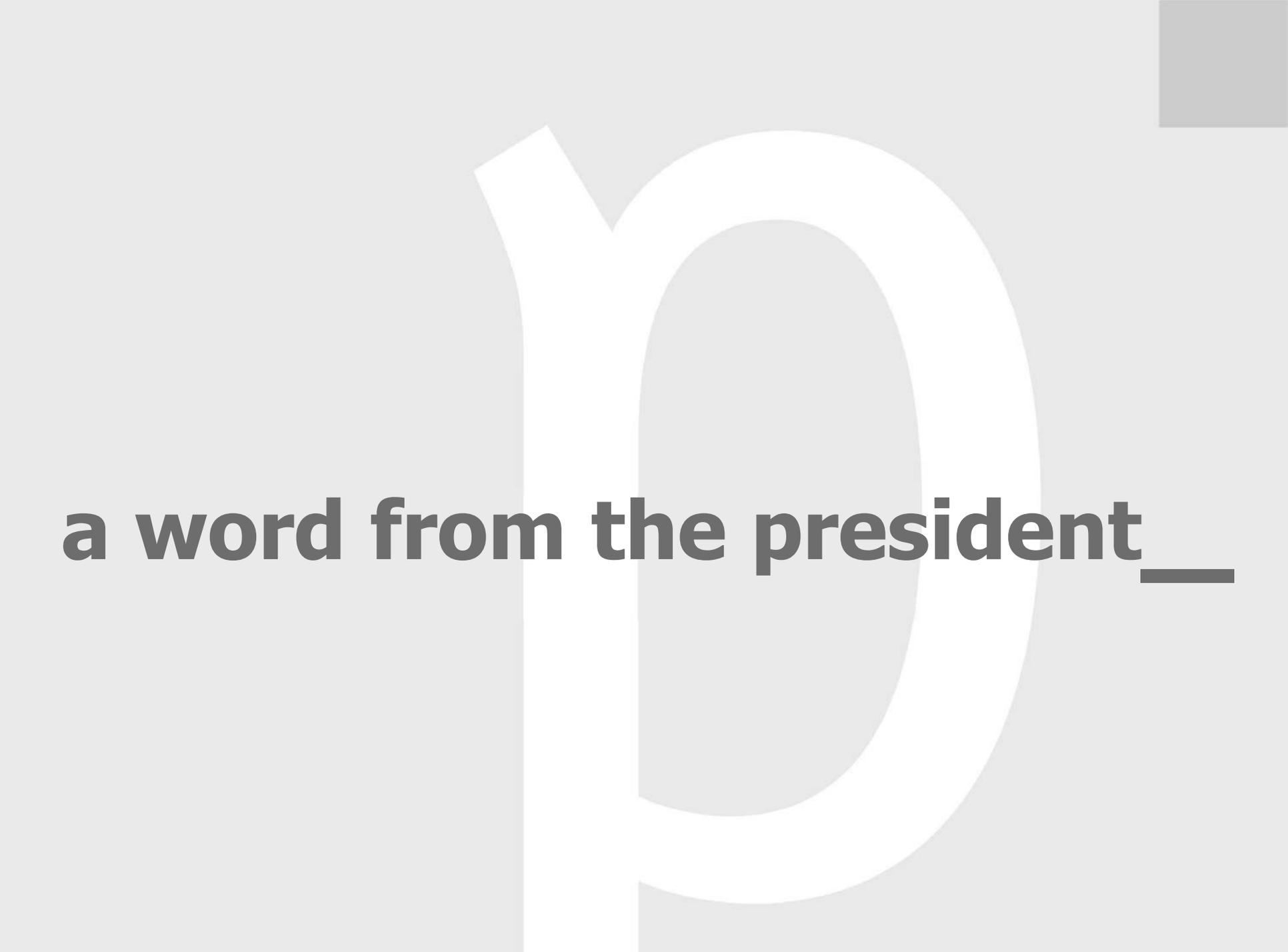
- 3.1 Market Regulation and Relations with Public Authorities / 22
- 3.2 Communication / 107
- 3.3 International Relations / 142
- 3.4 The Pharmaceutical Industry in Spain and Worldwide / 191

member services — **04** / 225

- 4.1 Online Services / 226
- 4.2 Working Groups / Barcelona Delegation / 234
- 4.3 Spanish Technological Platform for Innovative Medicines / 284
- 4.4 Self-Regulation System / 301

annex **I** / **317**
SIGRE Medicines
and the Environment
/ 318

annex **II** / **337**
SEVeM, Spanish
Medicines
Verification
System / 337



a word from the president_

A Word from the President



A look at the main data in this 2021 FARMAINDUSTRIA Annual Report confirms the key role that the pharmaceutical industry in Spain has played in the global effort against the pandemic.

Presidente de Farmaindustria

Juan López-Belmonte



A look at the main data in this 2021 FARMAINDUSTRIA Annual Report confirms the key role that the pharmaceutical industry in Spain has played in the global effort against the pandemic.

This not only proves our sector's commitment in response to the crisis, but also our strength and capacity to be one of the strategic sectors contributing to economic and social recovery and strengthening the productive model of the future.

Two figures are particularly meaningful: the share of R&D investment and the new record exports. And not just because of the numbers themselves, but because of what makes them possible.

The pharmaceutical industry accounts for 19.6% of all industrial investment in R&D, consolidating our position as leaders in this field alongside automotive. Our sector invests one in every five euros that industry spends on R&D in Spain, which is of paramount importance for a country which needs to strengthen innovation and knowledge generation.

A Word from the President

This figure largely drives private and public biomedical research in Spain. It should be recalled that almost half of the industry's investment in R&D is spent on contracts with third parties, such as hospitals, universities and other research centres. A commitment which explains why Spain has established itself in recent years as an international benchmark for clinical trials of medicines, with a model of collaboration between Government, the regulatory agency, hospitals, patients and pharmaceutical companies that has proved efficient and robust, to the extent that Spain was the leading country in Europe for clinical trials against coronavirus.

In 2020, the Spanish Medicines Regulatory Agency (AEMPS) approved just over a thousand new clinical trials, with a significant proportion being for potential treatments against Covid-19. In 2021, when the number of coronavirus trials accounted for just 5% of the total, 997 new clinical trials were given the green light. That is how robust the clinical-research model is in Spain.

Our sector beat its export record in 2021, with a total value of €17.076 billion, 41% higher than the nearly €12.8 billion that in turn represented an all-time record in 2020. Medicines now account for 5.4% of all Spanish exports, the fourth most exported product.



The pharmaceutical industry was responsible for 19.6% of all industrial investment in R&D, consolidating our position as leaders in this field alongside automotive.

A Word from the President

Of course, the majority of the growth in pharmaceutical exports comes from Covid-19 vaccines. But again, beyond the numbers, the strength of our productive infrastructure is clear. It is this that largely contributed to the fact that we did not have serious shortages at the toughest times of the crisis in 2020, and that continued to meet demand in a year as demanding as 2021. And it is this, in short, which resulted in Spain having four plants involved in the production of Covid-19 vaccines out of just over eighty around the world.

There are many more relevant facts in this Annual Report that demonstrate the strength of our industry. Here are the numbers

for employment in a country still facing the major challenge of precarious employment conditions. We are a leading sector for quality jobs, on permanent contracts (93%), skilled (64% are university graduates) and diverse (53% are women). And what is more, for each of the just over 44,000 direct jobs we provide, we generate up to four indirect and induced jobs.

This gravitational effect of our sector on the economy goes beyond employment: it is seen in production, where every euro invested in our industry generates between one and two in other sectors, and extends to the health field, where medicines play an increasingly important role. In fact, a study by International Financial Analysts (Afi) was

published in 2021 and concluded that an investment plan in healthcare would, over the course of the 2021-2025 period, steadily increase healthcare resources by two points in relation to GDP and would generate an increase of up to 427 billion euros in GDP between 2025 and 2040.

Medication now totals 5.4% of all Spanish exports and is the fourth most exported product

A Word from the President

Beyond these figures and beyond the health and economic perspective lies the social vision. We are a sector that is much more open to listening and dialogue with society; more committed to good practices, and a pioneer in our commitment to transparency that has evolved over two decades; a sector that is more involved in working with patients to understand their needs and try to respond to them (as seen in the two guides published by FARMAINDUSTRIA, for adults and paediatrics to strengthen their participation in research), along with healthcare professionals (even during the pandemic the sector remained committed to supporting continued training). We are a sector that is ~~involved in~~ dedicated to dialogue with the Government in the search for solutions to improve healthcare and reconcile patient access to innovations with the financial sustainability of the healthcare system; a sector that, ultimately, has a long history of commitment to caring for the environment: twenty years have now passed since the launch of Sigre, the first major collaborative project between the pharmaceutical industry, distributors and pharmacies, which focuses not only on dealing with medicinal waste, but also on recycling and prevention, with eco-design and circular economy measures which are reducing our environmental footprint to a minimum.



This is, then, a sector full of opportunity. All these facts and figures speak of a sector that has not only responded in Spain to such a demanding stress test as the pandemic, but has shown its ability to contribute to the new landscape that the country must address following this painful experience and the harsh reality of the economic and social challenge ahead.

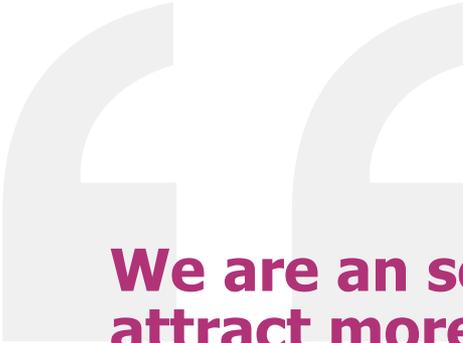
Pharmaceutical companies have been true to the message we launched two years ago when we answered the government's call for the Commission for Social and Economic Reactivation convened in the Congress of Deputies. We presented ourselves there as an industry offering solutions. In the field of biomedical research, the production of strategic medicines and the generation of quality employment, we had, and have, capabilities that would allow us to grow and attract more investment to our country, specifically in an industry linked to innovation and the generation of knowledge.

To this end, we did not so much need aid as close dialogue with the Government and a long-term vision to draw up a national strategy to help develop these potentialities. And what foundations were we talking about, to underpin the strategy? We talked, and still do, about sharing the view that funds devoted to health, biomedical research and medicines are an investment, not an expense; of strengthening our health system, by dedicating a similar percentage of resources to GDP as other large European countries, to provide adequate resources and the most qualified and motivated professionals; of committing to the digitalisation of health, which is essential to improving care and boosting research; and of ensuring rapid access to new medicines, for the benefit of patients and for the efficiency of the system, because this is the way to keep companies investing in research.

A Word from the President

In these two years we have presented different proposals to the Government, especially on how to grow clinical research and thereby promote a biomedical research ecosystem in our country that includes basic and translational research through public-private partnership, and how to boost the production of essential or strategic medicines in Spain, with the threefold objective of gaining industrial sovereignty, strategic security and production and export capacity.

In June, when this report was published, we had the first contacts with the Ministry of Health for the definition of the Strategic Plan for the Pharmaceutical Industry planned by the Government in its 'Yes, Spain Can' Recovery Plan. The data and activities contained in this document serve as a kind of balance sheet of a consistent, committed sector with the genuine capacity to be one of the major contributors to economic and social growth in the country.



We are an sector full of opportunity to attract more investment to this country, in an industry linked to innovation and knowledge generation



The Government has defined three pillars for this Strategic Plan: patient access and sustainability of the National Health System; promoting competitiveness, innovation and development; and ensuring a strong, resilient and eco-sustainable supply chain. We will be ready to work on them without delay, with the determination and commitment that our sector has always put into our dialogue with the Government, and the urgency demanded by the situation that Spain currently faces. If we share the belief that health is a lever for future growth and well-being, and hence that the medicines and research that make this possible are a solution, never a problem, we will be a long way towards reaching our goal.

members_01

Member Companies

At the time this Annual Report was finalised, the number of member companies of FARMAINDUSTRIA amounted to 139, with the following geographical distribution:



PHARMACEUTICAL MANUFACTURERS BY GROUP

National: 44		International: 93	
		American	European
Total	45	18	76
Large	5		Germany 7
SMEs (Small and Medium)	40		France 10
			Mixed 34
			United Kingdom 16
			Switzerland 9

The members of FARMAINDUSTRIA represent in terms of sales 71.3% of the total prescription market (retail pharmacies and hospitals).

organisation_02

2.1 Governing Bodies

2.2 Executive Organisation

organisation_02

2.1 Governing Bodies

2.2 Executive Organisation

2.1 Governing Bodies

The General Assembly comprises all Association members and is the supreme governing body of FARMAINDUSTRIA, expressing the companies' collective wishes.

Governance of the Association comprises:

- 1** The Executive Board, made up of the President and 33 representatives of member companies (9 representatives from domestically-owned companies and 24 from foreign-owned companies, of which 15 are European/international companies and 9 are American companies).
- 2** The Governing Council, made up of the President and 22 Members appointed by the Executive Board from among its members, of whom 11 are Vice-Presidents (3 from the sector of domestically-owned companies, 3 from the sector of American-owned companies, and 5 from the sector of European/international companies), the remaining 11 being Members with the following origins: 3 with domestically-owned capital, 3 from companies with American-owned capital, and 5 from companies with European/internationally-owned capital.

The composition of the Governing Bodies of FARMAINDUSTRIA on the date of this Report is as follows:

BOARD OF GOVERNANCE	
PRESIDENT	
Mr Juan López-Belmonte Encina	
VICE-PRESIDENTS	
Mr Nabil Daoud	Mr Federico Plaza Piñol
Mr Jorge Gallardo Ballart	Mr Francisco Quintanilla Guerra
Ms Cristina Henríquez de Luna Basagoiti	Mr Sergio Rodríguez Márquez
Mr Bernardo Kanahuati	Mr David Solanes López
Ms Margarita López-Acosta	Mr Roberto J. Urbez Plasencia
Mr José María Martín Dueñas	
MEMBERS	
Mr Juan Carlos Aguilera Rodríguez	Mr Jordi Muntañola Prat
Ms Ana Argelich Hesse	Mr Felipe Pastrana Molina
Mr Sergi Aulinas Guillaumes	Mr Peter Plöger
Mr Ignasi Biosca Reig	Mr Jesús Ponce Sancho
Mr Ricardo Jorge Castrillo Pelaz	Mr Rick Suárez
Ms Fina Lladós Canela	

EXECUTIVE BOARD

PRESIDENT

Mr Juan López-Belmonte Encina
LABORATORIOS FCOS. ROVI, S.A.

VICE-PRESIDENTS

Mr Jorge Gallardo Ballart
ALMIRALL, S.A.

Mr Roberto J. Urbez Plasencia
BRISTOL-MYERS SQUIBB, S.A.

Ms Cristina Henríquez de Luna
Basagoiti
GLAXOSMITHKLINE, S.A.

Mr Federico Plaza Piñol
ROCHE FARMA, S.A.

Mr José María Martín Dueñas
ASTELLAS PHARMA, S.A.

Mr David Solanes López
LABORATORIOS ERN, S.A.

Mr Nabil Daoud
LILLY, S.A.

Ms Margarita López-Acosta
SANOFI-AVENTIS, S.A.

Mr Bernardo Kanahuati
BAYER HISPANIA, S.L.

Mr Francisco Quintanilla Guerra
FAES FARMA, S.A.

Mr Sergio Rodríguez Márquez
PFIZER, S.L.U.

MEMBERS

Mr Felipe Pastrana Molina
ABBVIE SPAIN, S.L.U.

Mr Giuseppe Chiericatti
CHIESI ESPAÑA, S.A.U.

Ms Aurora Berra de Unamuno
IPSEN PHARMA, S.A.

Mr Ignasi Biosca Reig
LABORATORIO REIG JOFRE, S.A.

Ms Fina Lladós Canela
AMGEN, S.A.

Mr Jordi Muntañola Prat
ESTEVE PHARMACEUTICALS, S.A.

Mr Luis Díaz-Rubio Amate
JANSSEN CILAG, S.A.

Mr Carlos Rubió Badía
LABORATORIOS RUBIO, S.A.

Mr José Francisco Marcilla Molina
ARTIS PHARMA, S.L.

Mr Tomás Olleros Izard
GRUPO FARMASIERRA, S.L.

Mr Miguel Fernández Alcalde
MERCK, S.L.

Mr Guillermo de Juan Echávarri
SMITHKLINE BEECHAM, S.A.

Mr Rick Suárez
ASTRAZENECA FARMACEUTICA SPAIN, S.A.

Mr Ricardo Jorge Castrillo Pelaz
FERRER INTERNACIONAL, S.A.

Ms Ana Argelich Hesse
MERCK SHARP & DOHME DE ESPAÑA, S.A.

Mr Antonio Buxadé Viñas
LABORATORIOS VIÑAS, S.A.

Mr Sergio Teixeira
BIOGEN SPAIN, S.L.U.

Mr Juan Carlos Aguilera Rodríguez
FERRING, S.A.U.

Mr Francisco Javier Alvarado García
MUNDIPHARMA PHARMACEUTICALS, S.L.

Mr Peter Plöger
BOEHRINGER INGELHEIM ESPAÑA, S.A.

Mr Sergi Aulinas Guillaumes
LABORATORIOS GEBRO PHARMA, S.A.

Mr Jesús Ponce Sancho
NOVARTIS FARMACEUTICA, S.A.

organisation_02

2.1 Governing Bodies

2.2 Executive Organisation

2.2 Executive Organisation

THE FARMAINDUSTRIA Director General is the head of the executive organisation, structured into functional departments. The Association headquarters are in Madrid, and it also has a delegation in Barcelona.

Since 1 May 2022 the new Director General is Mr Juan Yermo, whose appointment was approved at the Extraordinary General Assembly held on 9 March 2022. The Assembly also acknowledged the resignation of Mr Humberto Arnés Corellano as Director General.

The FARMAINDUSTRIA functional organisational chart at the date of finalisation of this Annual Report is as follows:



Juan Yermo
Director General



Javier Urzay
Deputy Director General



Ana Bosch
Director of the Legal Department



Pedro Luis Sánchez
Director of the Studies
Department



Emili Esteve
Director of the Technical
Department



Iciar Sanz de Madrid
Director of the International
Department



José Ramón Luis-Yagüe
Director of Relations with the
Spanish Autonomous Regions



Francisco J. Fernández
Director of the Communication
Department



Isabel Pineros
Director of the Access
Department

institutional activity_03

- 3.1 Market Regulation and Relations with Public Authorities
- 3.2 Communication
- 3.3 International Relations
- 3.4 The Pharmaceutical Industry in Spain and Worldwide

institutional activity_03

- 3.1 Market Regulation and Relations with Public Authorities
- 3.2 Social Communication
- 3.3 International Relations
- 3.4 The Pharmaceutical Industry in Spain and Worldwide

3.1 Market Regulation and Relations with Public Authorities

3.1.1 REGULATORY FRAMEWORK

Covid Regulations

2021 has also been marked by intense legislative activity adopted in the context of the Covid-19 health crisis. Apart from the various ministerial orders imposing health control measures and the quarantine conditions applied to people from other countries, as well as the different decisions by the Secretary of State for Health by means of which the resolutions of the Inter-Territorial Council of the National Health System on the declaration of coordinated public health actions were made public, the following laws and regulations were approved.



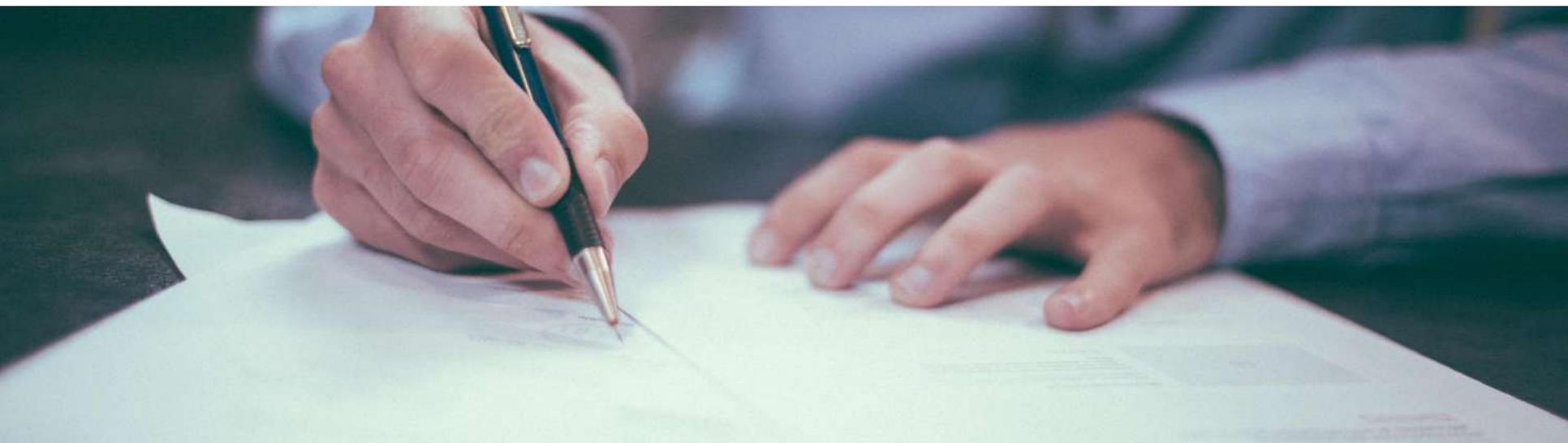
- Law 2/2021 of 29 March, on urgent prevention, containment and coordination measures to cope with the health crisis caused by Covid-19, previously processed as the bill for Royal Decree 21/2020, of 9 June, which will be applicable until the Government states the end of the situation on a reasoned basis. This Law includes obligations for information on essential medicines, the need to establish the necessary measures and to enable protocols to guarantee the supply of medicines determined by the director of the AEMPS for healthcare centres and services in accordance with their needs, and the possibility that the Health Minister may order prioritisation of the manufacture of medicines. The Seventh Additional Provision introduces suspension of medical inspection approval for access to triple COPD therapy during the term of the Covid-19 health emergency, and final provision three includes an amendment to the consolidated text of the Guarantees Law, specifically to Article 94.3, to empower the Government to regulate the pricing mechanism for

non-prescription medicines and medical devices, as well as other products necessary to protect the health of the population.

The provisions of the Royal Decree allowing the bodies or authorities responsible for the management of pharmaceutical provision of the Spanish Autonomous Regions to establish appropriate measures for remote dispensation of medicines, if applicable, at healthcare centres, at healthcare establishments authorised to dispense medicines close to the patient's home, or at their own home.

On an indefinite basis, Law 16/2003, of 28 May, on cohesion and quality of the National Health Service ('NHS'), is amended in relation to the declaration by the Ministry of Health, after agreement by the Inter-Territorial Council of the NHS ('CISNS'), on coordinated actions in public health and food safety and the provision of information to the Ministry of Health in public health emergency situations.

- Royal Decree 8/2021, of 4 May, adopting urgent measures in the healthcare, social and jurisdictional sphere, to be applied after the expiry of the state of emergency declared by Royal Decree 926/2020, of 25 October. This Law includes, among others, a series of urgent health measures regarding control at ports and airports of passengers arriving in Spain, in order to quickly detect the presence of imported cases of Covid-19 that could cause outbreaks in the country, as well as to locate the close contacts of cases, and to make possible the immediate adoption of appropriate control measures to prevent the uncontrolled transmission of the disease.
- Royal Decree 13/2021, of 24 June, modifying Law 2/2021, of 29 March, on urgent prevention, containment and coordination measures to address the health crisis caused by Covid-19, and Royal Decree 26/2020, of 7 July, on economic reactivation measures to address the impact of Covid-19 in the areas of transport and housing. This Law amends Article 6 of Law 2/2021 on the mandatory use of facemasks, making their use more flexible and no longer obligatory in outdoor spaces, provided that a minimum distance of at least 1.5 metres can be maintained between people, except single-household groups.



- Royal Decree 115/2022, of 8 February, modifying the obligatory use of facemasks during the healthcare crisis caused by Covid-19, eliminating the obligatory use of facemasks outdoors and maintaining the requirement in certain areas (enclosed spaces). This Royal Decree has recently been repealed by Royal Decree 286/2022, of 19 April, which has modified the cases of mandatory use of facemasks, which are only required to be worn at health centres, services and establishments by workers, visitors and patients (with the exception of those admitted when they are in their room), at social-health care centres, by workers and visitors when they are in shared areas, and in air, rail and public passenger transport and bus services.

In addition, the regulation provides recommendations for those are most vulnerable to wear a facemask in any situation of long-term contact with others at a distance of less than 1.5 metres. In the workplace, the use of facemasks will generally not be mandatory. However, occupational risk-prevention officers may, in accordance with the corresponding workplace risk assessment, determine appropriate preventive measures to be implemented in the workplace or in certain workplace spaces, including the possible use of facemasks.



Reference Prices

In July 2021, the Directorate-General for the Basic Portfolio of NHS and Pharmacy Services (the 'Dirección General de Cartera Común de Servicios del Sistema Nacional de Salud y Farmacia') began the process of public consultation on the Order to update the reference price system for the year 2021. The arguments presented by Farmaindustria focused on:

- 1 the problems arising from the application of the ATC5 criterion, both medicines with one active pharmaceutical ingredient or a combination of
- 2 active pharmaceutical ingredients;
- 3 inclusion of some orphan medicines;
- 4 formation of groupings with parallel imports;
- 5 treatment of paediatric presentations;
- 6 problems arising from lack of comparability between medicines;
- 7 lack of economic viability of certain presentations;
- 8 formation of groupings with non-marketed presentations;
- 9 application of weighted prices, and material errors.

On 29 November, Order SND/1308/2021, of 26 November, was published, which is a replica of the Project, in which only groupings formed inappropriately from the original medicine and a parallel import were discarded and the price was revised upwards for some groupings in the hospital setting due to the weighting performed. Neither in this latter area nor in retail pharmacies was consideration given to the observation focused on not including within a grouping medicines that are not comparable or have individual characteristics that are completely different from each other (DDD).



As a result of the above, an administrative law appeal was announced on 12 January 2022. The lawsuit has yet to be formalised, and will focus on the problems arising from the application of the ATC5 criterion, both in medicines with one active pharmaceutical ingredient or a combination of active pharmaceutical ingredients, on the inclusion of some orphan medicines and on the treatment given to paediatric presentations.

In the case-law field, there are several declarations in this area.

In a judgment of 31 January 2022, the Administrative Law Chamber of the National Court of Appeals partially upheld the appeal lodged by FARMAINDUSTRIA against Order SSI/ 1157/2017, of 28 November, updating the reference price system for medicines in the NHS in 2017.

The judgment analyses the specific case of a medicine that was initially included in the Presentation Catalogue of the month of April when the processing of the Order began, and was subsequently taken off the market, considering in this case the time to be

taken into account for the purpose of forming the reference grouping: the approval of the Order or the preparation of the draft Order, which was the position maintained by the Government. The Chamber interpreted Article 3.4 of Royal Decree 177/2014, of 21 March 2014 (regarding cases of suspension, revocation or cessation of marketing) and Article 12 thereof (regarding the monthly update of the Presentation Catalogue), concluding that in this case, the relevant point in time is when the Order is approved. Therefore, if on that date the medicine examined was not a marketed product, as it was not included in the Presentation Catalogue, its inclusion in the grouping must be cancelled.

The judgment also annuls the groupings made up of medicines with different active pharmaceutical ingredients, and, in the opinion of the Chamber, the use of the ATC5 classification criterion is not sufficient, taking into account the wording currently in force in Article 98.2 of the Guarantees Law (prior to the amendment applied by the 2021 Budgetary Law), and accepting the partial settlement by the Government. This judgment was declared final by decree of 5 April 2022.

The judgment of the National Court of Appeals of 2 December 2021 also partially upholds the administrative law appeal lodged by FARMAINDUSTRIA against the Reference Price Order for 2019, cancelling the inclusion of an orphan medicine in a reference grouping as it was held that Article 98.2 of the Guarantees Law infringes European Union law (Regulation EC no. 141/2000 of the European Parliament and of the Council of 16 December 1999 on orphan medicines), and must therefore be invalidated in accordance with the doctrine repeatedly maintained by the CJEU.

It is asserted in this regard that EC Regulation No 141/2000 aims to establish incentives to promote the research, development and marketing of orphan medicines. It therefore seeks to prevent, among other aspects, the fact that, due to the application of common price limitation rules, research on medicines for these diseases could be halted, as it would no longer be profitable for pharmaceutical companies to invest in research into these types of medicines. The consequence of this is that Article 98.2 of the Guarantees Law, insofar as it constitutes a legal obstacle to the effectiveness of the Regulation, must be invalidated on three grounds: *"firstly, its contradiction with the European regulation which directly applies, as referred to above; secondly, the high degree of precision of Regulation 141/2000 interpreted by the General Court, which consequently makes it impossible, thirdly, to apply the doctrine of compliant interpretation"*.

The judgment also annuls certain reference groupings as they are made up of medicines with different active ingredients, the application of the ATC5 classification criterion being insufficient, and the Government's settlement being admitted as to this point. This judgment also became final by decree of 11 March 2022.

When this Annual Report went to press, the administrative law appeal filed against Order SND/1121/2020, of 27 November, updating the reference price system for medicines in the National Health System for 2020, remained pending.

Therapeutic Positioning Report (TPR) Consolidation Plan

Following presentation by the Ministry of Health in November 2020 of the Plan for the consolidation of Therapeutic Positioning Reports on medicines in the NHS, developed by the Standing Committee for Pharmacy of the Inter-Territorial Council of the NHS, and given the aspects contained in the aforementioned Plan that give it the consideration of a general provision, when developing the Third Additional Provision of Law 10/2013, regulating an administrative act (TPR) that in turn forms part of the procedure for the reimbursement of medicines (Article 92 of the Consolidated Text of the Guarantees Law) affecting multiple recipients (patients, healthcare professionals and industry), and since it was adopted without the necessary procedures for this, it was announced, after agreement by the Governing Bodies of the Association, that an administrative law appeal would be lodged, as well as a petition for the adoption of precautionary measures, with the lawsuit having already been formalised.



Orphan Medicines

As reported in the Annual Report for 2020, FARMAINDUSTRIA filed an administrative law appeal against the Resolution of the Council of Ministers of 3 March 2020, establishing the economic regime for orphan medicines, under the provisions of Article 3.3 of the Consolidated Text of the Guarantees Law, published by Decision of 2 June 2020 of the DGCCSF, the lawsuit having been formalised in September 2021. The aforementioned lawsuit bases its arguments on the right to the protection of health and the corresponding obligation of the competent authorities to take the necessary measures to ensure this right. The Supreme Court, in its judgment of 3 February, on the administrative law appeal brought by a company, annulled the aforementioned Resolution, specifically the expression in Point One "when there is no therapeutic alternative in the pharmaceutical provision of the National Health System", as there is an inconsistency between the explanatory memorandum to the resolution, which adds to the annulled phrase "with the same authorised indication as the orphan medicine", while the enacting term (Point One) only includes the annulled phrase.

Preliminary Green Paper on the Creation of the State Public Health Centre

The arguments submitted by FARMAINDUSTRIA to the Ministry of Health in the context of the prior public consultation launched in October establish that:

- 1 The creation of this Centre is an opportunity to transform health policies and improve the health of the Spanish population, with a comprehensive and inclusive approach, under the concept of 'One Health', as a modern and efficient collaborative, inter-sectoral coordination system.
- 2 The legal form of the Centre could be that of an Agency, in order to provide it with the necessary administrative agility and independence, which could be functionally linked to the Ministry of Health.
- 3 Its governance system should ensure efficient and operational coordination with the Autonomous Regions on a co-governance basis, and with other

supranational centres, such as the European Centre for Disease Prevention and Control (ECDC) and the Health Emergency Response Authority (HERA), as well as with nearby countries, with whom it should align its objectives and functioning.

- 4 Its recommendations, opinions or provisions must serve as a point of reference and could, where appropriate, be mandatory.

Finally, the Association has proposed that the Centre be equipped with an Advisory Council, as a consultative and technical and social support body, structuring the participation of the pharmaceutical industry, among others, given its clear relationship with the issues to be addressed at this State Public Health Centre.



Green Paper on Measures for the Equity, Universality and Cohesion of the NHS

In November, the public consultation process began for the green paper amending various rules to consolidate the equity, universality and cohesion of the National Health System, included in Reform 3 of Component 18 of the Recovery, Transformation and Resilience Plan.

The text proposes the amendment of General Health Law 14/1986, of 25 April 1986, incorporating a new article establishing as a general principle that the management of the NHS, the provision and management of health and social care services, will preferably be carried out by means of the direct public management formula. The exceptional use of other management methods must have a supporting report.

Within the scope of Law 16/2003, of 28 May, on cohesion and quality of the National Health System, the Basic Portfolio, the basic care services portfolio, the common supplementary portfolio and the common accessory service portfolio are unified. Universal

access to the NHS is also acknowledged, through uniform application of the right to persons not registered or authorised as residents of Spain, enabling a transitional regime. Article 67 is also amended to accommodate the most representative patient and citizen organisations on the Consultative Committee of the Social Participation Council of the NHS.

The preliminary legal text provides for changes in other provisions on healthcare for Spanish residents abroad and returnees, on ortho-prosthetic provision and the Care Guarantee Fund. The creation of the Consortium of the Spanish Network of Health Technology Assessment Agencies and NHS Services is also authorised as a public law entity for the development of the activities of this Network, comprising the agencies or assessment units of the Spanish Government, Autonomous Regions, and the Ministry of Health.



Magistral Formulae and Official Preparations

In the process of prior public consultation of the Draft Royal Decree amending Royal Decree 175/2001, of 23 February, approving the standards for the correct preparation and quality control of magistral formulae and official preparations, the AEMPS has been asked to state unequivocally the legal impossibility of preparing a magistral formulation when an industrially-manufactured medicine, authorised for the indications set down in its summary of product characteristics, is available via the same administration route and marketed effectively in Spain. Only if this industrial formulation has supply problems would a magistral formulation be prepared, on an exceptional basis. In addition, it is proposed that the AEMPS database publish the magistral formulations used to complement and fill therapeutic gaps.

NHS Service Portfolio

Another aim of the Ministry of Health is to modify Annexes I, II, III, VI and VII of Royal Decree 1030/2006, of 15 September, establishing the basic services portfolio of the National Health System and the procedure for updating this, for which it is processing a draft order on which FARMAINDUSTRIA has submitted a series of observations in the procedures for prior public consultation and public information.

In particular, the need to more comprehensively regulate the different benefits that will be included in the genetic catalogue included in the draft order has been highlighted in the public information process. With regard to the newly-created Advisory Committee attached to the Directorate-General for the Basic Portfolio of NHS and Pharmacy Services, as the coordinating body among the health administrations involved in the management of this service, a specification is requested of which professionals may carry out the genetic consultancy, the criteria for their selection and the need to advertise appointments, as well as the inclusion of a representative of FARMAINDUSTRIA on the Committee. In relation to their functions, these should include harmonisation, measurement and monitoring of

implementation of this portfolio across the NHS to achieve equity in access across all Autonomous Regions.

In the field of genetic or genomic analysis, the following issues were highlighted:

- 1 With regard to the genetic tests to be included in the basic portfolio of MHS services, it should be explained that they focus on both germline and somatic changes, which are the most common in oncology.
- 2 The biomarker must be included automatically when the medicine is included in the Presentation Catalogue of the NHS pharmaceutical provision.
- 3 The inclusion of biomarker measurements in the service portfolio should be carried out through a transparent, agile, evidence-based procedure involving scientific societies and patient associations and ensure that interested parties are granted an audience.

Digital Health Strategy

In October 2021, the Secretariat of the Digital Health Commission of the Inter-Territorial Council of the National Health System (CISNS) presented FARMAINDUSTRIA with the document on the Digital Health Strategy of the National Health System, to allow it to submit any arguments it saw fit.

In compliance with this procedure, FARMAINDUSTRIA highlighted that although the document represents an opportunity to make progress in the digitalisation of the NHS, the Strategy needs to be enriched, emphasising the need for public-private partnership to implement the different projects described. The contributions mainly focused on four major blocks:

- 1 | The value of data, emphasising the need for a health-outcomes observatory and specific actions on interoperability and standardisation - key concepts to advance this strategy - as well as the importance of digital technologies in medicines' reimbursement.
- 2 | Training in new skills for healthcare professionals, managers, researchers and society at large, forming multidisciplinary teams.

- 3 | Good governance, in which the industrial sector can participate in working groups, in order to define cross-cutting aspects, particularly those related to interoperability, the regulatory framework and data reuse.
- 4 | The portfolio of NHS services, with actions aimed at harmonising and implementing molecular diagnosis and biomarkers with the diagnosis of diseases and the reimbursement of medicines requiring them, as well as providing technological support for the analysis of pharmaceutical provision in the Autonomous Regions to guarantee and, where appropriate, propose corrective measures for equitable access to medicines and other healthcare technologies.

On 2 December, the CISNS approved the Digital Health Strategy of the National Health System (ESD-SNS).

2022 Annual Regulatory Plan

The Council of Ministers, at its meeting on 11 January, gave the green light to the 2022 Annual Regulatory Plan, which lists the legislative or regulatory initiatives that the various ministerial departments plan to submit during that calendar year to the Council of Ministers for approval. The Plan includes 368 regulatory proposals developing the Government programme and the Recovery, Transformation and Resilience Plan ('PRTR') of which 92 are bills (11 organic and 81 ordinary) and 276 are royal decrees.

In the field of health, 5 bills are planned, including the modification of the Consolidated Text of the Law on guarantees and rational use of medicines and medical devices, with the aim, as indicated, of incorporating EU and international advances, particularly Regulations (EU) 2017/745, 2017/746, 2019/5 and 2019/6, clarifying the text in certain aspects and incorporating new perspectives related to the public reimbursement of medicines, their rational use and the structures of governance bodies.

The approval of 17 royal decrees is contemplated at the regulatory level, with the following of particular relevance:

- 1 The decree regulating the advertising of medicines for human use and medical devices.
- 2 The decree regarding the availability of medicines in special situations.

The 2022 Annual Regulatory Plan includes 368 regulatory proposals developing the governmental programme and the Recovery, Transformation and Resilience Plan

The first is intended to establish comprehensive regulations for the advertising of medicines for human use and medical devices, including both the general public and healthcare professionals, and to define the powers of the State and of the Autonomous Regions and to align regulations with technological developments.

The second aims to define the different cases of access to medicines in existing special situations and improve the access procedure, increase communication between administrations and the generation of knowledge associated with the use of medicines in these situations and introduce elements that ensure that the use of medicines in special situations does not become routine, establishing measures to encourage the marketing and use of medicines through the channels established in ordinary legislation.

Other provisions of interest are included in the Plan in areas such as taxation (modification of the General Taxation Law and approval of the Law regulating the special tax on fluorinated greenhouse gases), the environment (Royal Decree on packaging and packaging waste), science (modification of Law 14/2011, of 1 June 2011, on science, technology and innovation), and

industry (amendment of Law 17/2001, of 7 December, on trademarks, Law 20/2003, of 7 July, on the legal protection of industrial design, and Law 24/2015, of 24 July, on patents and approval of the Industry Law).

Some of these rules are under parliamentary procedure and the Association has made comments in its respective hearing procedures.

The Ministry of Industry, Trade and Tourism recently launched the prior consultation of the Industry Law. The aim of the Law will be to establish instruments and procedures for industrial policy and promotion that allow for the adequate, efficient and rapid adaptation and transformation of Spanish industry to cope with current and future changes and situations. It also seeks to establish an industrial safety and quality framework that allows for the full development of industry in line with market requirements, while also covering the basic rules for the management of industrial activities by public authorities, the means and procedures for coordinating the industrial powers of these authorities, and regulating the action of the Government with the industrial sector.



Transparency

Without prejudice to the claims submitted by the Association to the Council for Transparency and Good Governance ('CTBG') for the purpose of disclosure of the content of different minutes of the Standing Committee for Pharmacy, as well as the Interministerial Commission Medicines Prices, within the framework of the administrative law proceedings initiated following the complaint submitted by a private individual to the CTBG, aimed at disclosure of the breakdown of medicines comprising the hospital pharmaceutical expenditure corresponding to the year 2018, the Ministry of Health has issued a report calling for the necessary confidentiality of prices of medicines, given that the transparency thereof would entail irreparable harm to our healthcare system.

The Ministry points out that giving third parties access to the prices for the reimbursement of medicines would result in a loss of credibility of the Government, which would entail a negotiating disadvantage in obtaining more competitive prices, contrary to the interests of Spain.

Public Procurement

In June 2021, the Ministry of Health began the consultation procedure for Order SND/682/2021, of 29 June, on the declaration of medicines, products and medical services as centralised procurement goods issued under Additional Provision 27 of Law 9/2017, of 8 November, on Public Sector Procurement, the purpose of which is to rationalise and order the awarding of public authority contracts, through the conclusion of framework agreements by the INGESA.

With regard to medicines (Annex I), no modifications are made with regard to the previous Order SSI/1075/2014, which is expressly repealed, such that medicines for hospital use and those dispensed in hospital pharmacy departments may continue to be subject to centralised contracts, without the need for approval for non-hospitalised patients. The Order extends the list of medical devices (Annex II) and includes as a new feature certain healthcare services, such as clinical diagnostic, therapeutic diagnostic, clinical documentation and complementary care services (Annex III).

Examples include the appeal lodged against the Framework Agreement ('AM') announced by the Health and Social Care Consortium of Cataluña for the supply of antiretroviral medicines, by making the validity of the AM and the contracts based on patent-protected medicines dependent on the expiration thereof, thereby breaching the principles of legal certainty (Article 1 of the Public Sector Procurement Law), and the correct determination of the contractual object (Article 86.1 of the Public Sector Procurement Law), basic principles that must govern any contractual relationship. This clause, despite its inclusion in the specifications, actually gives grounds for termination of the contract not provided for in the Public Sector Procurement Law. In

line with the grounds for termination of contracts, the Association has also appealed against the AM for the supply of Biological Medicines with Biosimilars, announced by the Undersecretariat of the Department of Universal Healthcare and Public Health of Valencia.

Under administrative law, two dossiers have also been appealed for the supply of erythropoiesis stimulating agents and colony stimulating factors (filgrastim and pegfilgrastim) announced by the Galician Health Service, since they include the obligation to submit a grouped list of unique identifiers, as well as the AM for the supply of somatropin from the Murcia Health Service, since it gives a higher score to some medicines to the detriment of others.

Of particular significance is the reply received from the Health Service of the País Vasco (Osakidetza) to the letter sent by FARMAINDUSTRIA, requesting a modification, set out in the specifications of the procurement dossiers, consisting of the obligation to link the contract price to the centralised procurement dossiers for the same product, modifying said price where applicable. In its reply, the regional administration states that this price modification will in no case be mandatory, but will be performed by mutual agreement.

As this is analysed in greater detail in other sections of this Annual Report, this section simply announces the filing of an administrative law appeal against the AM of the INGESA recently announced for the supply of biological and biosimilar medicines.

Environment

Notwithstanding the fact that this point will be developed on more specifically in other sections of this Annual Report, on 9 April the Official State Gazette published Law 7/2022, of 8 April, on waste and contaminated soil for a circular economy which, among other aspects, creates the special tax on non-reusable plastic packaging. The Law entered into force on the day following its publication in the Gazette, except for Title VII – concerning tax measures to incentivise the circular economy – which will enter into force on 1 January 2023. With regard to the excise duty on non-reusable plastic packaging (Articles 67 to 83), Article 75 of the Law contains the cases of exemption from the tax. The effectiveness of this exemption is conditional on proof of the actual use of the packaging or products for the stated uses.

Other initiatives currently being processed, which are worth mentioning in this area and which the Association is closely monitoring, are the green paper on the Tax on Fluorinated Greenhouse Gases and the Draft Royal Decree on Packaging and Packaging Waste.



Intellectual Property

The Spanish Patent and Trademark Office (OEPM) began in the final quarter of 2021 the process of public hearings and information for the green paper on the modification of Law 17/2001, of 7 December, on Trademarks; Law 20/2003, of 7 July, on Legal Protection of Industrial Design; and Law 24/2015, of 24 July, on Patents, regarding which FARMAINDUSTRIA made observations in the context of the prior public consultation, in order to guarantee an adequate level of protection in IP matters, so as to preserve the legal certainty of the R&D model for medicines based on this system. This green paper introduces some changes of particular relevance for the sector.

In the field of utility models, the object of protection is expanded, allowing the protection of pharmaceutical substances and compositions and eliminating the prohibition so far established in Article 137.2 of the Patents Law. In addition, the concept of derivative utility models is introduced as a new feature of the Spanish legal system, in order to improve the capacity of companies to take measures against infringements, without having to wait for longer proceedings to be completed. A new Article 147.bis is included to this

end, which allows the person who filed a prior patent application with effect in Spain to apply for a derivative utility model for essentially the same invention, with the derivative utility model application having the filing date of the prior patent and, where applicable, its priority date.

With regard to medicines, it is expected that preferential and accelerated processing of patent applications and utility models for tests, kits, medicines, devices or any other device for diagnostic, therapeutic or surgical treatment, applied to diseases in cases of health emergencies or when they affect national defence, or those sectors that are strategic for the economic and technological development of the country, may be established by ministerial order. Lastly, with regard to supplementary certificates for the protection of medicines (SPCs), a new Article 47.bis is brought in to make it clear that jurisdiction to declare nullity in cases where the basic patent is revoked by an administrative body lies with the OEPM and not with commercial courts.

This section also includes the judgment of the Supreme Court of 12 November 2021 handed down in the administrative law appeal filed by a private individual against the response of the Ministry of Health to their application, formulated as a right of petition, for the granting of mandatory licences for patents related to Covid-19 vaccines, “so that any Spanish company capable of this can start producing our own vaccines”.

The Ministry of Health responded to the request that “it is not considered appropriate at this time in Spain to subject the Covid-19 vaccines to the mandatory licensing scheme provided for in Law 24/2015, of 24 July”, stating to this effect that “it is considered that the suspension of the patents for Covid-19 vaccines at the national level will not lead in the short term to an increase in productive capacity, and the long-term effects may be contradictory to the general objectives” and that “the situation of the Covid-19 vaccination

campaigns, the debate on patents and intellectual property rights must be addressed in the international context”. It also highlighted the need to simultaneously tackle the multiple barriers to fair access to vaccines by facilitating the transfer of knowledge and technology to all countries that need them, increasing vaccine production globally, accelerating vaccine distribution and increasing financial and non-financial contributions to ACT-A and COVAX.

The judgment rejects the appeal by recalling the case-law doctrine on the exercise of the right of petition recognised in Article 29 of the Spanish Constitution, which does not in any way imply the obligation of the Administration to which it is addressed to accept the claim made, but to obtain a response from the body before which it is exercised. It therefore concludes that “it is not for this Court to rule on the reasonableness of the claim brought”.





PUBLIC PROCUREMENT IN AUTONOMOUS REGIONS

Within the general framework of public procurement, established by Law 9/2017, of 8 November, on Public Sector Contracts, transposing into Spanish law Directives of the European Parliament and of the Council 2014/23/EU and 2014/24/EU, of 26 February 2014, some Regions have adopted initiatives aimed at facilitating the acquisition of exclusive medicines and adapting the procedure to European doctrine.

The Islas Baleares thus passed Decree-Law 8/2020, of 13 May 2020, on urgent and extraordinary measures to promote economic activity and achieve administrative simplification in the sphere of public authorities so as to alleviate the effects of the crisis caused by Covid-19. This Decree-Law, approved and processed as a parliamentary bill, gave rise to Law 2/2020, of 15 October 2020.

The reactivation measures include a system for the supply of medicines without tender, because there is already a price determined by an administrative procedure, negotiated between the Administration and the pharmaceutical company, and which is applicable to medicines with manufacturer sale prices established administratively

for the NHS or with reference prices, which can be acquired by the public hospital system outside procurement procedures.

Regulations are likewise established for the acquisition of medicines for hospital use, establishing a system serving to define general conditions, which may or may not include reductions on the administratively established price for reimbursement through the NHS, open to multiple suppliers, with the possibility of the subsequent inclusion of other economic operators, in accordance with the case-law established by the Court of Justice of the EU in its judgment of 2 June 2016 (Dr. *Falk Pharma GmbH v. DAK-Gesundheit*, Case C-410/14, points 41 and 42).

However, Decision of 8 July 2021, of the Secretariat-General for Territorial Coordination, published the Agreement of the Bilateral

Central Government-Islas Baleares Cooperation Commission, in relation to said Law. According to this agreement, the Region undertakes, among others, to repeal Articles 16 (Purchase of fixed-price medicines), 17 (Hospital purchase of patent-protected medicines) and 18 (Hospital purchase of generics), which cover the purchase of medicines with a manufacturer sale price established administratively for the NHS or with reference prices, outside the public procurement procedures. As a result of the agreement reached, both parties agree to notify the Constitutional Court for the purposes provided in Article 33.2 of Organic Law 2/1979, to avoid the filing of the appeal for unconstitutionality of 3 October, and to publish the Agreement in the Official Gazettes of the State and the Islas Baleares.

Meanwhile, the Official Gazette of Navarra published Regional Law 17/2021, of 21 October, amending Regional Law 2/2018, of 13 April, on Public Contracts (Circular NA/7/21), introducing, among other changes, a new additional twenty-first provision establishing the regime applicable to the public procurement of medicines under which general conditions are established, which may or may not include reductions to the administratively-established price for reimbursement by the National Health System, in accordance with the aforementioned doctrine established by the CJEU, in the same sense as the Islas Baleares.

Accordingly, medicines with MSPs established for the National Health System may, if there has already been negotiation with a public authority and administrative pricing, be purchased directly by the Navarra Health Service-Osasunbidea (SNS-O) without the need for tender.

Medicines with patent protection may thus be purchased directly by the SNS-O, taking as a maximum reference the price determined by the Ministry of Health. In procurement of generic and biosimilar medicines and their originator medicines, pharmacy departments may choose any of them, based on management efficiency criteria, from among those offered by suppliers who accept the conditions previously established by the competent body to purchase them, which must be complied with.

The conclusion of a public medicinal purchase agreement with one or more suppliers will not prevent the conclusion of subsequent agreements with new suppliers that accept the established conditions.

Public purchasing agreements for medicines, in any of their forms, will be private, although the process will require:

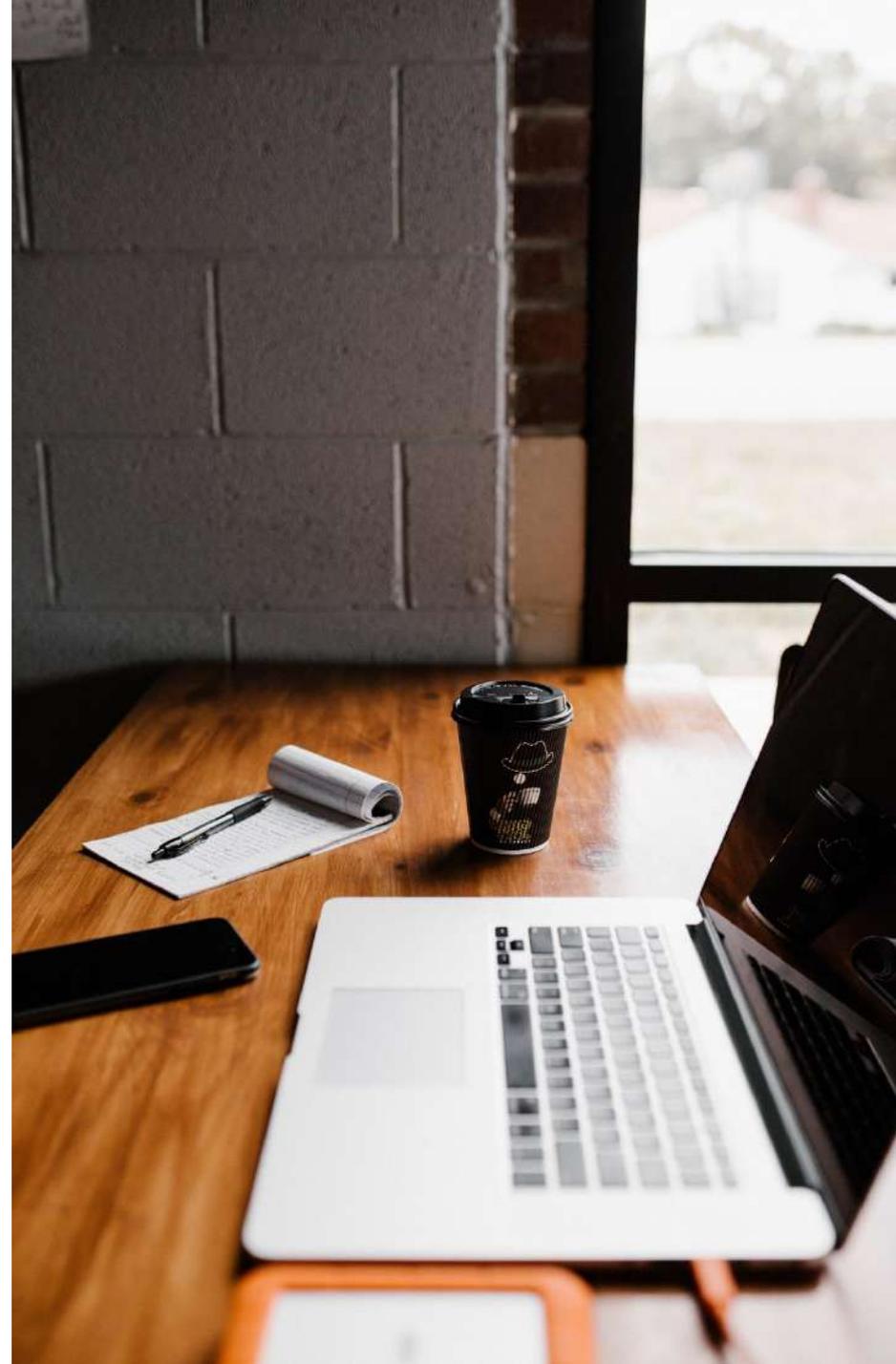
- 1 Justification of need and of existence of credit.
- 2 Determination of the conditions to be met by suppliers expressly providing for the payment system and contractual penalties for non-compliance with deadlines, product quality and/or volume supplied.
- 3 Formal request to the company, acceptance of which implies commitment to comply with all terms of the agreement.

Some Regions have taken initiatives aimed at facilitating the acquisition of exclusive medicines and adapting the procedure to European legal principles

Institutional Activity – 3.1 Market Regulation and Relations with Public Authorities

This regulation corresponds to the same purpose as that pursued with the amendment proposed by FARMAINDUSTRIA to the General State Budgets Bill for 2022 to exclude from the scope of application of the Law on Public Sector Contracts, those contracts for the supply of medicines with patent protection.

The Region of Madrid passed the Bill on urgent measures to promote economic activity and the modernisation of the regional government, known as the Omnibus Law, brought before the Madrid Assembly to start its legislative process via the emergency route.



PLAN TO PROMOTE GENERICS AND BIOSIMILARS

As reported in the 2020 Annual Report, the Ministry of Health's Plan for Generic and Biosimilar Medicines remains pending transfer to the Interterritorial Council of the National Health System (CISNS) for consideration and possible approval.

It should be recalled that, following the reports by the National Markets and Competition Commission (CNMC) and the Advisory Board for the Funding of Pharmaceutical Provision of the NHS (CAPF), at the meeting of the Standing Pharmacy Commission of the CISNS held on 24 September 2019, a resolution was passed to approve the update to the "Action plan to promote the use of market-regulating medicines in the NHS: biosimilar and generic medicines", along with a resolution to initiate a period of public presentation so as to elicit

contributions from interest groups through the organisations or associations representing them. On 10 October 2019, this new version of the Plan was published on the website of the Ministry of Health, regarding which FARMAINDUSTRIA submitted its contributions. Specific reference has been made to the negative impact that the plan would have for the sector if approved on the terms as known, emphasising that the approach is misguided, and could cause almost irreparable harm. These considerations were likewise sent both to scientific societies and to the Regional Health Ministers, with whom a series of meetings was conducted so as to explain the effects on the sector in detail.

In this waiting period that began with the Covid-19 pandemic, several agents have requested an update of the project, and a greater specification of its regulatory positioning.

3.1.2 ACCESS

After long R&D processes and regulatory approval, new medicines that improve disease management should be made available to patients as quickly as possible, taking into account the financial sustainability of the public healthcare system and contributing to the highest quality of the pharmaceutical provision of Spain's health system, thus improving the health of Spanish citizens.



The ultimate purpose of research and development of medicines is to make them available to physicians and patients. Biomedical innovation and the commitment of pharmaceutical companies to research new medicines is unfaltering. As the latest annual report on treatment approvals from the European Medicines Agency (EMA) shows, 2021 saw the highest number of new molecules authorised in the last 5 years in Europe, with 54 active pharmaceutical ingredients. In just the past five years the EMA has given the green light to 200 completely new active ingredients.

From its launch in March 2016 to the first half of 2021, the PRIME Programme has allowed the approval of 18 medicines. This programme was set up by the European authorities to support the development of medicines that are expected to benefit patients who lack treatment options for their disease or offer a significant therapeutic advantage over existing therapies. The programme has reduced the time to

marketing authorization and allowed patients earlier access to transformative therapies that can make a real difference in their health.

In addition to the PRIME programme, there is the possibility of obtaining conditional or exceptional authorisations for medicines with less complete clinical data than those normally required, when the benefit of immediate availability of the medicine outweighs the risk inherent to the fact that additional data are still required (in the case of conditional authorisations) and when complete efficacy and safety data cannot be obtained, but it is still considered appropriate to grant authorisation due to exceptional circumstances. Medicines with special authorisation, in the reimbursement stage, are considered medicines with high uncertainty due to incomplete information and, in practice, find it difficult to gain inclusion within the pharmaceutical provision of the NHS.



Lack of availability of new medicines and indications or delays in their access to the public health system are a serious problem for patients, for the physicians treating them, for the healthcare system itself and also for the industry (access is the key competitive factor of the pharmaceutical industry). In our case, this availability is closely related to the inclusion in the pharmaceutical provision of the NHS of medicines and their new indications, since the decision on pricing and reimbursement of a new medicine is an exclusive national competence and must be addressed prior to the effective marketing of a new medicine in Spain.

In recent years, the emergence of new advanced therapies – such as gene therapy and somatic cell therapy – has offered new therapeutic strategies and opportunities for some diseases that so far lack effective treatments. They have made it possible to cure diseases with a high disease burden, convert previously fatal diseases into chronic diseases, change the prognosis of highly disabling diseases, or substantially improve survival rates of different types of cancer.

Precision medicine, the result of the advancement of disciplines such as proteomics and functional genomics and the unstoppable process of digitalisation, represent a paradigm shift in pharmacological advances, as these treatments are tailored to the specific needs of each patient or group of patients. Many of these medicines have been approved based on new clinical trial designs, different from standard medicines, such as in oncology with basket trials, in which patients are not selected based on tumour origin and type, but on their molecular profile.



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BIOMARKERS

For medicines linked to the need to determine a biomarker, it is essential not only to have the medicine available, but also to access the biomarker. Until it is decided to include a medicine in the pharmaceutical provision of the NHS, biomarkers must also be made available, which thus requires their inclusion in the portfolio of NHS services. FARMAINDUSTRIA has therefore submitted proposals in this regard in the framework of the public consultation of the Draft Order amending Annexes I, II, III, VI and VII of Royal Decree 1030/2006, of 15 September, establishing the basic services portfolio of the National Health System, having requested

inclusion in the Basic Portfolio of the NHS, of molecular diagnosis and biomarkers, both ~~drug-~~actionable and predictive of response to therapy, as well as the development of an extraordinary accelerated review procedure for the Basic Portfolio that would serve significantly to speed up the inclusion of diagnostic tests of genetic origin for rare diseases (RDs) and for oncology in cases where the criteria established by the competent authority are met.

In any case, inclusion of biomarker measurements in the portfolio of services should be carried out through a transparent, agile, evidence-based procedure involving scientific societies and patient associations.

INTERNATIONAL ACCESS INDICATORS

A report on availability of innovative medicines and the time to patient access in Europe (W.A.I.T. Indicator) has been prepared by the IQVIA consultant for EFPIA for some years now. This report analyses the situation in the different European countries for new centrally-authorised medicines in the four-year period prior to the year of study conduct. In Spain, the time when it is considered that a medicine is available coincides with the time when it has been decided to include it in the Presentation Catalogue of the NHS. The latest WAIT reports show a deterioration in availability and access time indicators for medicines in Spain.

According to the 2020 WAIT report, 54% of medicines authorised in Europe in the 2016-2019 period were included in the public reimbursement list in Spain as of 31 December 2020, compared to 88% in Germany, more than 70% in Italy and England, and 63% in France.

Meanwhile, the average approval time in Spain as of 31 December 2020 was 453 days, compared to 120 days in Germany, 257 in France or 418 days in Italy.

In the 2021 WAIT report, the situation in Spain continued to worsen, as an analysis of the 160 medicines authorised in Europe between 2017-2020 reveals that as of 31 December 2021, availability stood at 53% and the average access time had increased to 517 days (64 days more than in 2020). Meanwhile, in comparison with other countries, the difference in availability in Spain is worse than in Germany, Italy and France, when compared with the results of the 2020 WAIT report.

In addition to this poorer availability and longer waiting times, there is also a high percentage of medicines that are reimbursed with a restriction on the candidate population for treatments, beyond that indicated in the authorised summary of product characteristics (41% of all new medicines for reimbursement). This situation is also worse in Spain than in the countries mentioned above.



In the particular case of oncology medicines, the results of the 2021 WAIT Report show that only 61% of them are available in Spain, with access times lasting up to 469 days. Spain has significant differences in availability with respect to the situation of Germany, England, France and Italy, since in all these countries access to cancer medicines exceeds 80%, and in the case of Germany is as high as 100%. The fact that 40% of these medicines have restricted availability is combined with the low availability in Spain.

Furthermore, the situation in Spain is also restrictive in the specific case of orphan medicines. Availability in Spain amounts to 44% of all medicines analysed in the 2021 WAIT report, which means that of the 57 orphan medicines in the study, 32 are not available in Spain. In turn, the access times for these medicines in Spain reach 696 days, and the restricted availability rate is 48%. The availability of these medicines in other European countries ranges from 61% to 95%.

PRICING AND REIMBURSEMENT PROCEDURE

There are varying causes for deterioration in access indicators, but they are undoubtedly closely related to the lack of adaptation in the evaluation and pricing procedures to the new paradigm represented by new therapies, which are increasingly complex and personalised and have new R&D models requiring agile and novel marketing authorisations to enable rapid patient access.

The pricing and reimbursement procedure in Spain is a slow, complicated process with an uncertain outcome. In turn, this generates uncertainty among regional health service managers and even among prescribers, especially in the phases immediately after product approval by the EMA and prior to the decision on reimbursement, leading to a scattering of individual solutions which generates access asymmetries in different Regions.

We must adapt the pricing and reimbursement process to the current situation and make a number of changes, taking into account that the focus of decisions on reimbursement of new medicines should be the patient, while also allowing the appropriate participation of all actors concerned: Government (Ministries of Health, Industry,

Economy, Science and Finance), Autonomous Regions, scientific societies, pharmaceutical industry and, of course, patients.

In 2021, FARMAINDUSTRIA presented the Ministry of Health with a proposal to improve the predictability and transparency of the pricing and reimbursement process for new medicines, which also seeks to meet the resolution deadlines established in legislation. Among other considerations, in this proposal:

- 1 A timed schedule is proposed for each stage.
- 2 The number of price proposals for companies in response to needs shared by the Administration is limited.
- 3 Communication between the Administration and the company is regulated.
- 4 A proposal is made to share with the company a technical report which, in addition to being drawn up within an established period, will contain the key major and minor objections raised, as well as the bidder's response to them, and a summary of the proposals evaluated.

PROPOSAL FOR IMPROVING ACCESS TO ORPHAN MEDICINES

Significant progress has been made over the last two decades for many minority diseases promoted by the European Regulation on Orphan Medicines (141/2000), as shown by the fact that in 2000 only 8 such medicines were available, while today there are 129.

Although the research challenge remains very high, the current incentive-based European regulatory framework has encouraged private investment in research into these treatments and has meant that in the last decade alone, R&D projects in this area have grown by +88%.

Orphan medicines have unique characteristics requiring a specific evaluation system, such as the small number

of patients included in clinical trials; the lack of a comparator treatment, as these are often diseases with no therapeutic alternatives, or the presentation of data in early phases of research, due to the urgency of having options available for these patients.

Some publications have pointed to the need for a differential approach to access to orphan medicines, as already implemented by the vast majority of European countries. These models recognise that conventional evaluation approaches may not be adequate to assess the value provided by treatments intended for rare diseases.



The progress made in the regulatory stage clashes with the low access indicators discussed above. In order to collaborate with the Government, FARMAINDUSTRIA has produced a document with a series of proposals aimed at ensuring that Spanish patients with rare diseases have guaranteed access to the medicines they require and, in turn, that the NHS has a quality decision-making model. The most relevant proposals include:

- Apply an accelerated reimbursement procedure for these medicines that concludes with a decision within a period of no more than three months from the start of the pricing procedure.
- Establish early dialogue between the Government and the pharmaceutical companies concerned to make the availability of the medicine more predictable for patients.
- Adopt specific, public and rigorous evaluation and reimbursement criteria that take into account the specificities of these medicines, and that in addition to the current budgetary impact and cost-effectiveness criteria, take into account other criteria included in the legislation, such as the severity of the disease, the needs of the groups or the social value of the medicine.

- Involve experts in the rare disease targeted by the new treatment in the evaluation of these medicines, as well as patient associations.
- Ensure the collection of effectiveness data, an aspect particularly of relevance in this type of medicine, even before the decision on reimbursement, with the following recommendations:
 - 1 Collect this information in an automated and digitalised manner.
 - 2 Make it easier for physicians to add data and share it with other clinicians, patients and pharmaceutical companies.
 - 3 Include data from patients with the rare disease who are not being treated or who are being treated with other treatment options.

In short, the proposal aims to strengthen cooperation between the Government and pharmaceutical companies, involving experts, clinicians and patient associations in the different diseases, to have an agile, predictable and transparent procedure that ensures the best possible access for Spanish patients to the medicines they need.

THERAPEUTIC POSITIONING REPORTS AND IPT CONSOLIDATION PLAN

The Therapeutic Positioning Reports (TPRs), regulated by Additional Provision 3 of Law 10/2013, are intended to establish on a scientific-technical basis the place that a medicine occupies in the pharmaceutical provision of the NHS and its comparison with other therapeutic alternatives for the same disease for which it is indicated. They began in 2013 with the aim of serving as an appraisal element for selective financing and also to serve as a reference for any action related to the prescription and rational use of medicines. These reports contained a therapeutic assessment that was independent of the pricing and reimbursement process and involved the AEMPS and the Autonomous Regions in preparing them.

However, as stated in the 2020 Annual Report, the Ministry of Health has prepared the Therapeutic Positioning Report Consolidation Plan that incorporates an economic evaluation within the TPRs.

The implementation of this new plan has not improved access times, incorporates an economic evaluation that presents significant methodological and procedural weaknesses and maintains scant and tardy participation by scientific societies and patients in the procedure.

In addition to the actions implemented in the legal field, FARMAINDUSTRIA has informed the Ministry of Health of a detailed list

of key issues, which are not resolved with the Plan, covering aspects such as linkage with the financing process, pilot selection, prioritisation criteria, process duration, expert involvement and methodological issues.

FARMAINDUSTRIA conducts a detailed monitoring and analysis of the advances in these new TPRs, both in the methodology used for their evaluation, and the monitoring of deadlines and their influence on the pricing and reimbursement decisions made by the Inter-Ministerial Medicine Prices Commission (CIPM).

ADVISORY COMMITTEE FOR THE FINANCING OF NHS PHARMACEUTICAL PROVISION ('CAPF')

On 25 November 2021, the CAPF published the Recommendations report on therapeutic positioning reports (TPRs) for medicines in the national health system. This document contains 20 recommendations grouped into organisational, methodological, regulatory, resource and additional recommendations.

The organisational aspects include the following recommendations:

- 1 The creation of a simplified organisation focused on an independent scientific and technical body.
- 2 The composition of the technical-scientific committees should be public and based on reasons of scientific excellence.
- 3 Evaluation processes should be subject to the principles of good governance, including the elimination of conflicts of interest and independence from the political power of experts.
- 4 There should be transparency throughout the process and the possibility of hearings and appeals for the various actors involved.
- 5 The government may request economic evaluation and budgetary impact studies from the owner companies.

The methodological recommendations include:

- 1 The general procedure should be complemented by specific guidelines to deal with specific aspects such as the economic evaluation guide, budgetary impact guide, indirect comparisons guide, subgroup analysis guide, etc.
- 2 The decision criteria should be defined.
- 3 The methods for managing uncertainty in the decision-making procedure should be explicitly stated.

Finally, among the regulatory issues, it is recommended that sufficient legal regulation of TPRs be developed and that the binding nature of TPRs be established.

No additional report was published during 2021.

The Therapeutic Positioning Report Consolidation Plan incorporates an economic assessment in the TPRs

INTER-MINISTERIAL MEDICINE PRICES COMMISSION ('CIPM')

The Regulation of the Interministerial Commission on Prices of Medicinal Products establishes in Point 1 of Article 9 on Summons and Sessions, that the Commission will meet on an ordinary basis at least 10 times a year, at the proposal of the Chair.

At the meetings held in 2021, a total of 61 medicines with new active substances were discussed, of which 28 (46%) had a favourable proposal, as shown in the table below.

Medicines with new active ingredients	Favourable	Unfavourable
Orphan	10	15
Non-orphan	18	18
TOTAL	28	33

It should be noted that 9 out of 10 orphan medicines with a favourable proposal were approved during the claims procedure.

The 2021 CIPM meetings covered 74 new indications, with the breakdown shown in the table below.

New indications	Favourable	Unfavourable
With TPR	32	25
Without TPR	16	1
TOTAL	48	26

Distinguishing between new medicines and new oncology and non-oncology indications:

- Of all new oncological indications, 50% had a favourable proposal, while for non-oncological indications, this percentage rose to 83%.
- The new active substances for oncology had a favourable proposal in 25% of cases, while in the case of the new non-oncological active substances, this percentage was 54%.

Of the 76 medicines/indications that received a favourable financing proposal in 2021, 62% were financed with some type of restriction on the indication and/or reimbursement conditions, and in the case of oncological patients, the percentage of medicines/indications with some restriction and/or reimbursement conditions rises to 80%.

The table below shows the type of restriction based on whether they are medicines/oncological indications or not.

Type of restriction	Oncological	Non-oncological	Total
Therapeutic restriction	19	27	46
Pharmaco-clinical protocol	4	7	11
Indication only	15	20	35
Financial restriction	7	7	14
Maximum cost per patient	1	3	4
Expenditure ceiling	2	2	4
Payment for results	4		4
Price-volume agreement		2	2

As shown in the above table, most restrictions are therapeutic, and mainly the restriction of indication.

As regards proposals for non-reimbursement, the main motivation is the existence of available therapeutic alternatives and their budgetary impact, as shown in the table below.

Reasons for non-reimbursement	Oncological	Non-oncological
Available therapeutic alternatives and budgetary impact	16	5
Uncertainty about clinical benefit and budgetary impact	12	15
Budgetary impact	3	4
Uncertainty about clinical benefit	0	0
No price presented	4	1
TOTAL	35	25

VALTERMED AND PHARMACO-CLINICAL PROTOCOLS

The pharmaco-clinical protocols are prepared by the Directorate-General for the Basic Portfolio of NHS and Pharmacy Services with the participation of experts, and are approved by the Standing Pharmacy Commission. Most of these protocols are linked to a results-based payment agreement and the collection of information is performed via the VALTERMED platform.

These protocols have the following sections:
(in general):

- 1 Introduction.
- 2 Goal of treatment.
- 3 Profile of patients eligible to start treatment.
- 4 Outcome variables that will determine whether the patient is a responder to treatment or not.
- 5 An evaluation and follow-up section.

In 2021, 6 pharmaco-clinical protocols were published.

On 21 December, the Ministry of Health staged the seminar “Two Years of VALTERMED: Consolidation and Future Prospects”, highlighting the existence of 17 medicines and 15 protocols, and that the system has more than 11,000 registered patients and more than 6,000 users registered in Spain.



3.1.3 THE SPANISH AUTONOMOUS REGIONS

POLITICAL SCENARIO. ELECTIONS AND SIGNIFICANT CHANGES IN REGIONAL GOVERNMENTS



The elections to the Parliament of Cataluña, corresponding to the formation of its 13th legislature, took place early on 14 February 2021. As a result, a government agreement was reached between the ERC and Junts per Catalunya parties.



Elections were held in Castilla-León on 13 February and ended in a coalition government of PP and VOX.



The Madrid Region held early elections for its 12th legislature on 4 May 2021, giving rise to the formation of a PP government with the support of VOX in the initial vote of confidence.

In 2023, elections are planned for 12 regions, all except Andalucía, Cataluña, Castilla-León, Galicia and the País Vasco.

HEALTHCARE BUDGETS AND EXPENDITURE AND PHARMACEUTICAL PROVISION

At the time of writing this Annual Report, the general budgetary laws for 2022 had been approved in 15 regions: Aragón, Asturias, Islas Baleares, Islas Canarias, Cantabria, Castilla-La Mancha, Cataluña, Extremadura, Galicia, Madrid, Murcia, Navarra, País Vasco, La Rioja and Valencia, with the budgets for the 2021 financial year having been extended Andalucía and Castilla-León.



INSTITUTIONAL CONTACTS AND MEETINGS

Although the health situation caused by the Covid-19 pandemic limited and conditioned the possibilities of holding the usual institutional contacts and meetings, postponing for the second consecutive year the holding of the traditional Autonomous Regions Forum, FARMAINDUSTRIA has been hard at work conveying the sectoral priorities established by the Association to the different regional health officials.

The following meetings and contacts have been held, among others:

- **Andalucía**
(Health Minister; DG Health Care and Results, SAS Manager; SAS Management Coordinator, Deputy Director General of Pharmacy and SAS Provision)
- **Aragón**
(Health Service Manager; DG Health Care; Coordinator of the Rational Use of Medicines Strategy)
- **Islas Baleares**
(Health Minister; Ibsalut Manager; DG Planning)

- **Islas Canarias**
(Health Service Manager)
- **Castilla-León**
(Health Minister, Regional Manager of Health; DG Healthcare; Technical Director of Medicines)
- **Castilla-La Mancha**
(Health Director; Health Service Manager; DG Health Planning, Regulation and Inspection; Regional Pharmacy Coordinator)
- **Cataluña**
(CatSalut Medicines Area Pharmaco-therapeutic Harmonisation Manager; DG Healthcare Management and Regulation)
- **Extremadura**
(Health Minister; Managing Director of the Health Service; DG Planning; Deputy Director General of Pharmacy)
- **Galicia**
(Health Minister; DG Healthcare; Deputy Director General of Pharmacy)
- **La Rioja**
(DG Humanisation, Provision and Pharmacy)
- **Madrid**
(Health Minister; DG Economic-Financial Management and Pharmacy; DG Planning and Inspection; Deputy Director General of Pharmacy)
- **Murcia**
(DG Pharmacy and Research; Deputy Director General of Pharmacy)
- **Navarra**
(Deputy Director General of Pharmacy)
- **País Vasco**
(DG Pharmacy)
- **Valencia**
(DG Pharmacy)



FARMAINDUSTRIA - AUTONOMOUS REGIONS FORUM

As a result of the Covid-19 pandemic situation, the lockdown and the restrictions on mobility decreed by the health authorities, it was not possible to hold the FARMAINDUSTRIA - Autonomous Regions Forum in Palma de Mallorca in 2020 and 2021, following the invitation made in this regard by the regional authorities. We trust that the evolution of the epidemiological situation and pressure on healthcare facilities will allow this traditional gathering with those in charge of pharmacy and research in the Autonomous Regions once again to be held in 2022.

The table below lists the forums convened to date, the venue and the issues raised in each case.

Institutional Activity – 3.1 Market Regulation and Relations with Public Authorities

FORUM	REGIONS	LOCATION	DATE	TOPIC
I	CATALUÑA	Barcelona (Sitges)	October 2004	Promotion of medicines
II	PAÍS VASCO	Bilbao	February 2005	Prescription of medicines
III	VALENCIA	Valencia	June 2005	Valuing Innovation: The Therapeutic Contribution of Medicines
IV	CASTILLA-LA MANCHA	Toledo	October 2005	Promotion of biomedical research
v	CASTILLA-LEÓN	Segovia	February 2006	Training and information on medicines for healthcare professionals
VI	EUROPEAN UNION (Czech Republic)	Prague	June 2006	Health and the Europe of the Regions
VII	LA RIOJA	Haro	November 2006	Traceability: Shortages and Parallel Trade
VIII	EUROPEAN UNION (Belgium)	Brussels	May 2007	Health Research and the Pharmaceutical Industry
IX	ANDALUCÍA	Seville	January 2008	Electronic Prescription
X	CANARIES	Tenerife	October 2008	Clinical Research with Medicines
XI	Islas Baleares	Palma de Mallorca	February 2009	Falsification of medicines
XII	MADRID	El Escorial	September 2009	Translational clinical research cooperation programme.
XIII	EXTREMADURA	Cáceres	May 2010	Status of the +i clinical and translational research cooperation programme

Institutional Activity – 3.1 Market Regulation and Relations with Public Authorities

FORUM	REGIONS	LOCATION	DATE	TOPIC
XIV	NAVARRA	Pamplona	February 2011	NHS Innovation and Sustainability
XV	CASTILLA-León	Valladolid	March 2012	Medication: A Basic Provision of the National Health System
XVI	ARAGÓN	Zaragoza	February 2013	RDL 16/2012. New regulatory framework in pharmaceutical provision. Pricing and financing of new medicines. Code of Good Practice for the pharmaceutical industry
XVII	CASTILLA-LA MANCHA	Toledo	March 2014	Current situation and forecast of pharmaceutical provision in the NHS.
XVIII	PAÍS VASCO	Bilbao	April 2015	Medicines under the new scenario of the European Falsified Medicines Directive
XIX	CASTILLA-León	León	April 2016	Treatment Adherence Plan. A common project for the NHS. Code of Good Practice
XX	MELILLA	Melilla	March 2017	Spanish Medicines Verification System. Health outcomes and access to innovation
XXI	MURCIA	Murcia	April 2018	Data protection and research. Public Sector Procurement Law. Code of Good Practice. Transparency initiative
XXII	CASTILLA-León	Avila	October 2019	The Public Sector Procurement Law, 18 months after its entry into force Public pharmaceutical provision, budgets and expenditure. Innovation radar, anticipating the arrival of new medicines. How to incorporate therapeutic innovation within the SNS?

PARTICIPATION BY THE AUTONOMOUS REGIONS IN THE PHARMACEUTICAL POLICY OF THE NHS

The Regions continue to play a greater role in the pricing and reimbursement processes of medicines and in the pharmaceutical policy of the NHS through their participation in the Standing Pharmacy Commission ('CPF') and the Inter-Ministerial Medicine Prices Commission ('CIPM').

It should in this regard be recalled that in May 2019 the plenary session of the NHS Interterritorial Council agreed to extend the number of Regions participating in the plenary sessions of the CIPM as observers to all the Regions. As a result, 3 Autonomous Regions have since that date participated as members, with the right to speak and vote, while the remaining 14 Regions have observer status.

E-HEALTH PROJECTS IN THE NATIONAL HEALTH SYSTEM

The development of information and communication technologies (ICT) in the field of health has enabled the introduction of extremely useful applications such as digital clinical records, electronic prescriptions and electronic approval, in an attempt to improve the service offered to the general public and to reduce waiting times and medical appointments.

Faced with this scenario, the Government has promoted a number of initiatives in order to progress towards interoperable systems within the NHS as a whole.



Electronic prescription and interoperable electronic prescription. Situation in the Autonomous Regions

According to the information provided by the Ministry of Health, in late 2021 all the Autonomous Regions had fully implemented electronic prescriptions at all healthcare levels (health centres, clinics, hospitals and retail pharmacies). The percentage of electronically dispensed prescriptions for the NHS as a whole in December 2021 amounted to almost 98.39%, with Andalucía being the region with the highest percentage of dispensation via this system, at 99.89%.

Since Law 16/2003, on the cohesion and quality of the National Health System was introduced, a series of operational approaches have been developed across the NHS as a whole with the aim of responding to the general public's need for healthcare information when travelling from one Autonomous Region to another and requiring healthcare provision.

The electronic prescription systems of the 17 Regions and INGESA are currently interoperable, and work is ongoing on the incorporation of mutual insurers with public provision in the interoperable electronic prescription of the NHS. Thus, at the time of writing of this Annual Report, 13 regions (Andalucía, Asturias,

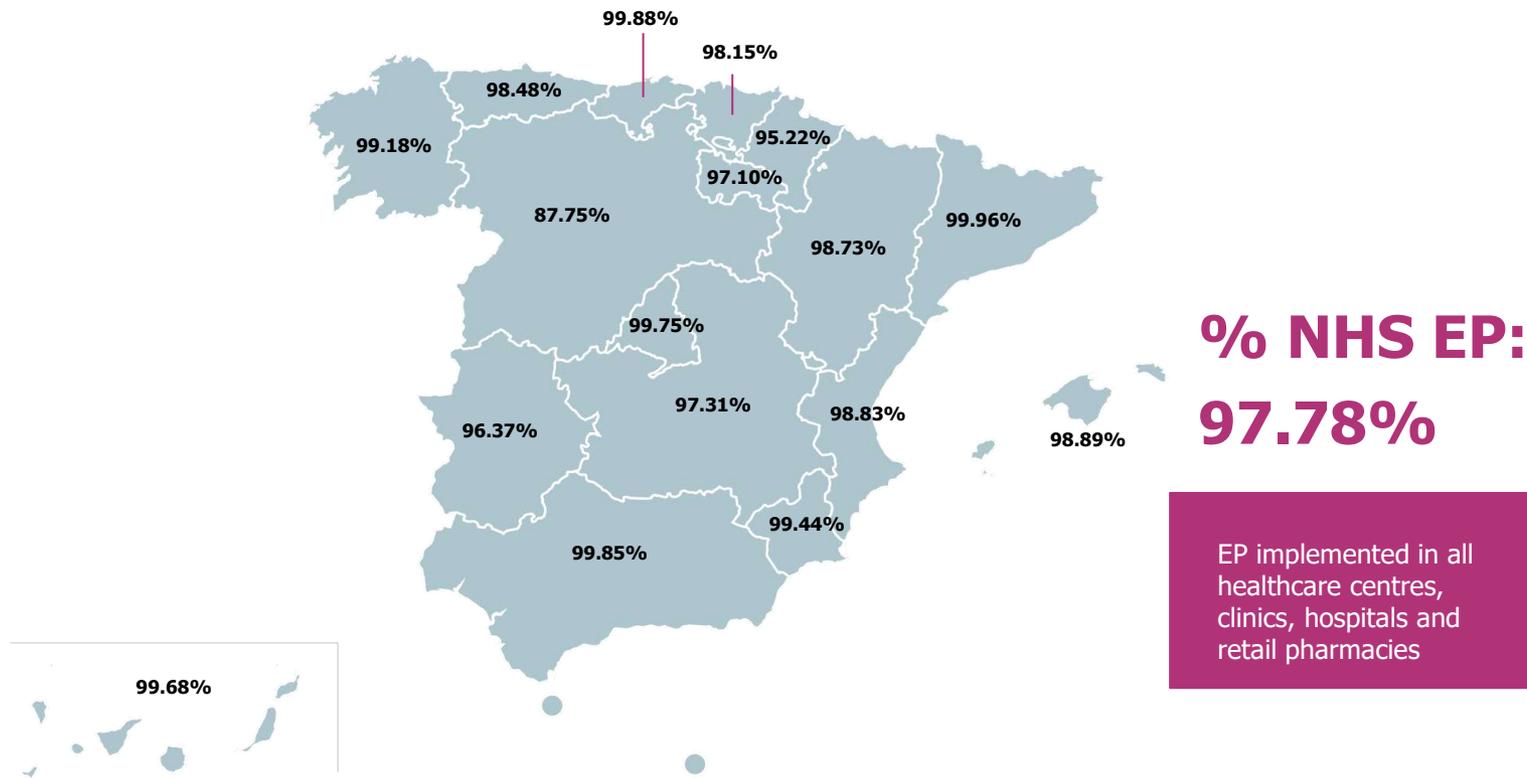
Aragón, the Islas Baleares, the Islas Canarias, Cantabria, Cataluña, La Rioja, Madrid, Murcia, Navarra, the País Vasco and Valencia have three mutual insurers with public provision incorporated into their interoperable electronic prescription systems (MUFACE, MUGEJU and ISFAS). Extremadura and Castilla-León have only included MUFACE, while Castilla-La Mancha and Galicia have not initiated the incorporation of mutual insurers within the interoperability of their systems.

Islas Canarias, Extremadura and the País Vasco have been selected to start a pilot project for European interoperable electronic prescriptions, involving Spain together with Portugal and Finland. The three regions have been selected because they meet the development requirements necessary for the adoption of interoperability at the European level, with a period of six months having passed for the preparation and adjustment of their respective IT systems.

Extremadura and the Islas Canarias already piloted the NHS interoperable prescription project in 2015.

Status of e-Prescription Implementation in the NHS

Percentage of electronic prescription by region



Sources:

- (1) Autonomous Regions and Ministry of Health
- (2) FARMAINDUSTRIA Regions and MH Working Groups

Preparation: FARMAINDUSTRIA

Data: February 2022

Approval of Medicines

During the healthcare emergency due to Covid-19, Law 2/2021, of 29 March, on urgent prevention, containment and coordination measures to address the healthcare crisis caused by Covid-19, suspended the medical inspection approval required in the prescription of triple therapy for chronic obstructive pulmonary disease (COPD), in order to avoid the risk of these patients catching SARS-CoV-2, thereby minimising their presence at hospitals or health centres. The temporary withdrawal of the approval for triple COPD therapy was a repeated request by physicians and patients.

Following the publication of this Law, the Spanish Diabetes Federation (FEDE) together with the Spanish Society of Diabetes (SED), the Spanish Society of Endocrinology and Nutrition (SEEN) and the Spanish Society of General and Family Physicians (SEMG) agreed on a position document requesting that this temporary suspension of approval also apply to diabetes medicines.

Some regions began to implement measures to deal with this situation, such as the Madrid region, where from October 2021 “self-monitoring” approval was implemented for those medicines prescribed to chronic patients.

Almost all regions have implemented an electronic approval or in other cases self-approval, linked to their electronic prescription system.



National Health System Digital Clinical Records

The Digital Clinical Record project of the National Health System was defined in 2006 in order to allow patients to be treated by any service of the NHS, guaranteeing the availability of their prior clinical information. Each Autonomous Region had within its territorial scope implemented automated systems to gather and administer individual health data, providing support for healthcare processes, among other services, although citizen mobility is often accompanied by the need for healthcare provision outside their area of residence because of problems which arise, and information must therefore accompany patients at all times, requiring the adoption of interoperability elements across all Health Services.

The NHS digital clinical record aims to ensure access for citizens and healthcare professionals to the relevant clinical documentation in order to provide healthcare for a patient from any NHS location, while providing citizens with a guarantee that their data can only be accessed by those with authorisation for this purpose.

The project was headed by the Ministry of Health within the context of the Online Health Programme, in collaboration with the Public Commercial Enterprise red.es, the 17 Autonomous Regions and the INGESA, and by late 2021 all the regional health services had been certified as issuers and recipients of information, except for Cataluña, which remains just an issuer. As a result, according to data from the Ministry of Health, the NHS digital clinical record now covers some 94% of the population with an individual healthcare card.

The NHS digital clinical record currently covers approximately 94% of the population with a healthcare card

REGULATORY INITIATIVES IN THE REGIONAL FIELD

In the field of healthcare, 2021 was a year defined by the handling of the Covid-19 pandemic. The Autonomous Regions embarked within the scope of their responsibilities on extraordinary healthcare efforts focused on an attempt to arrest the pandemic and care for patients, which represented a real challenge for the regional health services and for society as a whole. Most regional regulatory initiatives in progress were therefore interrupted, with the focus being shifted to others involved in the handling of this healthcare crisis.

Andalucía. Elimination of Tenders through Modification of the Pharmacy Law

The Regional Government of Andalucía has started a prior public consultation period to amend Pharmacy Law 22/2007, which sets out the main rules on pharmaceutical management and provision, with the following objectives announced by the administration:

- 1 Improve some aspects to improve the functioning of retail pharmacies.
- 2 Eliminate unnecessary articles enabling tenders of medicines in the region.

Therefore, as announced, the aim is to modify certain aspects regarding the transfer of retail pharmacies and the expiry periods of the installation and operating authorisations and, in relation to the tenders of medicines, to delete or modify Articles 60.bis:

Selection of medicines to be dispensed when prescribed or indicated by active ingredient; 60 ter: Selection of medical devices to be dispensed when prescribed by generic name; 60 quarter: Agreements; and 60 quinquies: Dispensing of selected medicines and devices.

In another field, DG Healthcare and Outcomes has informed FARMAINDUSTRIA that the SAS is working on a draft decree to regulate the creation and functioning of a medicines evaluation committee, in order to unify criteria and simplify the network of committees currently in place and thus ensure that there are no differences in access to medicines, regardless of where the patient resides.



Castilla-La Mancha. Decree 25/2021, of 23 March 2021, Creating and Regulating the Central Pharmacy and Therapeutic Committee of the Health Service of Castilla-La Mancha.

The Health Service of Castilla-La Mancha published Decree 25/2021, of 23 March 2021, creating and regulating the Central Pharmacy and Therapeutic Committee (CCFT) of the Health Service of Castilla-La Mancha (SESCAM). The Committee, which is attached to the SESCAM, and answers in functional terms to the Directorate-General for Healthcare, has been created in order to coordinate the functioning of the different Pharmacy and Therapeutic Committees (CFT) and Rational Use of Medicines Committees (CURM) existing at the SESCAM's Managerial Departments, and also to establish common criteria serving to address the uniform optimisation of pharmaceutical provision across all sites.

According to Article 4, the Committee will, among others, perform the following functions:

- 1 Propose evaluation and selection criteria for medicines, to be followed by the CFT and CURM.
- 2 Propose the generation of protocols, clinical guidance and consensus documents for those conditions which, given their health, social or economic impact, or their variability in the usage of medicines, would require application throughout the autonomous region.
- 3 Recommend therapeutic usage criteria for those medicines deemed necessary by the CCFT to allow them to be applied at the healthcare centres of the SESCAM.
- 4 Agree which medicines are not included in the reimbursement list may be acquired and used by hospitals.
- 5 Agree criteria for the use of medicines on conditions other than those authorised.
- 6 Propose and monitor the quality objectives and indicators in the sphere of rational use of medicines for management contracts.
- 7 Coordinate the generation of a pharmacotherapy guide for prescriptions, as a system to offer support and guidance in clinical decisions, and for integration with the electronic clinical record.

Madrid. Modification of the Organisational Structure of the Department and SERMAS

As the time of writing of this Annual Report, both decrees have been published (Decree 1/2022, of 18 January (Circular CAM/2/22) and Decree 2/2022 (Circular CAM/3/22) on the modification of the organisational structure of the Department of Health and the Madrid Health Service (SERMAS), respectively. The main changes in the department include the creation of a new Sub-Department of Healthcare and Public Health, which unifies the Sub-Departments of Public Health and Covid-19 Planning and the Sub-Department of Healthcare.

With regard to the structure of SERMAS, DG Healthcare and Insurance and DG Hospitals and Healthcare Infrastructures are created, eliminating DG Integrated Health Process and DG Healthcare Infrastructures. In addition, a Secretariat-General is incorporated within its management structure.

It should also be noted that the powers conferred on DG Economic-Financial Management and Pharmacy (Art. 4) include:

- 1 Assessment, analysis and monitoring of health expenditure.
- 2 Coordination of purchases of the different management centres attached and dependent public entities.

- 3 Preparation and control of contracts with suppliers in the field of supply of medicines.
- 4 Management in coordination with DG Healthcare and Assurance and DG Hospitals and Healthcare Infrastructures, of setting objectives for appropriate prescription.
- 5 Preparation of the criteria and technical specifications for the procurement of medicines in all SERMAS contracts.
- 6 Preparation of a monthly report containing the records of pharmaceutical expenditure through NHS prescriptions or through acquisitions of pharmacy services at hospitals.
- 7 Implementation and evaluation of new recruitment formulas, especially for high-quality goods, services, and medicines of high economic impact.
- 8 Development and consolidation of the purchasing centre for the entire SERMAS.

Meanwhile, DG Economic-Financial Management and Pharmacy has indicated the main lines to be developed, including:

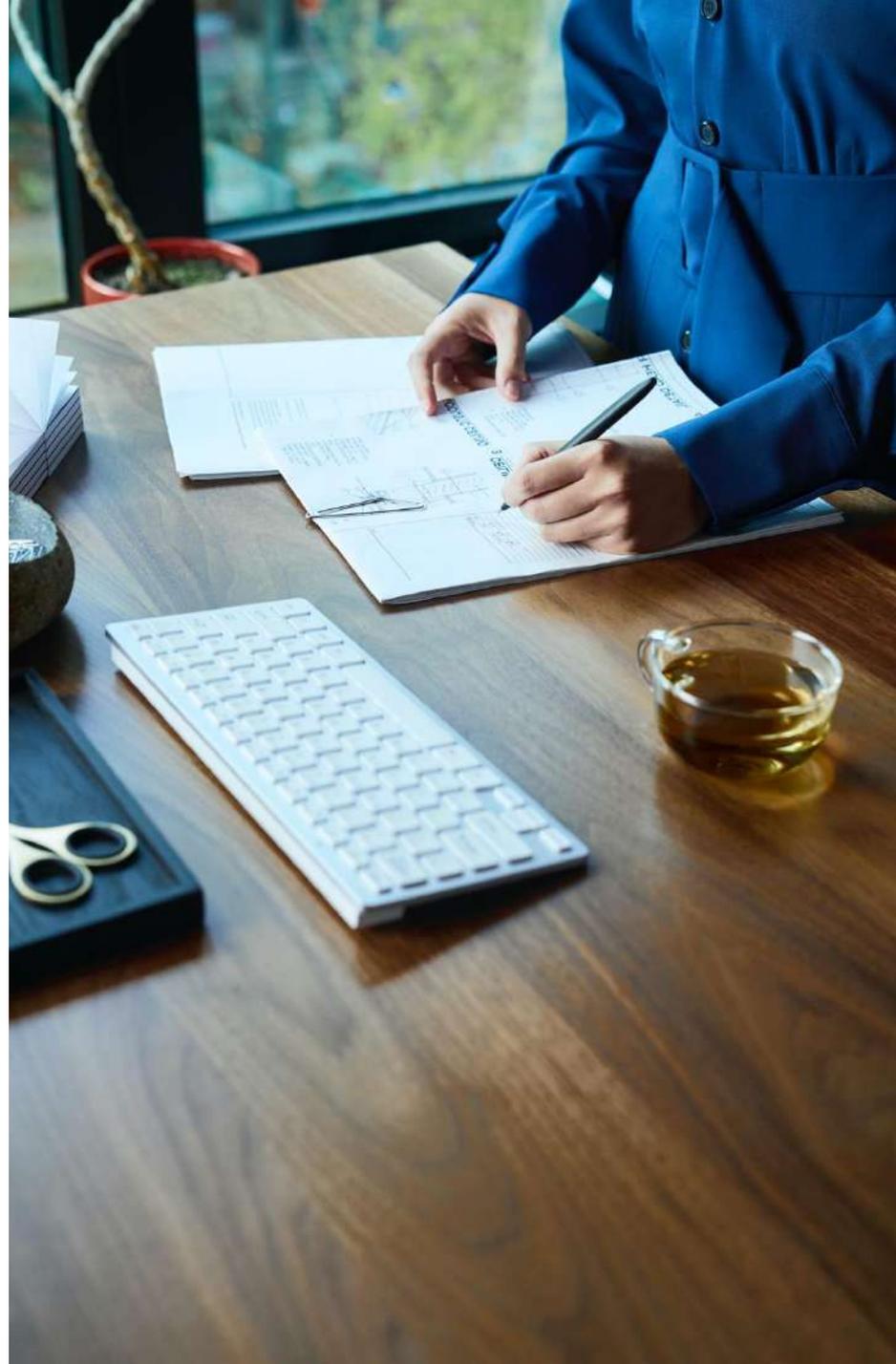
- 1 Promote coordination in all areas, highlighting the intention of creating a centralised Pharmacy Commission at social and healthcare centres.
- 2 Promote communication about the safety of medicines to healthcare professionals.
- 3 Reduce the operational costs of purchasing low-turnover medicines.
- 4 Drive and highlight centralised clinical information records (of high-impact medicines in oncology, PrEp or for patients with glucose monitoring sensors).
- 5 Directly provide professionals with information for assessment as to interactions and treatment duplication through the Single Prescription Module.
- 6 Increase online training in medicines and medical devices
- 7 Contribute to efficiency by enhancing centralised purchasing of high-impact medicines, highlighting the future creation of a Centralised Procurement Agency allowing for the purchase of healthcare goods and services, through the Bill on urgent measures to promote economic activity and modernise the regional government, known as the Omnibus Law.
- 8 Boost pharmaco-economics, with the creation of a specialised unit to advise and report on medicines and medical devices.



Madrid. Omnibus Law

The Governing Council of the Autonomous Community of Madrid has approved the Bill on urgent measures to promote economic activity and the modernisation of the administration of the region, known as the Omnibus Law, which has been brought before the Madrid Assembly to begin its legislative process as an emergency measure.

The regulation affects 50 regulatory texts, including 31 laws, three legislative decrees, six new regulations and two decrees, with the objectives of boosting economic activity in the region, adapting the current regulatory corpus to new social and economic realities, eliminating unnecessary burdens and modernising administrative organisation. Within the scope of the powers of the Health Department, the project provides for the creation of the Healthcare Procurement Agency of the Madrid Region, attached to SERMAS, the purpose of which is the procurement of supplies, goods and services declared to be centrally managed in this field.





Madrid. Green Paper on Regulation and Pharmaceutical Care

The green paper on Pharmaceutical Regulation and Care (Circular CAM/12/21) has been published. Its purpose is the regulation of pharmaceutical management and care provided by pharmaceutical establishments in the community, including pharmacies, first-aid kits, medicinal stores, radio-pharmacy units and pharmacy departments or units.

FARMAINDUSTRIA has submitted a series of general amendments regarding the suitability of different aspects of the regulations in force and the functions of pharmacy departments or units.

Madrid. Digital Unique ID at Retail Pharmacies

The Health Minister has announced the launch of a pilot project aimed at replacing the cut-off label for medicines with a digital unique ID at pharmacies. The regional minister also asked the national Ministry of Health to consider bringing forward the period of coexistence of this system of identification and verification with the coupon seal, established in Additional Provision 5 of Royal Decree 717/2019, to 9 February 2024, and to allow those regions that are now ready to use it, to do so as soon as possible.

Murcia. Appeals Against Agreements of the Regional Committee on Pharmacy and Therapeutics

FARMAINDUSTRIA has filed an administrative law appeal against the decisions of the DG for planning, research, pharmacy and citizen support for compliance with the agreements adopted by the Regional Committee on Pharmacy and Therapeutics (CRFT) regarding:

- 1 Evaluation of tivozanib for inclusion in the pharmaco-therapeutic guidelines in Murcia, by which it is agreed to classify it in Category C-2 and its inclusion as a therapeutic equivalent of existing options (version 16.04.21).
- 2 The Consensus Document on the use of high-impact medicines in the treatment of psoriasis, version 2.0/062021, which includes the use for the indication of psoriasis of the medicines etanercept, adalimumab, infliximab, certolizumab, apremilast, ustekinumab, secukinumab, ixekizumab, brodalumab, tildrakizumab, guselkumab and risankizumab, declaring, in the aforementioned document, that “as treatment of choice, unless expressly contraindicated, a biosimilar biological medicine will be selected, applying efficiency criteria and respecting the restrictions established in the TPRs”, published on the Health Portal of the Region of Murcia on 25 June and 21 July 2021.

In the former case, FARMAINDUSTRIA believes that the concept of therapeutic equivalent does not exist in our legislation and, from the standpoint of competence, therapeutic equivalence could only be established by the medicines evaluation agencies (the EMA, FDA or the AEMPS), recalling that to date none of these agencies has declared therapeutic equivalence of medicines formulated with different active ingredients. Additional Provision 3 of Law 10/2013, of 24 July 2013, states that actions aimed at establishing the position of a medicine in pharmaceutical provision and its comparison with other medicines must have a common scientific and technical basis for the entire NHS and will be performed within the framework of the TPR prepared by the AEMPS, with these reports being binding. For tivozanib, the published TPR indicates that direct comparisons between tivozanib and other approved alternatives for the same indication are not available and, therefore, no therapeutic equivalence with any other medicine is declared.

With regard to the second resolution, in which first-line treatments with the biosimilar are prioritised because of this classification, regardless of other economic and healthcare considerations, clearly affecting the original biological medicines, FARMAINDUSTRIA considers it contrary to the principle of free competition which should govern all actions by public authorities, in particular in the selection and purchase of medicines, in accordance with the provisions in Directive 2014/24/EU on public procurement and Law 9/2017, of 8 November, on Public Sector Procurement.

In this regard, according to the information provided by the department, having analysed the appeals lodged by FARMAINDUSTRIA with regard to certain agreements of the Regional Pharmacy and Therapeutics Committee:

1 | The amendment to the resolution of 16 April 2021, by which it is agreed to include tivozanib in the pharmaco-therapeutic guidelines of Murcia, as a therapeutic equivalent to other existing options, is pending publication. This concept is deleted since, as the Association stated, therapeutic equivalence can only be established by regulatory agencies such as the EMA, FDA or AEMPS.

2 | With regard to the resolution of 25 June 2021, approving the “consensus document on the use of high-impact medications in the treatment of psoriasis”, in which biosimilars are proposed as the treatment of choice, the regional manager insisted that the aforementioned document is a proposal as to the lines of treatment - not obligatory - since it is subject to there being no express contraindication (to be understood in the judgement of that the physician responsible for the patient, exercising his/her freedom of prescription), applying criteria of efficiency.

Finally, the regional manager stressed the importance of maintaining a fluid dialogue with the industry and took a very positive view of the collaboration of the pharmaceutical industry throughout the pandemic, highlighting the value of innovation in the quality of healthcare and of the economic and social reactivation of our country.

Murcia. Medical Visit Order

The Order of 14 March 2022 has been published, modifying the Order of 15 December 2020, approving specific measures to adapt medical visit activity at healthcare centres, services and establishments of the Murcia Health Service, in response to the healthcare crisis situation caused by Covid-19 (Circular RM/2/22), which includes many of the observations made by FARMAINDUSTRIA as to the regulations for medical visits and makes the modulation thereof dependent on the state of the pandemic and its impact on the situation of hospitals and healthcare centres and other establishments dependent on the public body.

País Vasco. Judgment of 30 June 2021 of the High Court of Justice of the Basque Country as to the Order of 10 February 2020, governing medical visits and the organisations of the health services of the Basque Health System.

The Order of 10 February 2020, governing medical visits to healthcare service organisations of the Basque Health System, was appealed by FARMAINDUSTRIA in October 2020 after authorisation from its Governing Bodies. The High Court of Justice of the Basque Country declared the judgment of 30 June 2021 (Circular [PV/8/21](#)) to be binding in the appeal lodged by FARMAINDUSTRIA against said Order.

The judgment contains a number of pronouncements of particular relevance in relation to the promotion of medicines and the organisation of medical visits, including that the preparation of visit schedules is the responsibility of the government and not of the regional associations or trade unions of representatives and that it is possible to promote duly authorised medicines, even if no decision has been made as to their inclusion in pharmaceutical provision.

By virtue of this last pronouncement, the Executive Board of FARMAINDUSTRIA at its meeting held on 23 September 2021 approved the modification to query no. 10 of Annex V. Queries (questions and answers) on the interpretation of the Code of Good Practice.

Valencia. Pharmaco-Therapeutic Optimisation Programme

Order 2/2021, of 27 September, of the Department of Universal Healthcare and Public Health, implementing the Programme for the Optimisation and Therapeutic Integration of the Valencia Region, has been published. The objectives of the programme are:

- 1 Optimisation of therapy, based on scientific evidence and health outcomes, to achieve greater efficiency and safety in the use of medicines and medical devices.
- 2 The functional integration of the bodies and structures of Valencia's public health system, based on cross-cutting care, continuity of care, networking and collaborative work and fairness.

Two sub-programmes are created within the programme:

- 1 Evaluation of medicines and medical devices, aimed at selecting products, establishing criteria for use and corporate positioning, and approving therapeutic protocols.

- 2 Care for the implementation and development of therapeutic strategies, care plans, reviews of pharmaco-therapy and care interventions related to the optimisation of pharmaco-therapy.

With regard to the draft Order, and following the suggestions made by the Advocate General of the Regional Government, based on the case-law (judgment of the Balearic High Court of 21 September 2016 in the administrative law appeal brought by FARMAINDUSTRIA against Decree 86/2015, of 23 October, establishing the Pharmaco-Therapeutic Committee), the wording of Articles 6.1.a and b leaves the criteria for corporate use as a recommendation, and explains the guiding and informative nature of pharmaco-therapeutic guidelines.

Other Regional Initiatives

Nursing indication

The indication, use and authorisation for dispensation by nurses of medicines subject to medical prescription, in accordance with clinical and healthcare practice guides or protocols, is governed by Royal Decree 954/2015, of 23 October 2015, amended by Royal Decree 1302/2018, of 22 October 2018. According to Article 3 of said RD, two requirements are established to undertake these actions:

- 1 Nursing professionals may indicate, use and authorise the dispensation of medicines subject to medical prescription in accordance with the clinical and healthcare practice guides or protocols.
- 2 In order to undertake such actions, nurses must hold the corresponding accreditation issued by the competent body in the Autonomous Region in question.





Institutional Activity – 3.1 Market Regulation and Relations with Public Authorities

The generation of clinical and healthcare practice guides and protocols as described in Article 6 of the RD is performed within the context of the Standing Pharmacy Commission of the NHS Inter-Territorial Council, and must be validated by the Directorate-General for Public Health. At the time when this Annual Report was drawn up, the only approved guide was the Guide for the indication, use and authorisation of dispensation of medicines subject to medical prescription for wounds (Decision of 20 October 2020 of the Directorate-General for Public Health). It describes the general and specific criteria taken into account for the selection of the list of active ingredients included, and the conditions under which such activity may be performed. The Autonomous Regions develop their own specific clinical or healthcare practice guides and/or protocols on the basis of this guide, tailored to their own context.

As regards nursing accreditation, all regions and the INGESA have regulated this procedure. It should also be noted that some regions are starting to adapt their electronic prescription modules to include the nursing indication. This is the case in Galicia, Islas Baleares and Castilla-La Mancha.

Covid-19 Pandemic. Collaboration with the Spanish Autonomous Regions

Over the course of 2021, FARMAINDUSTRIA intensified its institutional activity with regional health authorities, scientific societies, professional organisations and institutions, in order to underpin collaboration by our sector as a strategic ally, in particular from the perspective of health crisis management and the availability of medicines, both at retail pharmacies and health centres and hospitals.

In addition, during 2021 the Regions continued to develop different strategies to minimise patient travel to collect their medication at both hospital and community level. Within the context of retail pharmacies, then, modifications were made to prescription renewal procedures to avoid patients with chronic treatments and those with medicines subject to prescription approval from being required to go to their health centres to renew their prescriptions.

In the hospital setting, the different Regions started to establish measures to guarantee the dispensing of hospital medicines to outpatients without having to be dispensed at the hospital facilities.

In Cataluña, within the framework of the Response Strategy to the SARS-CoV-2 epidemic, and in accordance with Additional Provision 6 of Royal Decree Law 21/2020, of 9 June, on urgent prevention, containment and coordination measures to address the health crisis caused by Covid-19, CatSalut issued specific organisational measures for the dispensing of outpatient hospital medicines ('MHDA') in remote mode (Directorial decision of 22 June 2020).

As a result of the need for each hospital to establish its own procedure for the implementation of this activity and in order to unify criteria, provide methodology and homogeneous requirements, the Medicinal Product Management of the Catalan Health Service (CatSalut) has prepared a good practice protocol for the local delivery of MHDA by hospital pharmacy departments ('SFH').

The document defines local delivery as the process of delivery of the MHDA to a specific patient in a setting closer to their home, or at their own home under the responsibility of the dispensing SFH. This delivery will be performed through an authorised intermediary that will guarantee the storage, safety and traceability of the medicines from the point of collection to the point of delivery to the patient. For these purposes, a community pharmacy, a pharmacy department of another hospital, or a primary care centre with an authorised medicinal store may be considered a local intermediary, with prior Health Department authorisation.

FARMAINDUSTRIA has maintained the line of dialogue started the previous year with the Regions and the AEMPS to ensure that this practice did not result in an increase in the number of packs dispensed, which could generate a supply problem in the market. This situation was actively monitored with the collaboration of the Hospital Market Working Group of FARMAINDUSTRIA.



Medical Visits

Following the restriction on making medical visits imposed in the Autonomous Regions since mid-2020, FARMAINDUSTRIA established a specific working group with the aim of facilitating the resumption of this activity with the necessary safety and traceability guarantees required by the Government, once the state of emergency was lifted.

To this end, a Prevention and Safety Protocol was developed for the resumption of activity by these industry professionals, which has been of vital importance in the progressive restarting of medical visits. The Protocol was drawn up with the support and collaboration of Dr Rafael Cantón Moreno, Head of the Microbiology Service at Ramón y Cajal University Hospital in Madrid, and researcher at the Ramón y Cajal Healthcare Research Institute, as well as the scientific societies covering primary care (SEMG, SEMERGEN, SemFYC), Pulmonology and Thoracic Surgery (SEPAR), Internal Medicine (SEMI) and Healthcare Executives (SEDISA). The General Councils of Professional Associations of Physicians, Pharmacists and Nurses were also involved. The Protocol, to which other business associations have also subscribed, was made available to all members on 5 June 2020 and submitted to the Ministry of Health, the health departments of the Autonomous Regions and professional associations of medical visitors, for their information.

FARMAINDUSTRIA closely monitored the status of medical visits throughout 2020 and 2021, and prepared a regularly-updated status report in which, in addition to the measures introduced by the health authorities as a result of the evolution of the pandemic and the level of healthcare pressure existing on health centres and hospitals, includes:

- 1 The agreed restrictions for meetings, congresses or symposia.
- 2 The requirement established in some regions for a Covid passport or certificate for access to hospitals and social and nursing care homes.
- 3 The cumulative incidence level in each region and its level of risk, as well as a link to the Covid website of the different regions, collating updated information about the epidemiological and healthcare situation and the alert levels of each area and territory.
- 4 The possible regulation on the prohibition of the distribution of physical promotional material in the regions.

When this Annual Report went to press, it was confirmed that in general, medical visits were open in most hospitals and health centres of the different regions, varying according to the state of the pandemic and the healthcare pressure faced by the different health centres in each area.

However, some regulatory initiatives developed by some regions in this area should be highlighted. Of particular importance is the Judgment of the High Court of Justice of the País Vasco, of 30 June 2021, issued in the administrative law appeal brought by FARMAINDUSTRIA against the Order of the Basque Country regarding medical visits, which is discussed in other sections of this Annual Report.

Turning to other matters, during 2021 Extremadura began the processing of a green paper for the Association of Technical Health Information Agents ('ITS') in Extremadura, which at the time of writing of this Annual Report is before the Council of State, a body to which, on 1 March, FARMAINDUSTRIA presented arguments in the same regard as those made when the process began, focusing on the following points:

- 1 The requirements of Law 11/2002, of 12 December, on Professional Associations and Professional Association Boards of Extremadura are not met for the creation of this association.
- 2 ITS activity is not a qualified profession entitled in the sense defined by the Constitutional Court, nor classified as such in Law 44/2003 on the regulation of healthcare professions.
- 3 ITS status exists only while maintaining an employment relationship with a laboratory, and is lost when this relationship ends.
- 4 The project did not justify the existence of sufficient public interest reasons for the creation of a professional ITS association.

FARMAINDUSTRIA has already positioned itself in the same regard vis-à-vis a similar initiative presented by the Valencia Region.



NATIONAL HEALTH SYSTEM PURCHASING PLATFORM

As we have indicated in previous FARMAINDUSTRIA Annual Reports, the Ministry of Health has repeatedly shown an interest in promoting centralised purchasing via the INGESA. In this regard, at the proposal of the Minister of Health the Council of Ministers gave authorisation on 11 February 2020 for the arrangement of a competitive tender (Framework Agreement ('Acuerdo Marco', or 'AM')) for the acquisition of biological medicines with a biosimilar, to which 10 Autonomous Regions initially subscribed: Aragón, Asturias, Islas Baleares, Cantabria, Castilla-León, Extremadura, Galicia, La Rioja, Murcia and Valencia. The INGESA and the Ministry of Defence were also involved.

The outbreak of the Covid-19 pandemic and the consequent

state of emergency in Spain resulted in health authorities concentrating their efforts on responding to the serious threat unleashed, prioritising the purchase of healthcare materials and medicines against Covid-19, for which reason this 'AM' was not issued in 2020, delaying the agreement to initiate the formal process until the end of 2021.

FARMAINDUSTRIA filed a special appeal in the matter of contracts against this AM, focused on the modification of the contract due to supervening and unforeseeable economic conditions, as well as the termination of said contract in the event of a breach and the demand for the contractor to send a grouped list containing the unique IDs of the medicines.

In March 2022, INGESA published new dossiers for this AM, following the decisions of the Central Administrative Court of Contractual Appeals ('TACRC') in a number of special procurement appeals. Specifically, FARMAINDUSTRIA'S appeal was partially upheld, and the new dossiers therefore no longer considered as grounds for termination a breach of the obligation to send in each order a grouped list of unique IDs. However, the obligation to submit the grouped list of unique IDs to pharmacy services, when established by the contracting authority, remains in place.

In addition, the amount of the penalties for breaches has been modified, establishing that, as a general rule, the amount will be 0.2% of the contract price of the batch in question, with the amount of each penalty not exceeding 30,000 euros, and the limit expressed in Article 192.1 of the Public Sector Procurement Law ('LCSP'), while a new paragraph has been included in Clause 14.2.2. Dossier of Specific Administrative Clauses ('PCAP'), regarding proposals for the substitution of goods awarded with others incorporating technological advances or innovations that improve the services or characteristics of those awarded, such that acceptance or otherwise of the replacement or inclusion by innovation or technical evolution will be performed by decision of the contracting authority, after examining the request of the chosen bidder, when the proposal is at its request, and having obtained the mandatory report from the corresponding legal service, in accordance with the provisions of Article 191 of the LCSP.

With regard to Framework Agreement 2021/063 for recombinant coagulation factor VIII medicines, announced by INGESA on 6 July 2021, in which ten batches of medicines, identified by commercial name, are tendered with one contractor per batch, FARMAINDUSTRIA has written to INGESA indicating that it is doubtful that clause 14 of the PCAP of this AM would lie within the framework of the Public Sector Procurement Law (LCSP) in the case of the acquisition of medicines.



Furthermore, clause 17.3 of the PCAP provides for the automatic termination (expiry) of both the AM and derived contracts when, among other reasons, a new generic or biosimilar medicine is effectively marketed. In this regard, FARMAINDUSTRIA has indicated to INGESA that the aforementioned cause is not included in the LCSP (articles 211 and 306), and its inclusion in the dossier is therefore inappropriate. The grounds for termination of contracts are those specifically defined in the LCSP, since in the new regulation “those expressly established in the contract” have been eliminated as grounds for termination (former art. 223 of the amended LCSP). In this regard, reference is made to Decision No. 282/2020 of 27 February of the Central Administrative Court of Contractual Appeals and Opinion 39/2019 of 3 October of the Consultative Council of Andalucía.

Finally, following the presentation of several special appeals in the field of procurement by different entities partially upheld by the Court of Contractual Appeals of Madrid, the corresponding changes were made and the process continued, with the award being made on 8 March 2022.

The different centralised purchasing procedures performed by INGESA, the medicines tendered, and other aspects related to them, are listed below.

Institutional Activity – 3.1 Market Regulation and Relations with Public Authorities

MEDICINES TENDERED	PROCEDURE	PROCUREMENT AUTHORITIES	COMPOSITION OF BATCHES	No. OF BATCHES OFFERED	No. OF BATCHES AWARDED
IMMUNOSUPPRESSANTS (2013)	Negotiated without public notice (Art. 170.d of the Consolidated Text of the Public Sector Procurement Law)	10 Regions (Aragón, Asturias, Cantabria, Castilla-La Mancha, Castilla-León, Extremadura, Madrid, Murcia, La Rioja and Valencia), INGESA, Ministry of Interior and Ministry of Defence	Active Ingredient	9	6
CLOTING FACTOR VIII (2015)	Negotiated without public notice (Art. 170.d of the Consolidated Text of the Public Sector Procurement Law)	10 Regions (Asturias, Islas Baleares, Cantabria, Castilla-La Mancha, Castilla-León, Extremadura, Galicia, Murcia, Navarra and La Rioja) and INGESA	Brand	4	4
EPOETINS (2015)	Negotiated without public notice (Art. 170.d of the Consolidated Text of the Public Sector Procurement Law)	7 Regions (Asturias, Islas Baleares, Cantabria, Castilla-La Mancha, Extremadura, Madrid, Murcia), INGESA and Ministry of Defence	Active Ingredient	5	4
MEDICINES WITH GENERIC COMPETITION (2015)	Open procedure by ordinary processing and subject to harmonised regulation (Articles 196 and 198, recast Text of the Public Sector Procurement Law)	11 Regions (Aragón, Asturias, Islas Baleares, Castilla-La Mancha, Cantabria, Extremadura, Galicia, Madrid, Murcia, Navarra and La Rioja), INGESA, Ministry of the Interior and Ministry of Defence	Active Substance Includes two biosimilars, which share lot with reference biological	20	20
IMMUNOSUPPRESSANTS (2015)	Negotiated without public notice (Art. 170.d of the Consolidated Text of the Public Sector Procurement Law)	11 Regions (Aragón, Asturias, Islas Baleares, Cantabria, Castilla-La Mancha, Castilla-León, Extremadura, Madrid, Murcia, La Rioja, Valencia), INGESA, Ministry of Defence and Prison Institutions	Active Ingredient	9	9
ANTI-RETROVIRALS (2015)	Negotiated without public notice (Art. 170.d of the Consolidated Text of the Public Sector Procurement Law)	10 Regions (Aragón, Asturias, Islas Baleares, Cantabria, Castilla-La Mancha, Castilla-León, Extremadura, Madrid, Murcia, La Rioja), INGESA, Ministry of Defence and Ministry of the Interior	Active Ingredient	26	12
CLOTING FACTOR VIII (2019)	Negotiated without public notice (Art. 170.d of the Consolidated Text of the Public Sector Procurement Law)	11 Regions (Aragón, Islas Baleares, Cantabria, Castilla-La Mancha, Castilla-León, Extremadura, Galicia Murcia, Navarra, La Rioja and Valencia) and INGESA (Ceuta and Melilla)	Brand	9	9
EPOETINS (2019)	Negotiated without public notice (Art. 170.d of the Consolidated Text of the Public Sector Procurement Law)	9 Regions (Aragón, Asturias, Islas Baleares, Cantabria, Castilla-La Mancha, Extremadura, La Rioja, Murcia and Valencia), INGESA and Ministry of Defence	Active Ingredient	5	4

Institutional Activity – 3.1 Market Regulation and Relations with Public Authorities

MEDICINES TENDERED	PROCEDURE	PROCUREMENT AUTHORITIES	COMPOSITION OF BATCHES	No. OF BATCHES OFFERED	No. OF BATCHES AWARDED
CLOTTING (2021)	Negotiated without public notice	11 Regions (Aragón, Islas Baleares, Islas Canarias, Cantabria, Castilla-La Mancha, Castilla-León, Extremadura, La Rioja, Murcia, Navarra, Valencia) and INGESA	Brand	10	10
BIOLOGICS WITH BIOSIMILARS (2021)	Open procedure by ordinary processing and subject to harmonised regulation	10 Regions (Aragón, Asturias, Islas Baleares, Cantabria, Castilla-León, Extremadura, La Rioja, Madrid, Murcia, Navarra), INGESA and Ministry of Defence.	Active Ingredient	10	Deadline for submission of bids: 27/04/22



3.1.4 ADVISORY AND GUIDANCE COMMITTEES

NATIONAL HEALTH SERVICE ADVISORY COMMITTEE

The Advisory Committee exercises the functions of advice and collaboration in order to formulate the health policy of the National Health System and to monitor its implementation. In particular, it has a number of functions set out in the regulations in force, such as institutional participation, of a cross-sectoral nature, at the state level, of trade union and employer organisations in the National Health System or the issuance of reports regarding the provisions or agreements of the NHS Inter-Territorial Council submitted to it and directly affecting matters related to the rights and duties of patients and users of the healthcare system, among others. FARMAINDUSTRIA is the Vice-Chair of the Committee.

The situation arising from the pandemic meant there were no meetings last year. However, quarterly meetings of the Committee have been held since June 2021, with an agenda focused on reports required by certain regulatory projects, various action plans (action plan for primary and community care or HIV prevention plan, among others) and healthcare strategies such as the National Digital Health Strategy or single-issue strategies for certain diseases (Alzheimer's, Parkinson's, rheumatic diseases or stroke, among others).

AEMPS COMMITTEE ON MEDICINES FOR HUMAN USE

The Committee on Medicines for Human Use ('CMH') is the collegiate body of the Spanish Medicines Regulatory Agency representing the interests of society and overseeing transparency, objectivity, and scientific rigour in the Agency's decisions, regarding the marketing of medicines. The Committee is composed of 23 members, 10 by reason of their position and 13 appointed by the Executive Board of the AEMPS, one of which is appointed by Farmaindustria.

The CMH has 11 ordinary meetings per year, in which the assessment reports on medicines processed through a centralised procedure are presented and discussed, with Spain acting as rapporteur or co-rapporteur, as well as other medicines or groups of medicines which, due to their special interest for the AEMPS, are included on the Committee's agenda.

During the past year, in addition to the aspects related to the evaluation of the different Covid-19 vaccines that remained the focus of many of the Committee's non-standard issues, changes in orphan medicines legislation, paediatric legislation, pilot for the deletion of the paper package leaflet for certain hospital-based medicines, repositioning of medicines, information on the new National Plan against Antimicrobial Resistance ('PRAN') and the update on the EMA Pandemic Task Force were addressed.

TECHNICAL COORDINATING GROUP OF THE PRAN

(National Action Plan on Antimicrobial Resistance)

The Technical Coordinating Group of the PRAN is responsible for preparing the strategic plan proposal. Specifically this year, the proposal for the new Strategic Plan 2022-2024 was prepared, and is expected to be adopted in the first half of 2022.

FARMAINDUSTRIA joined this Technical Coordinating Group in 2021, and its presence is significant since this new edition of the PRAN has set certain objectives that may significantly affect pharmaceutical companies, such as reviewing the pack sizes of marketed antibiotics (ATC J01), seeking mechanisms to strengthen the marketing and supply in Spain of critical antibiotics, or studying how to incorporate new antibiotics with proposals aimed at improving national and European access routes.



3.1.5 COLLECTIVE AGREEMENT

On 19 July 2021, the State Gazette published the 20th General Collective Agreement of the Chemical Industry (hereinafter, the 'CGIQ'), signed by Feique with the Confederation of Labor Unions (CC.OO.) and UGT FICA trade unions, which affects sectors within, among others, the economic activities of the pharmaceutical industry (CNAE 21). This agreement will affect more than 300,000 workers and will remain in force until 31 December 2023.



The CGIQ envisages salary increases of 1% for 2021 (implemented since 1 July last year), as well as 2% for 2022 and 2% for 2023 (with effect from 1 January each year), while maintaining the maximum working time of 1,752 hours/year and strategic improvements in the following issues: teleworking, working time registration, equality, digital disconnection, paid leave, breastfeeding, safety and health, in addition to the inclusion of specific measures in situations related to Covid-19 and driving the growth of sustainable development in the sector.

With regard to remote working, the corresponding modifications are made as a result of legal adaptations in this regard and the Agreement recognises, in the absence of any other agreed terms, financial compensation for full-time workers and the possibility of performing 100% remote work. As regards the registration of working hours, the possibility has been included for company-level agreements on working hours to establish rules for specific groups (workers whose tasks involve foreign travel and travelling workers). Meanwhile, a mandatory retirement clause has been included as a staff rejuvenation measure, provided a number of requirements are met. Finally, the salary guarantee clause established in Article 38 of the CGIQ is maintained.



In July 2021 the State Gazette published the 20th General Collective Bargaining Agreement for the Chemical Industry, which affects more than 300,000 workers and will remain in force until the end of 2023

Elsewhere, the entry into force on 31 December 2021 of Royal Decree-Law 32/2021 of 28 December, on urgent measures for labour reform, the guarantee of stability in employment and the transformation of the labour market, introduced modifications that have an impact on the CGIQ, particularly those regarding recruitment. In particular, as of 30 March 2022, temporary contracts because of market circumstances, accumulation of tasks or excess orders are eliminated and replaced by a new contract based on production circumstances, although the transitional regime must be taken into account. With regard to interim contracts, this format is eliminated as of 30 March 2022 and replaced by a new substitution contract. The works or service contract is also abolished from 30 March 2022, and the transitional regime must likewise be taken into account. Finally, a new regulation is established for permanent-discontinuous contracts, furthermore eliminating from the regulations the current contractual forms of work placements, training and apprenticeship, and dual training university contracts, instead establishing a training contract with two forms:

- 1 Alternating training contract.
- 2 Training contract to obtain a professional placement.



institutional activity_03

- 3.1 Market Regulation and Relations with Public Authorities
- 3.2 Communication**
- 3.3 International Relations
- 3.4 The Pharmaceutical Industry in Spain and Worldwide

3.2 Communication

The outbreak of the Covid-19 pandemic in 2020 generated an unprecedented social interest in our sector, which allowed us to show the general public the commitment of pharmaceutical companies to find a solution to the disease. In 2021, with the arrival and use of effective vaccines against Covid-19, FARMAINDUSTRIA managed to consolidate a constant and proactive presence in the media and through its online and social-media channels, with high-quality, clear and rigorous information. This communication work enabled us to underpin the vision of ours as a strategic sector from a threefold health, economic and social perspective, while at the same time conveying the opportunity represented by Spain's commitment to this sector, both in R&D and in production and quality employment.





FARMAINDUSTRIA established itself in 2021 as a reliable, proven and up-to-date source of information for both the media and society as a whole. This led to the generation of information content released via all available channels: website, social media, traditional and online media, gatherings, forums, etc.

In fact, communication by FARMAINDUSTRIA has become a point of reference within and outside our sector. As reflected in the two professional awards received by the Association in 2021, demonstrating the purpose and effectiveness of this work. To begin with, FARMAINDUSTRIA received from the Association of Communications Executives the 2021 Dircom award for the best Crisis Communication, in the section of Government, Public Institutions and other organisations, for its information work carried out during the Covid-19 pandemic. In turn, the consultancy firm MAS Consulting and the University of Navarra chose FARMAINDUSTRIA as the Spanish business association with best practices in digital communication.



Specifically, in 2021 FARMAINDUSTRIA generated more than 160 of its own information pieces, which amounted to almost four items of content a week for the media, giving some idea of the extensive information and communication work deployed by the Association during the year. In addition, an average of two opinion articles were generated each month in influential media outlets, and the spokespeople of FARMAINDUSTRIA were interviewed 15 times on radio and television channels. This presence in audiovisual media (more than one interview per month) consolidates the Association's commitment to our radio and television presence, which now accounts for 7% of our impacts.

This abundant activity served to generate up to 5,800 media impacts in 2021, an average of more than 100 press impacts per week.

NEWSLETTER

In 2021, the FARMAINDUSTRIA newsletter marked its third year in existence. The year began with 6,800 subscribers and closed with an increase of nearly +40% to reach 9,500 subscribed users. This figure represents four times the number registered since the launch of the first edition in January 2019. The weekly information bulletin of the research-based pharmaceutical industry in Spain is sent free of charge every Monday to subscribed users' email addresses, and contains key information about medicines, the industry, biomedical innovation and health.

Through this digital newsletter, FARMAINDUSTRIA aims to publicise the sector and medicines among professionals in the healthcare and pharmaceutical sector, and above all to provide the media and society at large with a better understanding of the industry.



WEBSITE

The Association's website (www.farmaindustria.es) has for yet another year set the standard in the sector, with constantly updated content. More than 156,000 people consulted the FARMAINDUSTRIA website in 2021, compared with 81,000 in 2019, up by +92%. In addition, reading time increased: each reader spent an average of 1.16 minutes on the web, +20% more time than in 2020.



SOCIAL MEDIA

Alongside media contact and partnerships, and with the aim of achieving constant and direct communication with society at large, one of the strategic approaches adopted by FARMAINDUSTRIA over recent years has been to underpin the information delivered via social media. This serves to gain interaction with the population, and make a greater and more precise contribution to how society understands the sector.

If 2020 was the year when the approach begun in previous years really took off, exponentially improving the numbers of followers, impressions and interactions with users, in 2021 the five platforms where the Association is present - Twitter, LinkedIn, Facebook, Instagram and YouTube - showed strong growth in both users and engagement. The social media profiles of FARMAINDUSTRIA are now an extension of our communication and have become an established interlocutor with their own voice.



On Twitter, where followers already number over 35,000, FARMAINDUSTRIA is the second pharmaceutical business association in the world, behind only the American PhRMA. On LinkedIn, the number of followers increased by +14% compared to 2020, to more than 45,700, making FARMAINDUSTRIA the second-largest business association in the sector on this platform, behind only the France's LEEM. On Facebook, with a rise in followers of around +20% over the past year, FARMAINDUSTRIA is the fourth pharmaceutical business association in the world in this platform. On Instagram, with +15% growth compared to 2020, the Association is the fourth global pharmaceutical business association.

In total, FARMAINDUSTRIA social media posts were displayed to users (page views) more than 18 million times in 2021.



FOR ALL AUDIENCES

On its website, FARMAINDUSTRIA has a Reportage Features section and another with an FAQ format, with the aim of supplementing the news items and press releases sent out by the Association by means of analytical information articles which are essentially explanatory in nature, helping the general population better understand certain aspects of the sector, from how prices of medicines are set in Spain, to the nature of the R&D process for a medicine, or the benefits that pharmaceutical products offer from the economic and social perspective, beyond their core value as healthcare assets.



In 2021, 10 of these information pieces were published (7 reports and 3 FAQs), including:

- 1 A Pandemic Year: How the Pharmaceutical Industry Leads Vaccine Achievements and Works on Production for the Whole World.
- 2 Prescriptions from the Pharmaceutical Industry to Revive Spain: Production, Quality Employment and Innovation.
- 3 How Can Spain Attract More Investment in R&D and Pharmaceutical Production?
- 4 Patents: Why They Are Essential in driving Research into New Medicines.
- 5 How the Pharmaceutical Industry Works to Have 12 Billion Covid Vaccines This Year and Up to 24 Billion by June 2022.



EVENTS WITH INFORMATION IMPACT

FARMAINDUSTRIA continued to participate at numerous events and webinars both in person, where possible, and online. FARMAINDUSTRIA's high level of participation on public forums (on average two per week) has enabled it to underpin key messages in our sector and interact with opinion leaders and political, professional and social representatives.

In particular, this year the Association organised a total of 15 of its own events. In addition, FARMAINDUSTRIA participated in 2021 in more than 80 third-party forums, mainly public or private institutions, scientific societies, the media and patient organisations.

In particular, this year FARMAINDUSTRIA intervened twice at the Congress of Deputies, where the Association was able to explain the lines of action of the pharmaceutical industry and the proposals to contribute to the economic reactivation and social development of Spain. To begin with, in September the president of FARMAINDUSTRIA, Mr Juan López-Belmonte, was involved in the subcommittee which, within the

Committee on Science, Innovation and Universities of the Congress of Deputies, studied the development of the Pact for Science and Innovation. Moreover, in November the president contributed to the Commission of Inquiry concerning the management of vaccines and the Vaccination Plan in Spain.



These events, both in-house and organised by third parties, had a significant impact on media and/or social media. The main information events in which FARMAINDUSTRIA was involved in 2021 are listed below:

- Seminar: *Bringing Science Closer to Schools*, in collaboration with Jiménez Díaz Foundation (Madrid), Hospital Sant Joan de Déu (Barcelona) and the IBIMA (Biomedical Research Institute of Malaga).
- Colloquium: *Clinical Research: What Did We Learn from the Pandemic?*, organised by New Medical Economics.
- Seminar: *Future of Clinical Research in Spain*, organised by AMIFE (Pharmaceutical Industry Medical Association).
- *Health Economic Evaluation Summit*, organised by the Polytechnic University of Valencia and Esteve.
- Discussion table on public procurement in health systems held at the First International Public Procurement Congress.
- First Congress on Globalisation and National Security.
- National Health Science Innovation Forum 2021, organised by the Bamberg Foundation.
- Edition 21 of the Farma-Biotech programme.
- 14th Congress of AMIFE (Pharmaceutical Industry Medical Association).
- Presentation of the strategic project for economic recovery and transformation (PERTE) "State-of-the-art health".
- Oncology Quality Care Symposium organised by ECO (Foundation for Oncology Excellence and Quality).
- Pharmaceutical Industry & Media Seminar.
- Farmaforum Congress 2021.



- Seminar: *Lung Summit* by the ECO (Oncology Excellence and Quality) Foundation.
- 17th National Congress on Health Law.
- Meeting on funding and access to innovation organised by the Bamberg Foundation.
- Connected Industry 4.0 Congress, organised by the Ministry of Industry.
- High-Level *Health+Innovation Conference: A Combination for Post-Covid Spain*, held by FARMAINDUSTRIA and the Regional Government of Extremadura, in Cáceres.
- National Congress of the Semergen (Spanish Society of Primary Care Physicians).
- 2021 BioSpain Congress.
- 5th Congress of Patient Organisations.
- Seminar on Key Innovations in the new healthcare system, organised by the IDIS Foundation.
- 2nd Symposium of the Health Observatory, organised by El Español.
- Course in Pharmaceutical Law of the CEFI (Research Promotion Study Centre).
- 40th Symposium of the AEFI (Spanish Industry Pharmacists Association)
- Forum: The Power of Data and Their Relevance in the Pharmaceutical Sector, organised by Deloitte.
- Health Forum, organised by Nueva Economía Fórum.
- Forbes Summit Healthcare 2021.
- *Spain, Pharmaceutical Investment Hub for Reactivation*, organised by El País.



KEY INFORMATION MILESTONES IN 2021

January

In January, FARMAINDUSTRIA gave a media presentation of the main data from a report by the Organisation for Economic Co-operation and Development (OECD) which demonstrated Spain's important role in investigating potential treatments against coronavirus. The analysis of this international body put our country at the top of the world rankings in terms of the number of clinical trials launched, in line with the data regularly collected by the WHO and reported by FARMAINDUSTRIA during the pandemic.

In addition, the same month the *#InnovamosParaTi* initiative was launched, a series of videos on social media in which researchers from pharmaceutical companies explained what it means for them to work on the research process of the medicines of the future, why they decided to dedicate their careers to this field or what their everyday experience is like.

- Eva María López Román:



This month, the president of FARMAINDUSTRIA, Mr Juan López-Belmonte, appeared at a remote media presentation to reaffirm the sector's commitment to industrial development, biomedical innovation and patients. Specifically, it was announced that FARMAINDUSTRIA had presented to the Ministry of Industry, Trade and Tourism the Expression of Interest for the Essential Medicines and Strategic Industrial Capabilities project for the value chain of the Research-Based Pharmaceutical Industry in Spain (MedEst), which forms part of the Ministry's Programme to Promote Industrial Competitiveness and Sustainability hubs.

February

On 11 February, to mark International Day of Women and Girls in Science, FARMAINDUSTRIA recalled the significant presence of women in research into new medicines: women perform two out of every three jobs in the R&D area of pharmaceutical companies in our country, and one out of every four female researchers working in Spanish industry does so at a pharmaceutical company.

On 19 February the book *Health Innovation to Emerge Stronger from the Covid-19 Crisis* was released by the strategic consultancy Hiris with the support of FARMAINDUSTRIA, involving experts in economics, health management, medicine and research.

To mark World Rare Disease Day, on 28 February, a press release was published highlighting that 20% of clinical trials in Spain already focus on rare diseases.

During the month, FARMAINDUSTRIA launched a [video explaining in just two minutes what incremental innovation in medicines involves and why this process is key to R&D.](#)



March

In March, it was revealed that the Innovative Medicines Initiative (IMI), a project funded equally by the European Commission and the pharmaceutical industry through EFPIA to promote research into diseases with unmet medical and social needs, has managed to invest more than €5.3 billion since its creation in 2008. A total of 41 Spanish centres, institutions and companies participated in these projects.

To mark International Women's Day, on 8 March, the *#ConEllasMásSalud* campaign was launched on social media, in which FARMAINDUSTRIA aimed to pay a small tribute to all the women who work in the pharmaceutical industry every day, and launched the question on social media: What if women disappeared from the pharmaceutical industry?

The annual activity of the FARMAINDUSTRIA Professional Ethics Supervision Unit (USD) was also reported in March. The unit continued its supervisory role in 2020 despite the drop in the activity of professional forums.

91% of scientific and professional meetings and 94% of services contracted from healthcare organisations and professionals were incident-free, according to the latest activity report.

The newspaper El País, with the collaboration of FARMAINDUSTRIA, held a virtual meeting during the month entitled: Spain, a hub for pharmaceutical investment for reactivation, involving the Minister of Industry, Trade and Tourism, Ms Reyes Maroto.



FARMAINDUSTRIA was chosen this month as the business association with the best practices in digital communication, according to a study led by MAS Consulting and the University of Navarra, which analysed one hundred national employers.

On 24 March, at an open online meeting, the update of the report *The Value of Medicines from a Social Perspective*, conducted by the Weber Foundation with the support of FARMAINDUSTRIA, was publicly presented. The presentation included the presidents of the Weber Foundation, Mr Álvaro Hidalgo; of FARMAINDUSTRIA, Mr Juan López-Belmonte; of the SER (Spanish Society of Rheumatology), Mr José María Álvaro-Gracia, and of the Spanish Patients Forum, Mr Andoni Lorenzo, among other experts.



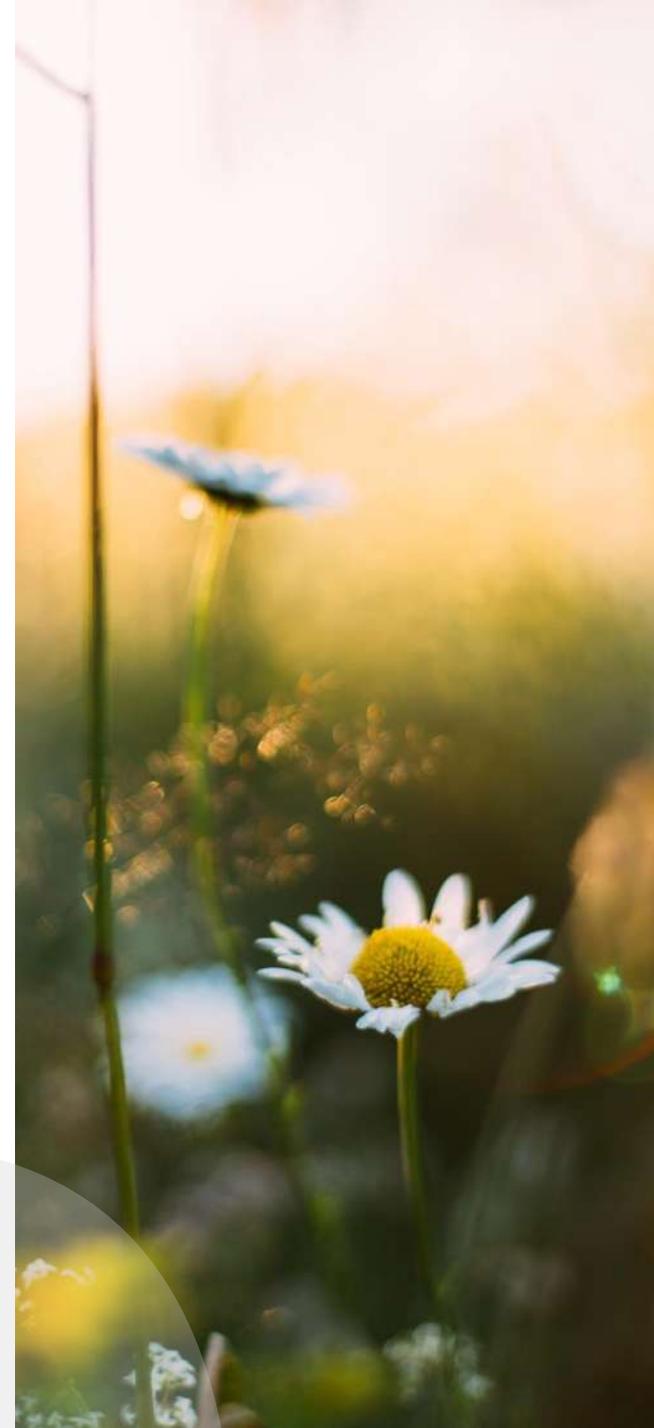
April

In April, the president of FARMAINDUSTRIA was centre stage at the Health Forum held online by Nueva Economía Fórum. The President emphasised the opportunity for Spain to attract even more R&D investment from pharmaceutical companies.

During the month it was revealed that about 90 companies worldwide already had licences to manufacture Covid-19 vaccines thanks to the collaboration agreements signed between the development companies and those with the capacity to participate in production.

In addition, to mark World Immunization Week, it was recalled that vaccines are the best example of how spending resources on new medicines is not an expense, but an investment whose benefits feed back into the public system: every euro invested in vaccines in Spain saves 22 in direct and indirect costs.

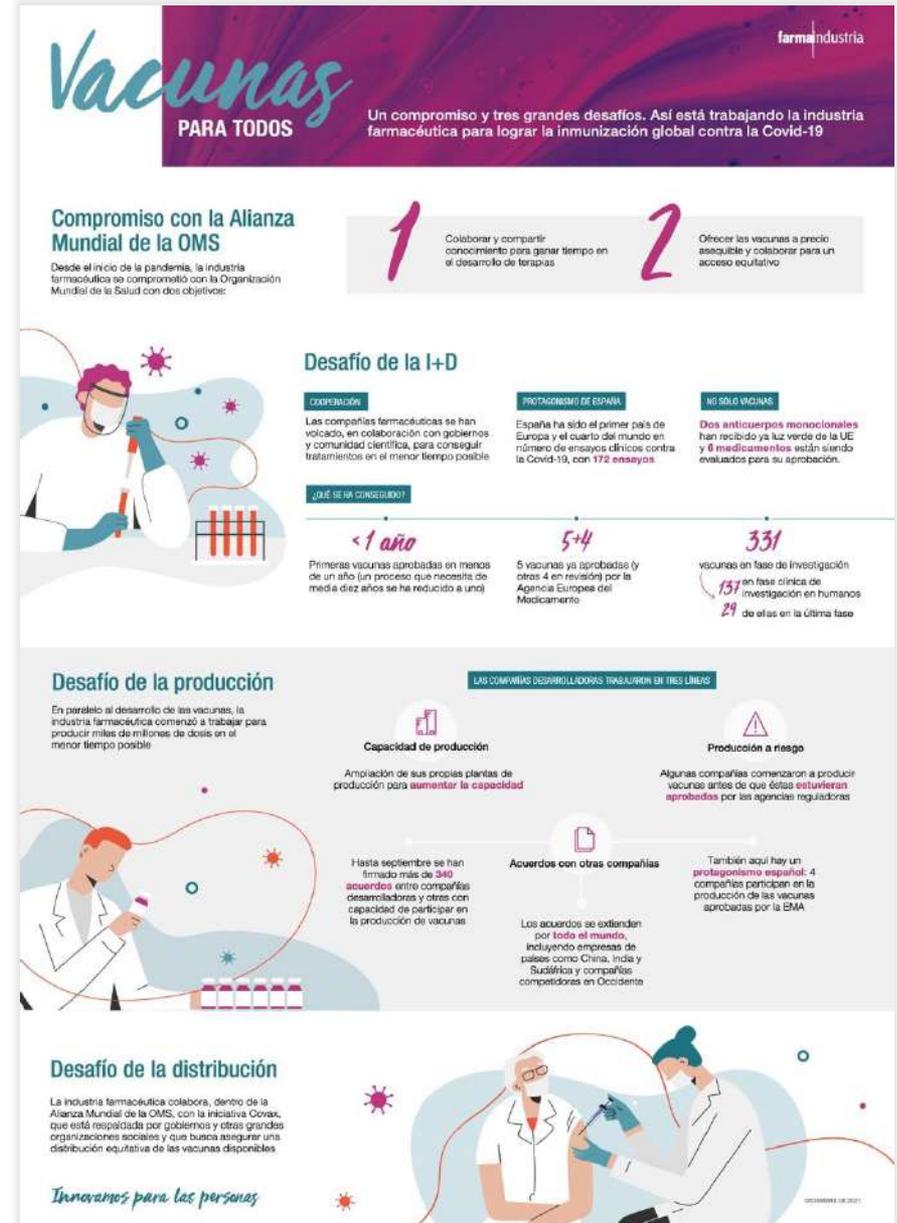
On 28 April, the 20th edition of the Farma-Biotech Programme was held, promoting the Spanish Platform for Innovative Medicines, with the aim of fostering cooperation between groups, small research firms and pharmaceutical companies.

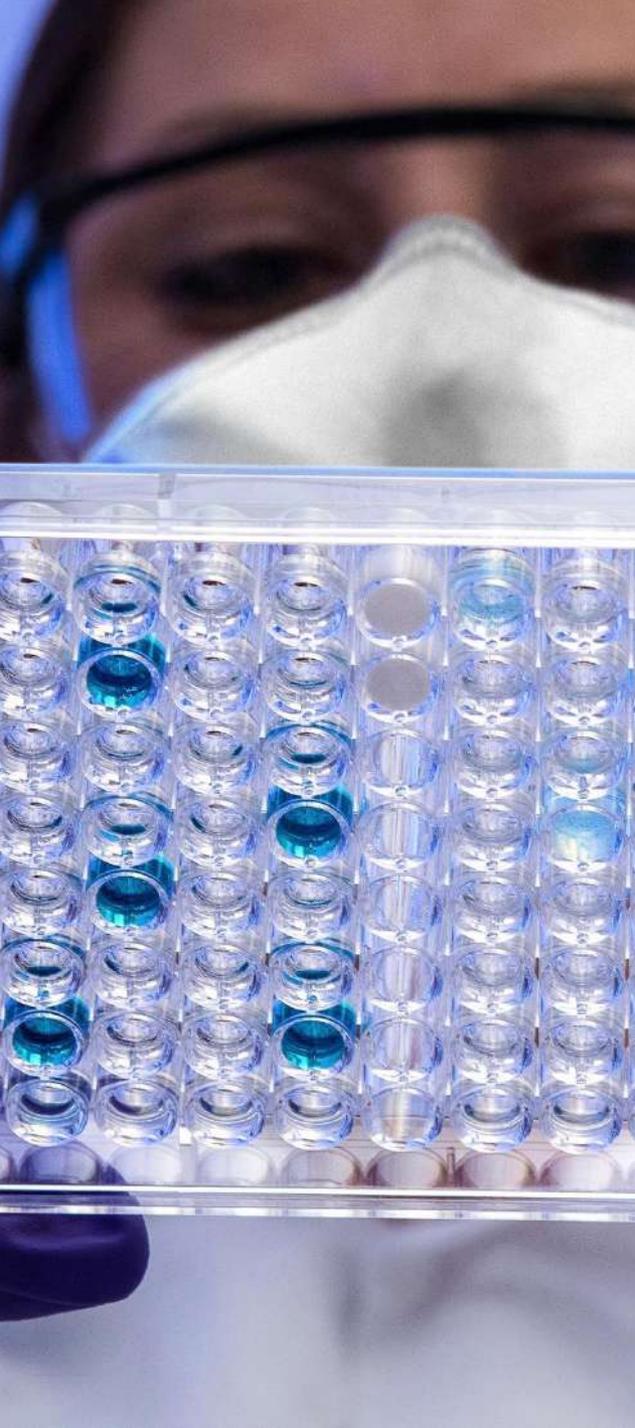


May

In the month of May, FARMAINDUSTRIA participated at the 40th Symposium of the AEFI (Spanish Association of Industry Pharmacists). The President of the Association, Mr Juan López-Belmonte, said that strengthening production infrastructure to reduce external dependence on the production of essential medicines and working to make Spain a major international biomedical research area are the two main objectives set by the pharmaceutical industry to work in close collaboration with the government.

During the month, a helpful infographic was released to the media under the title Vaccines for All: How the Pharmaceutical Industry is Working to Achieve Global Immunisation Against Covid-19. The infographic gave a visual presentation of how since the start of the pandemic, pharmaceutical companies have been committed to offering vaccines at an affordable price and to collaborating for equitable access, and how cooperation for the rapid development of therapies had gone hand-in-hand with agreements between developers and producers around the world to multiply vaccine production capacity.





May also saw the publication of data from the annual W.A.I.T. (waiting to access innovative therapies) Indicator report in Europe, prepared by the IQVIA consultant for EFPIA, and which shows that the level of access to new medicines in Spain is lower than in similar European countries.

This month, the 14th Annual Conference of Biomedical Research Technological Platforms was held online, under the title Biomedical Research: Opportunity for the Country After the Covid-19 Pandemic. The then Minister of Science and Innovation, Mr Pedro Duque, participated in the meeting and highlighted the value of public-private partnership in research.

FARMAINDUSTRIA signed a collaboration agreement with the RAICEX (Network of Associations of Spanish Researchers and Scientists Abroad), representing approximately 4,000 Spanish research professionals working in 18 countries, and which aims to boost 'made in Spain' biomedical scientific talent.

Likewise, in May the Royal National Academy of Medicine of Spain and FARMAINDUSTRIA signed a framework agreement with the main objective of fostering collaboration between the two entities to promote outreach in matters relating to medicine and health, particularly in the field of pharmaco-therapeutic innovation.

June

June saw the release of a new version of *The Value of Medicines*, a space on the FARMAINDUSTRIA website that gathers the latest data on the contributions of new medicines from a global perspective.

During the month, to mark the 20th anniversary of SIGRE, there was a compilation of measures addressing the environment and circular economy promoted by the pharmaceutical industry in Spain. Medicine packs that are 25% lighter and a reduction of 1,400 tonnes of CO₂ per year are some of the positive figures achieved during the period within this area.

FARMAINDUSTRIA received the 2021 Dircom Award from the Association of Communication Executives for the Best Crisis Communication, in the section of Government, Public Institutions and other Organisations, for its information work carried out during the Covid-19 pandemic.



The Annual General Assembly of the Association was held online on 23 June. The Minister of Health, Ms Carolina Darias addressed the Assembly with a greeting in which she said that "the pharmaceutical industry has been shown during this pandemic for what it always has been: a strategic sector for society, for the economy and also for the country".

The Assembly approved the 2020 Activity Report, which was featured in a press release collating the main sectoral data for the year: the pharmaceutical industry broke its export record and reasserted its position as one of the main drivers of the Spanish economy.

At the end of the month, the signatory companies of the FARMAINDUSTRIA Code of Good Practice for the sixth consecutive year published their collaboration with agents in the sector. Data confirmed that the commitment to R&D and HCP training was maintained in 2020 despite the pandemic.



July

The month saw the launch of a new batch in the series of videos "Doctor-Patient Dialogues", an initiative promoted by the FARMAINDUSTRIA Foundation and the Somos Pacientes platform. This time it focused on a growing disease with a major impact on people's quality of life: inflammatory bowel disease.

The report Investment in Health: the Spanish Path to Prosperity, prepared by the consultancy Afi, with the support of the FARMAINDUSTRIA Foundation, was also presented, highlighting that a Health Investment Plan which in the next five years (2021-2025) achieved stable increases in healthcare resources of two points in relation to GDP could generate a cumulative increase in GDP of up to €427 billion between 2025 and 2040.



September

In September, the president of FARMAINDUSTRIA, Mr Juan López-Belmonte, spoke at the Congress of Deputies in an appearance before a subcommittee which, within the parliamentary Committee on Science, Innovation and Universities, was analysing the development of the Pact for Science and Innovation. The president explained the desirability of committing to biomedical research so as to attract more international investment and strengthen the quality of our healthcare system.

The president of FARMAINDUSTRIA also participated at the 5th Congress of Patients Organisations, organised by the Patients Organisations Platform (POP). The patient's voice is critical in guiding the process of researching new medicines, and their experience, vital to achieving more effective treatments and ensuring the best health outcomes.

FARMAINDUSTRIA organised within the context of the 2021 BioSpain congress held during the month, the panel discussion Challenges in preclinical research in Spain, where public and private experts called for enhanced cooperation with the industrial sector to accelerate the transfer of scientific research into medical practice.

During the month, the Association signed up to the Manifesto for Better Health promoted by the Institute for Health Development and Integration (IDIS Foundation), which proposes ten principles the development of which will help align our healthcare system with current and future needs.



October

On 5 October, Cáceres was the venue for the conference High-Level Health+Innovation: a combination for post-Covid Spain, organised by the Government of Extremadura, the consultancy firm Hiris and FARMAINDUSTRIA. The event was opened by the President of the Regional Government of Extremadura, Mr Guillermo Fernández Vara, and the President of FARMAINDUSTRIA, Mr Juan López-Belmonte, and was closed by the Secretary of State for Health, Ms Silvia Calzón. Alongside the many experts, health advisers from three Autonomous Regions also took part: Extremadura, Madrid and Castilla-León.



During the month, the Association participated in the 4th Connected Industry 4.0 Congress, organised in Madrid by the Ministry of Industry, Trade and Tourism, under the title "Relaunching Digitalisation in Post-Covid Industry". Ms Margarita López-Acosta, managing director of Sanofi Spain and vice-president of FARMAINDUSTRIA, and Mr Juan López-Belmonte, managing director of Rovi and president of FARMAINDUSTRIA, took part in a discussion moderated by the managing director of FARMAINDUSTRIA.

On 14 October, the Recommendations for Involving Paediatric Patients in the R&D Process of Medicines was presented at Hospital Sant Joan de Déu, Barcelona, with the aim of achieving greater and better involvement of children and adolescents and their families in the research into new treatments specifically targeting the paediatric population. This guide is the result of a working group organised by FARMAINDUSTRIA in which representatives from Hospital de Sant Joan de Déu in Barcelona (Kids Barcelona Group and a group of parents), the Spanish Network of Paediatric Clinical Trials (RECLIP) and the Spanish Association of Paediatrics (AEP) were also involved.

November

During the month, FARMAINDUSTRIA organised the 17th Pharmaceutical Industry and Media Seminar, held in Madrid, which gathered more than thirty media outlets from all over Spain to discuss the present and future of the pharmaceutical industry in Spain with the Association's executive team.



During November, the president of FARMAINDUSTRIA, Mr Juan López-Belmonte, took part at the presentation of the Strategic project for economic recovery and transformation (PERTE): Cutting-Edge Health. FARMAINDUSTRIA explained the sector's commitment to the project, both in the opportunities opened up in research and in the modernisation of production infrastructure.

November saw a new edition take place of the Farma-Biotech programme, this time online, to promote FARMAINDUSTRIA and knowledge transfer between research groups and start-ups, and the pharmaceutical industry. The programme has analysed 646 projects over its ten years in existence.

The Association participated in the 1st Congress on Globalisation and National Security, held in Granada, which demonstrated the strategic value of medicines together with other products and services such as energy, raw materials and global supply chains.

A new edition of the Bringing Science Closer to Schools programme was held in Barcelona later that month. This initiative, launched by FARMAINDUSTRIA in 2016, regularly conducts training sessions at educational centres in three Spanish cities - Madrid, Barcelona and Malaga - thanks to the collaboration with the Jiménez Díaz Foundation (Madrid), Hospital Sant Joan de Déu (Barcelona) and Hospital Materno-Infantil (Malaga) together with the IBIMA (Biomedical Research Institute of Malaga).

On 29 November, the president of FARMAINDUSTRIA spoke before the Commission of Inquiry regarding the management of vaccines and the Vaccination Plan in Spain, conducted at the Congress of Deputies. Mr Juan López-Belmonte highlighted how the industry had managed to achieve safe and effective vaccines in record time, at an affordable price and with sufficient production to vaccinate 80% of the world's population.



December

December began with the staging of the colloquium Clinical Research: What Did We Learn from the Pandemic?, organised by New Medical Economics, with the collaboration of FARMAINDUSTRIA and involving representatives of the AEMPS, research institutes, patients and industry.

During the month it was announced that the AEMPS, the SEFH (Spanish Hospital Pharmacy Society), in coordination with the Hospital Pharmacy Representative on the General Council of Official Associations of Pharmacists, and the pharmaceutical companies themselves, are collaborating in a pilot project to replace the paper pack inserts of some medicines in a hospital-only setting with a DataMatrix code.

On 13 December the 9th 'Somos Pacientes' seminar was held, promoted each year by the Somos Pacientes virtual community and the FARMAINDUSTRIA Foundation. The event, which was streamed live, took the form of three discussions in which representatives of patients associations, healthcare professionals, authorities and the pharmaceutical industry addressed in sequence the main challenges of patient participation in biomedical research, the extent to which patients should participate in the processes for evaluating new treatments, and how appropriate use of medicines can be improved. The finale of the gathering was the 7th Somos Pacientes Awards Ceremony, to present accolades

honouring the most notable activities and projects launched by patients associations and public and private institutions over the past year, with a focus on providing quality services for patients, people with disability, relatives and carers, with a particular emphasis on initiatives linked to innovation in the sphere of new technologies and communication tools.



INTERNAL COMMUNICATION

Internal communication remains an important operational area for FARMAINDUSTRIA. The Communication working group, which brings together area leaders from the member companies, held quarterly meetings with a great many attendees. As has been the case since the lockdown imposed as a result of the Covid-19 pandemic, all the year's meetings were conducted remotely. These meetings addressed issues of particular interest for the sector, and gave the attendees an account of all the key activities undertaken by the Association.

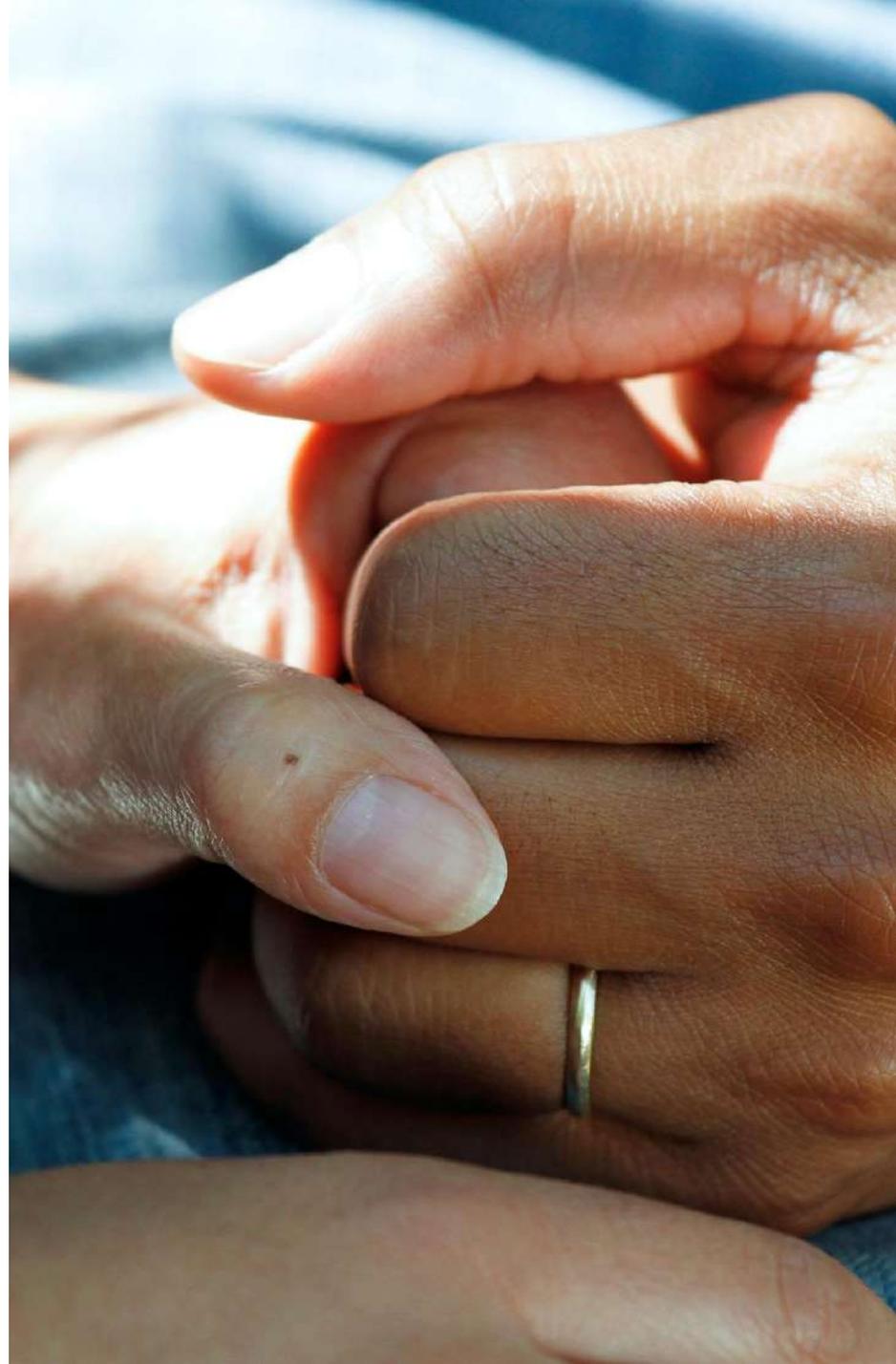
Similarly, in 2021 internal communication with members was strengthened, through more and better information shared as to FARMAINDUSTRIA activities, including data, significant information and strategic positions, as well as an invitation for pharmaceutical manufacturers to participate in the communication initiatives led by the Association, so as to help provide the general population with a better understanding of the specific experience of the companies and their professionals.

PATIENTS

In 2021 FARMAINDUSTRIA continued to promote relationships and its dedication to collaboration and partnership with groupings of patients and their representative associations. In the sense that the pharmaceutical industry researches, develops and markets medicines to cure or avoid illness and increase patients' life expectancy and quality of life, the relationship between companies and patients' associations is vital.

Last year FARMAINDUSTRIA organised partnership, dialogue and working initiatives with patients' organisations in various spheres, via two essential channels:

- 1** | Dialogue with associations, both directly and through FARMAINDUSTRIA's Standing Dialogue Panel with Patients' Organisations.
- 2** | The management and promotion of the online community, Somos Pacientes, providing information, training, services and collaborative working tools for organisations of patients, relatives, disabled people and carers, along with society at large.



Dialogue with Patients' Associations

In 2021, FARMAINDUSTRIA took part in numerous gatherings, meetings, training days, seminars and other activities with patients' organisations to share experiences and support their efforts. One of the most notable was the 5th Congress of the Patients Organisations Platform, which was conducted online in September.

FARMAINDUSTRIA maintained its channels of collaboration both with the Patients' Organisations Platform and the Spanish Patients' Forum, the two main bodies representing patients as a group in Spain, alongside such other organisations as EUPATI, which focuses on training to involve patients in clinical research.

As for the Standing Dialogue Panel linking FARMAINDUSTRIA to patients' organisations, it continued its activities during 2021 as a forum for information and debate, with a group representing more than 20 federations and confederations of patients' associations to address current issues of shared interest.

In addition, as mentioned above, the fifth video of the Doctor-Patient Dialogues series was released in July. This time, the dialogue focused on inflammatory bowel disease. The Spanish Society of Digestive Diseases, the Spanish Confederation of Association of Patients with Crohn's Disease and Ulcerative Colitis, the FARMAINDUSTRIA Foundation and Somos Pacientes presented the video to the media at an online press conference.





Somos Pacientes

The Somos Pacientes online platform (sospacientes.com), which marked nine years in operation in 2021, continued to increase the number of registered patients organisations, amounting to 1,940, as shown on the National Map of Patients Organisations, the most complete database of patient bodies in Spain.

In addition, the weekly Somos Pacientes newsletter continued to increase the number of subscribers and now has over 30,000 subscriptions.

The main aim of the platform is to provide a shared forum for information, participation, training, services and collaborative efforts, and during 2021 it achieved a very significant level of activity. The editorial team at Somos Pacientes published over 850 news items, features, interviews, documents, videos, opinion pieces, etc. last year. Patients organisations themselves likewise uploaded content to the platform in the form of press releases, announcements, editorials, photographs, videos and other items.

Another notable activity during the year was again the 9th edition of the Somos Pacientes Seminar held in mid-December in Madrid. The event was for the second year running conducted in semi-online format because of the pandemic health situation, and was broadcast live via the Somos Pacientes YouTube channel. On this occasion, under the title 'The Role of the Patient in the Life of a Medicine', representatives of patients associations, healthcare professionals, authorities and the pharmaceutical industry addressed, among other issues, how to reinforce patient participation in all aspects related to the medicine.

The event also featured the 7th Somos Pacientes Awards Ceremony. Nearly a hundred entries were submitted for the six categories into which the accolades are divided. An expert jury chose the winner in five of the categories, while the last was decided by users of the Somos Pacientes platform themselves. Over 17,200 people chose the winning project from among all the finalists, an all-time record to date for these awards.



institutional activity_03

- 3.1 Market Regulation and Relations with Public Authorities
- 3.2 Communication
- 3.3 International Relations**
- 3.4 The Pharmaceutical Industry in Spain and Worldwide

FARMAINDUSTRIA'S international activity revolves around three key aspects:

1

Development of stable relationships with international pharmaceutical industry federations and associations.

2

Positioning of FARMAINDUSTRIA and the Spanish-based pharmaceutical industry before international bodies and institutions to uphold the interests of the sector.

3

Maximising the presence of Spanish companies in third markets.

The positions and practices of the pharmaceutical industry at the international level provide a valuable reference point in establishing those of the Association in its institutional relations, as well as in defining the different actions of the FARMAINDUSTRIA Strategic Plan. One fundamental requirement in this process is the Association's interaction and participation at EFPIA (European Federation of Pharmaceutical Industries and Associations) and IFPMA (International Federation of Pharmaceutical Manufacturers & Associations), along with the numerous bilateral and multilateral relationships that FARMAINDUSTRIA maintains with other national associations in the sector.

3.3.1 EUROPEAN CONTEXT

ACTIVITIES RELATED WITH EFPIA AND NATIONAL ASSOCIATIONS

FARMAINDUSTRIA'S activities at the European level are in the main aligned with the priorities and themes addressed by EFPIA, the organisation representing 36 national pharmaceutical industry associations and 55 companies in Europe. These links are consolidated through active participation by FARMAINDUSTRIA on most of the governing bodies, strategic committees and working groups of the European Federation.

EFPIA General Assembly

EFPIA held its General Assembly on 16 June 2021, ratifying the priorities of the European Federation for 2021, approving the 2020 accounts, and the budget for 2021, along with an analysis of the progress achieved in the different matters addressed by its four strategic committees:

- 1 Innovation
- 2 Access
- 3 European Markets
- 4 International





In parallel, the appointment of Mr Hubertus von Baumbach (Boehringer Ingelheim) as the new president of EFPIA for the next two years was ratified. In his opening speech, the new president highlighted the main objectives of his agenda:

- 1** | Strengthen the key role of the pharmaceutical industry in its response to Covid-19.
- 2** | Help Europe regain the leading position in biomedical innovation worldwide.
- 3** | Support the resilience of European national health systems.
- 4** | Continue to work with Europe's institutions, political decision-makers and other actors of interest in pursuit of improvements in the sphere of health.

EFPIA Board

In coordination with its strategic committees, over the course of 2021 the EFPIA Board addressed the following priorities, among others:

- 1** | The European Pharmaceutical Strategy and the response of the pharmaceutical industry through Country Engagement Efforts on R&D, incentives and access.
- 2** | Maintaining the current status quo of Covid-19 vaccine patents.
- 3** | The evolution of negotiations regarding the HTA (Health Technology Assessment) Regulation.
- 4** | The EFPIA Code of Good Practice and Ethics.
- 5** | The launch of the Innovative Health Initiative (IHI) as a new public-private partnership project in the EU.



European Markets Committee (EMC)

Over the course of 2021, under the presidency of Sanofi and the vice-presidency of Servier and FARMAINDUSTRIA, meetings of the EMC continued, made up of the pharmaceutical companies' Heads of Europe and the Directors General of national associations. The primary objective of this Committee is to monitor national implementation of the decisions made by EFPIA governing bodies, as well as early detection of risks and threats to the pharmaceutical industry in the various countries.

The EMC closely followed key European and national developments in pharmaceutical policy activities, with a particular focus on the European Pharmaceutical Strategy and the different activities of EFPIA and its members in the framework of Country Engagement Efforts:

- 1** | The industry response to public consultations on the review of basic European pharmaceutical legislation and regulations for orphan and paediatric medicines.
- 2** | Progress in the organisation of a High-Level Forum involving authorities, patients, the pharmaceutical industry and other relevant actors.
- 3** | Analysis of the situation of access to innovation in Europe through the development of the W.A.I.T. indicator that records availability rates and access times to new medicines in different European countries, as well as identifying the main causes of delays and lack of availability of research-based medicines in national markets.

Given the growing importance that the European Pharmaceutical Strategy and its respective initiatives have acquired, and the impact they will have on the formulation of the EU pharmaceutical policy in the coming years, the EFPIA Council in December 2021 approved the temporary merger of the EMC with the group of Heads of Associations for the creation of a new committee, National Campaign Implementation Committee (NCIC), focused on strengthening the national implementation of the different activities and actions identified in Country Engagement Efforts.



National Associations (Groups G1 and G2)

During 2021 there was one meeting of national associations of the main European markets, including the group known as G1 (Germany, Spain, France, Italy, United Kingdom and Switzerland) and group G2 (Belgium, Denmark, Netherlands and Sweden), involving the representatives of EFPIA and IFPMA.

This meeting looked in-depth at the impact that Covid-19 has had on national health systems and how it has impacted the pharmaceutical industry in terms of health policy, particularly as regards production and access to coronavirus vaccines. Meanwhile, the European Pharmaceutical Strategy of the European Commission was also examined, as well as the various actions conducted with regard to the Country Engagement Efforts, as a proactive response by the industry to the actions set out in the Pharmaceutical Strategy. In addition, the main developments in pharmaceutical policy in the 27 EU Member States were analysed, with the common concern of making access to innovations compatible with the sustainability of healthcare systems.



EUROPEAN COMMISSION HEALTH POLICY

Among the health objectives set by the President of the European Commission, Ms Ursula von der Leyen, during her mandate include sustainable access to medicines, while promoting the innovative activity of the pharmaceutical industry and the digitalisation of national health systems with interoperable infrastructure at the European level, and also the implementation of an agenda to combat antimicrobial resistance.

To meet these challenges, the European Commission has decided to establish the European Pharmaceutical Strategy and the creation of the so-called European Health Union (Health EU). However, with the emergence of Covid-19, and the consequent health crisis, weaknesses in the national health systems of the Member States were revealed, prompting a rethink of health policy, and hence the direction that both the European Pharmaceutical Strategy and the EU should take on health. This made it imperative to strengthen national health systems and make them more secure and resilient, to withstand pandemics and other unforeseen public health events.

Consequently, the actions of EFPIA and the National Associations, including FARMAINDUSTRIA, focused throughout 2021 on closely monitoring all the health initiatives proposed by the European Commission affecting medicines, conveying its position in defence of the interests of the pharmaceutical industry operating in Europe in order to recover the leading position lost over recent decades in the field of biomedical research.



EU4Health European Health Programme

As part of the package of measures for the economic recovery of the EU in response to the crisis caused by the Covid-19 pandemic, the European Commission published a proposed Regulation on 27 May 2020, establishing a specific programme in the field of health named EU4Health, for the period 2021-2027. Following intense negotiations between the European Parliament and the EU Council, on 14 December 2020 consensus was reached, and on 26 March 2021 EU4Health took effect.

EU4Health comprises three general objectives:

- 1 Protect European citizens from serious cross-border threats to health.
- 2 Improve the availability of medicines, medical devices and other relevant medical products for the crisis, contributing to their affordability and supporting innovation.
- 3 Strengthen national health systems, fostering digital transformation, data exchange, interoperability and coordination among Member States.



These general objectives are in turn supplemented by 10 specific objectives resulting in 11 possible actions eligible for reimbursement, many of which could have a substantial impact on R&D activity in the pharmaceutical industry.

From a longer-term perspective, EU4Health has the aim of complementing policies already undertaken by the European Commission, such as the Beating Cancer Plan and the digital transformation of national health systems, while also serving as a platform to tackle other healthcare challenges, such as inequalities in this sphere between countries, regions and population groups, and the configuration of high-quality, sustainable healthcare systems.

European Health Union

Building on lessons learned, and to address possible future pandemics or serious cross-border public health threats in a comprehensive and consistent manner, the European Commission published in November 2020 a package of proposals laying the foundations for a 'European Health Union'. The package is made up of a communication accompanied by three legislative proposals developing its contents in greater detail.

The Communication explains the objectives of the European Health Union, including:

- 1 Strengthen EU preparedness, response and resilience planning in a coordinated manner to counter public health threats.
- 2 Improve monitoring and vigilance systems for infectious diseases, by incorporating artificial intelligence and electronic patient records.
- 3 Empower the Health Security Committee to draw up guidelines developing on the recommendations of the Commission, and ensuring coordination of measures in the Member States.
- 4 Facilitate international collaboration in response to viral threats, reforming the World Health Organization (WHO) to allow non-European countries to participate in the Health Security Committee.
- 5 Create an early warning system for public health emergencies in coordination with the WHO.

- 
- 6 Promote an information exchange platform between the European Medicines Agency (EMA) and the European Centre for Disease Prevention and Control (ECDC) on the safety and effectiveness of vaccines.
 - 7 Improve the administration of medicines and medical devices to monitor and mitigate supply interruptions, in coordination with the pharmaceutical industry.
 - 8 Formalise procedures to speed up the development of treatments.
 - 9 Establish permanent structures to promote dialogue and coordination in clinical trials.
 - 10 Create a European version of the US BARDA (Biomedical Advanced Research and Development Authority) called the European Health Emergency Preparedness and Response Authority (HERA).

The three legislative proposals contained in the package are as follows:

- 1** Regulation to Expand the Mandate of the ECDC.
This expansion will allow it to:
- Monitor outbreaks of infectious diseases.
 - Improve risk analysis, modelling and evaluation of healthcare capabilities for specialist treatments.
 - Formulate response recommendations.
 - Mobilise and deploy an EU Health working group to assist the Member States in their response at the local level.

- 2** Regulations to Expand the Mandate of the EMA.
The role of the EMA in crisis management will comprise:
- Supervise and alleviate a lack of medicines and medical devices.
 - Coordinate and advise as to the medicines that could treat, prevent or diagnose illnesses giving rise to health crises.
 - Coordinate studies and clinical trials to supervise the efficacy and safety of vaccines.



3 Regulation on Serious Cross-Border Threats to Health. The Regulation repeals Decision 1082/2013/EU, on the understanding that, despite the instruments available, such as for emergency support, the EU is not in a state of preparedness to make efficient purchases of treatments, joint acquisition agreements having been one of the weak points at the outset of the Covid-19 pandemic. Article 12 includes new provisions to improve the European procurement process (likewise providing for an exclusivity clause with regard to negotiation and acquisition), to ensure that the participating countries align themselves with this procedure, so as to prevent parallel negotiations.



European Pharmaceutical Strategy

In November 2020, the European Commission published the European Pharmaceutical Strategy, which marked the start of a process that includes an ambitious programme, in the short and medium term, with 55 flagship actions and other complementary actions that will require both legislative and non-legislative initiatives to be implemented, some of which will be launched in the period 2021-2023 and cover the entire life cycle of a medicinal product.



The main objectives of the European Pharmaceutical Strategy are:

- 1 Promote the health of European citizens through sustainable R&D and particularly for unmet medical needs with better health outcomes.
- 2 Improve availability and fair patient access without delay to safe and effective medicines seeking the sustainability of national health systems.
- 3 Ensure the resilience and safety of supply chains with environmentally-sustainable pharmaceutical products, as well as the implementation of mechanisms to prepare for and respond to potential health crises.
- 4 Make the European regulatory system a global benchmark, promoting regulatory cooperation and convergence in terms of safety, quality and efficacy at the EMA to allow the European pharmaceutical industry to compete more strongly on the international stage.

The pharmaceutical industry fully shares the need to strengthen national health systems and the objectives of the pharmaceutical strategy. However, it stresses the need for a comprehensive and balanced approach between the objectives pursued at European level: R&D, fair access and budget sustainability.



In parallel, the industry notes the importance of aligning the Strategy with other European initiatives and in particular with:

- 1 The proposal for a Regulation on the European Health Data Space.
- 2 The creation of HERA.
- 3 The revision of the legal framework regarding threats to cross-border public health.
- 4 The environmental transition through the European Green Deal.
- 5 Industrial and commercial policy.
- 6 The new mechanisms for the control and management of supply interruptions (strategic-autonomy principle).
- 7 Implementation of the HTA Regulation to assist Member States in carrying out joint clinical assessments in this area and provide the industry with a harmonised and more predictable procedure.

In order to meet the objectives set, the European Commission has decided to amend the European basic pharmaceutical legislation and the regulations on orphan and paediatric medicines. This review is currently one of the most advanced actions of the European Pharmaceutical Strategy as regards implementation.

During 2021, then, the European Commission launched several public consultations for both basic pharmaceutical legislation and legislation for orphan (Regulation (EC) 141/2000) and paediatric medicines (Regulation (EC) 1901/2006), launching the process for the publication of a proposed legislative amendment, expected by the end of 2022.

Review of European Basic Pharmaceutical Legislation

In March and September 2021, within the framework of the European Pharmaceutical Strategy, the European Commission published, respectively, the preliminary assessment and public consultation for the review of the European basic pharmaceutical legislation (Directive 2001/83/EC and Regulation (EC) 726/2004) with the aim of eliciting the opinions of stakeholders and the general public. FARMAINDUSTRIA, in coordination with EFPIA, responded to both queries by conveying the industry's positioning.

The European Commission, on the basis of information gathered in both consultations and a working document of the Commission's own services, will carry out the study and assessment of the final impact in order to present a proposal for a legislative amendment expected in the final quarter of 2022. With this review, the European Commission aims to ensure a resilient medicinal regulatory system capable of dealing with future health emergencies, stressing the need to:

- 1 Ensure availability, accelerate fair access and promote affordability of innovations in the 27 EU markets.
- 2 Drive R&D especially for unmet medical needs.
- 3 Establish mechanisms to ensure security in the supply chain to avoid shortages.
- 4 Adapt the current regulatory framework to accommodate state-of-the-art medicines.
- 5 Reduce bureaucracy.

Review of EU Regulations for Orphan and Paediatric Medicines

The European Commission published in November 2020 a Roadmap for the Preliminary Impact Assessment of the Regulations for Orphan and Paediatric Medicines, followed by a public consultation in May 2021. As with the review of basic pharmaceutical legislation, this aims to address the shortcomings identified by the Commission in its evaluation report published in August 2020, highlighting:

- 1 The need to balance and adjust existing incentives to stimulate the development of medicines to meet unmet medical needs.
- 2 Avoid inequalities in the availability of medicines and inequitable access across the Member States.
- 3 Adapt the regulatory framework to incorporate technological and scientific advances.
- 4 Correct inefficient and burdensome internal procedures that hinder and delay the evaluation and authorisation of orphan and paediatric medicines to promote early access.



FARMAINDUSTRIA sent its replies to both consultations in coordination with EFPIA, in order to convey the position of the pharmaceutical industry for consideration in the drafting of the proposed legislative amendment. Having taken into account the responses from the parties concerned, the Commission will conduct the final impact assessment and review to present the proposed legislative amendment in the last quarter of 2022.

FARMAINDUSTRIA has intensified its dialogue with the Spanish and European authorities, insisting on the importance of providing Europe with a biomedical research ecosystem that can:

- 1 Maintain current incentives for R&D.
- 2 Promote a world-class, predictable, flexible, and adaptive regulatory framework to support scientific progress and technological development.
- 3 Facilitate structured dialogue with European and national authorities, patients, academia, healthcare professionals and the industry to jointly address barriers to access.



With the aim of establishing a platform allowing the national associations belonging to the EFPIA to complement the actions of the European federation at the local level, and so provide a proactive response to the European Pharmaceutical Strategy, the Country Engagement Efforts were set up in June 2020, resting on three pillars:

- 1 Organisation of a High-Level Forum with the involvement of the European and national authorities, patients, pharmaceutical industry and other relevant stakeholders.
- 2 IP incentives.
- 3 Early patient access to innovations.

In this regard, and in order to align its objectives and action plan with the different activities identified in the Country Engagement Efforts, FARMAINDUSTRIA has created a Strategic Group made up of members of its Governing Bodies representing the three statutory groups of the Association to support at the local level the implementation of the positioning of EFPIA in relation to the European Pharmaceutical Strategy and to monitor the progress achieved in this regard.





European Health Emergency Preparedness and Response Authority (HERA)

On 16 September 2021, the European Commission launched HERA with a threefold target:

- 1** Strengthen coordination between the EU, Member States, industry and other stakeholders for preparedness and response to health crises.
- 2** Address EU vulnerabilities and strategic dependencies in the development, production, public procurement, storage and distribution of medicines, vaccines and other medical solutions (healthcare materials).
- 3** Contribute to strengthening preparedness and response capacity for health emergencies globally.

HERA is a key pillar of the European Health Union and will complement the role of the EMA and ECDC in preparing for future health emergencies. The Authority has been established as an internal structure of the Commission and its operation will be reviewed and adapted annually.

HERA's scope of action includes two phases:

- 1 Preparation before the health crisis.
- 2 Response to a health crisis.

In the preparation phase, HERA will work with Member States, national and European agencies, industry and international partners to better address future emergencies. In the event of an EU-wide public health emergency, HERA can immediately move to manage emergency operations under the guidance of a High-Level Council on Health Crises, triggering emergency funding and the implementation of mechanisms for monitoring and purchasing of medical solutions and raw materials.

HERA is fully operational following the adoption of the first working plan on 10 February.



Update of the European Industrial Strategy

In May 2021, the European Commission published an update of the Industrial Strategy, reaffirming the priorities of its March 2020 Communication and incorporating the lessons learned from the Covid-19 crisis to boost the recovery and strengthen the EU's strategic autonomy.

The new European Industrial Strategy focuses on three areas:

- 1** Better understand EU dependencies in key strategic areas.
- 2** Provide new measures to accelerate the green and digital transition
- 3** Strengthen the resilience of the Single Market with a set of indicators to monitor the competitiveness of the EU economy as a whole.
- 4** The pharmaceutical industry is recognised as one of the key strategic industrial sectors for Europe's economic recovery.



In the healthcare and pharmaceutical field, the Strategy highlights that, as a result of the pandemic and the dependence on third markets (China and India), there have been major disruptions in global supply chains. In this regard, the Commission presented a supplementary working document analysing EU dependence in six strategic areas, including active pharmaceutical ingredients (APIs). With the aim of further assessing the EU's dependence on APIs manufactured in other markets, the Commission will work jointly with the Member States, industry and other relevant stakeholders through regular meetings within the framework of a structured dialogue.

In parallel and as a reinforcement of this updated Strategy, the Commission also published a proposal for a Regulation on foreign subsidies that distort the single market in order to ensure a level playing field that promotes a fair and competitive single market.



EU Trade Policy Review

In June 2020 the European Commission began a major review of EU trade policy by launching a public consultation with the aim of achieving a consensus as to a medium-term trade focus that would respond to new global challenges, incorporate lessons learned through the Covid-19 crisis, and help drive economic recovery, by preserving and creating quality jobs, protecting European companies from unfair practices, and guaranteeing fulfilment of broader priorities in the spheres of the digital economy, climate change, sustainability and security.

The consultation covered all relevant aspects of EU trade policy, with a particular focus on the following:

- 1 The development of a resilient and sustainable post-Covid-19 European economy.
- 2 WTO reform.

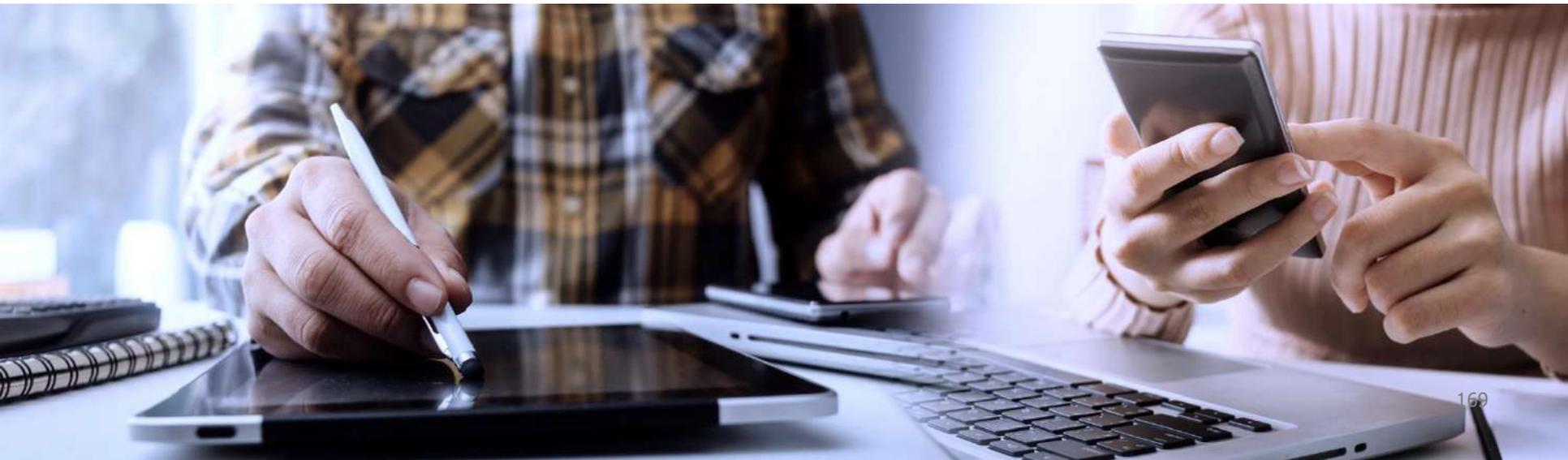
- 3 The creation of global commercial opportunities for companies, and in particular for SMEs.
- 4 The optimisation of contributions by trade policy to address key global challenges such as digital transition and sustainable development.
- 5 The consolidation of trade and investment relations with the EU's main trading partners.
- 6 The protection of European businesses and citizens.

On the basis of observations proposed by the European Parliament, Member States and stakeholders (including the pharmaceutical industry through EFPIA), the European Commission published in February 2021 a renewed strategy reflecting the new direction of EU trade policy for the coming years.

European Commission Digital Strategy

The European Commission published in February 2020 a set of documents reflecting the digital transformation strategy. These include:

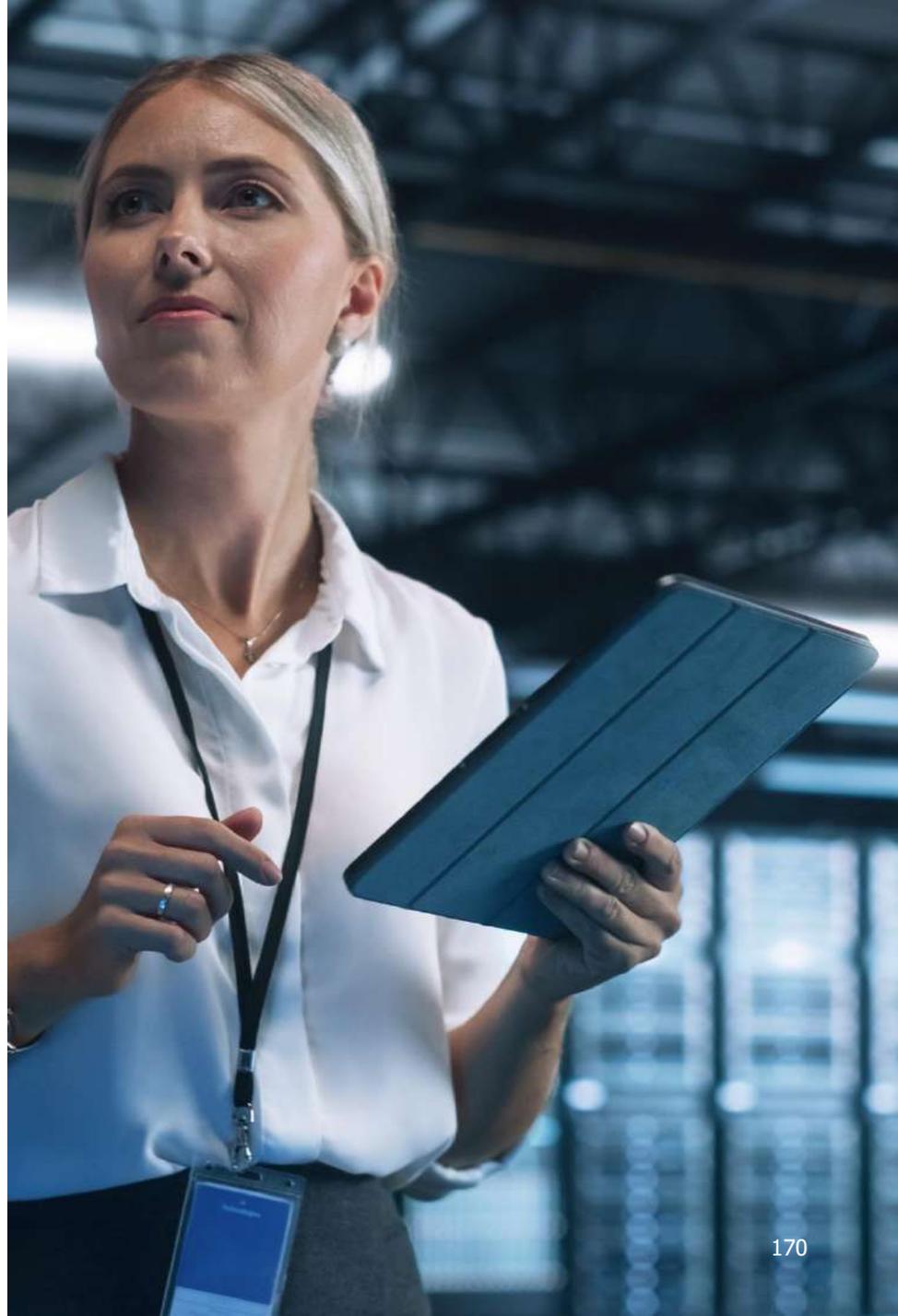
- 1** A roadmap, in which the Commission describes its digital strategy and the actions that it will implement over the next five years.
- 2** The European data strategy, with the legislative measures that need to be adopted in order to create a European Data Space.
- 3** A white paper on artificial intelligence, proposing a regulatory framework serving to guarantee reliable and secure use of artificial intelligence.



In health, the digital strategy of the Commission includes a set of actions, which include:

- 1 Create a European Health Data Space to improve access to such data so as to allow faster and more precise research, diagnosis and treatment.
- 2 Promote electronic clinical records with a format guaranteeing access and exchange of health data throughout the EU.
- 3 Embark on an open dialogue with the health sector to generate an action plan facilitating the development, experimentation and adoption of artificial intelligence in healthcare.

With regard to the legislative proposal for the creation of a European Health Data Space, the European Commission published in January 2021 an assessment of the initial impact, in which FARMAINDUSTRIA participated by submitting contributions to it.



Action Plan on Intellectual Property Rights

In November 2020, the Commission adopted an Intellectual Property Rights Action Plan aimed at facilitating Europe's innovative industry to preserve its global leadership, while accelerating the green and digital transition in the EU.

To achieve this aim, the Plan includes a raft of measures intended to:

- 1 Improve the protection of intellectual property.
- 2 Encourage SMEs to increase their R&D programmes through IP protection.
- 3 Facilitate exchanges in the field of intellectual property.
- 4 Combat counterfeiting and improve respect for intellectual property rights.
- 5 Promote fair competition conditions worldwide.



With regard to the references that the Plan contains for the pharmaceutical sector, it emphasises the launch of a unified mechanism for the granting of supplementary protection certificates (SPCs) and the creation of a unified patent title.

In this regard, in March 2022, the European Commission published a call for data for the 'Single Procedure for the Grant of SPCs' initiative to promote innovation and competitiveness in the EU as well as to improve European health systems through a more predictable, transparent and efficient SPC for users. In its response to the Commission, FARMAINDUSTRIA stressed the importance of adopting a harmonised SPC grant system to provide greater legal certainty. With input from stakeholders, the European Commission will prepare a proposal for a Single Procedure Recommendation for the SPC. Its is expected to be adopted before the end of 2022.



OTHER INITIATIVES AT THE EUROPEAN LEVEL AFFECTING MEDICINES

Regulation on Health Technology Assessment (HTA)

The European Commission published in January 2018 a legislative proposal of the Parliament and the European Council on health technology assessment (HTA). The proposed Regulation included as one fundamental element a joint clinical assessment of the relative efficacy of medicines, which would be adopted on a mandatory basis by all countries of the EU, following a three-year transitional period. The aim of the Commission was to ensure that the internal market objectives were met and to overcome the inefficiencies arising from the duplication of assessments taking place in the different Member States.

In October 2018, the European Parliament introduced a set of amendments to the proposed Regulation highlighting the possibility that Member States may, under certain circumstances and provided that this is duly justified, conduct a national assessment in addition to the joint clinical assessment. The incorporation of this amendment was decisive in achieving approval of the proposed Regulation by the European Parliament in February 2019.



Despite the attempts of the EU presidencies in 2019 and early 2020 to reach a consensus, the differing positions of the Member States as to the mandatory use of joint clinical assessments remained clear. It was not until the German presidency in the second half of 2020 that progress was finally made in the negotiations upon reaching a consensus on:

- 1 The need to strengthen the role of the Member States.
- 2 The consideration of joint clinical assessments in national procedures (non-mandatory).
- 3 The extension of the scope of the Regulation in a progressive manner.
- 4 Flexibility with regard to the technologies evaluated.

Finally, in March 2021 under the presidency of Portugal, the EU Council reached a consensus as to the text, allowing the start of conversations between the European Council, Commission and Parliament. Following intensive negotiations, the final text of the Regulation was adopted on 15 December 2021.



The final text establishes that the Regulation will be directly applicable three years after its entry into force and will have a progressive implementation period of five years: It will initially be applicable for oncological medicines and advanced therapies (2025), with its subsequent expansion to orphan medicines three years later (2028) and to all medicines approved by the centralised procedure two years later (2030). With regard to the use of joint assessments at the national level, the initial position of the EU Council prevails over the “mandatory use” initially proposed by the Commission, so that “Member States must give due consideration to joint clinical assessments”, and may take their own decisions as joint assessments are not binding. In addition, the voting system for technical decisions will be by simple majority and for political decisions (working programme, annual reports or strategic direction of the subgroups) qualified majority will be used.

Pilot Project on Market Launch Intentions of Centrally Authorised Products

In June 2020, the European Commission launched a public consultation for a pilot project on intentions for Market Launch of Centrally-Authorised Medicinal Products (so-called CAPs) designed by the EMA Committee for Medicines for Human Use.

FARMAINDUSTRIA took part in this public consultation by conveying its position.

With input from the public consultation on 4 March 2021, the European Commission published an information paper detailing the objective and the main features of the pilot project, which started on 25 March, with a duration of 18 months.

The pilot project forms part of the initiatives included in the European Pharmaceutical Strategy, in response to the existing inequalities in access to medicines across Member States, the aim being to inform the regulatory authorities of the marketing intentions of CAPs and the reasons for possible delays in their market launch. Participation in the pilot by the holders of marketing authorisations is voluntary, with guarantees of confidentiality on the part of the European Commission, with the focus on oncology and orphan medicines, both in the phase prior to authorisation by the EMA, and for new authorisations.

Analysis of the data collected through this project over its 18-month duration will serve to identify the causes of unequal access in the Member States, as well as determining possible actions to achieve the objectives identified in the European Pharmaceutical Strategy.

European Beating Cancer Plan

The European Beating Cancer Plan is one of the six policy priorities identified by the President of the Commission for the 2019-2024 term, arising with the aim of assisting the Member States in improving cancer control and care, given the constant increase in incidence, the high mortality rate and the disparities which exist between European countries in the field of prevention, detection, treatment and patient quality-of-life.

In February 2021 the European Commission published this Plan consisting of a communication, an annex with the list of actions and a Q&A document. The plan is structured around four policy areas:

- 1 Prevention.
- 2 Early detection.
- 3 Diagnosis and treatment.
- 4 Improved quality of life.

It contains 10 initiatives and multiple actions to support, coordinate and complement Member States in their implementation. The Plan will have a budget of €4 billion and will be implemented using the Commission's financial instruments.

Also in November 2021, the European Commission published the roadmap for the implementation of the Plan for the period 2021-2025, outlining how the actions of the ten initiatives it contains should be implemented annually, as well as progress indicators.

Among the most relevant actions for our sector in terms of cancer prevention, detection and care are those related to the implementation of the European Health Data Space and the Horizon Europe Cancer Mission. In terms of prevention, vaccination is identified as the best measure to prevent the development of cancers derived, among others, from human papilloma virus or hepatitis B and C. As regards early detection, several good practice guidelines for the detection, treatment and rehabilitation of breast, colorectal and uterine cancer should be noted. To ensure a high level of cancer care, the roadmap considers:

1 | Implementation of a platform to improve access to oncology treatments by repositioning existing medicines.

- 2** | The implementation of a framework, plus a portal and database, for clinical trials.
- 3** | The adoption and implementation of the HTA regulation.
- 4** | The launch of a partnership for personalised treatments.
- 5** | The use of artificial intelligence and digital platforms to facilitate research into new cancer treatments.



Patent Waiver for Covid-19 Vaccines

The intense debate surrounding the proposal on patent exemption for Covid-19 vaccines and treatments presented by India and South Africa at the end of 2020 to the World Trade Organization (WTO), as well as the US position in May 2021 in favour of a temporary suspension focused exclusively on Covid-19 vaccines, has led to great political and media pressure in this area.

Although the EU has opposed such a waiver, and in June 2021 proposed an alternative text introducing caveats in the context of Covid-19 over compulsory licences to limit their use, it finally reached a compromise text in March this year with the US, India and South Africa within the WTO for the waiver of patents for Covid-19 vaccines that has not yet been officially published.



Meanwhile, FARMAINDUSTRIA has conveyed to the Spanish Government the importance of maintaining the current status quo in terms of patents and, in line with EFPIA, IFPMA, PhRMA (the American pharmaceutical industry association) and JPMA (the Japanese pharmaceutical industry association), has held numerous institutional meetings and public events proposing from the outset a “third way” avoiding a frontal attack on intellectual property, through five actions:

- 1 Intensify responsible dose exchange with lower income countries through the COVAX initiative or other existing mechanisms.
- 2 Continue to optimise production, without compromising quality and safety, with voluntary licences and collaboration agreements.

- 3 Remove trade and regulatory barriers to exports by adopting policies that facilitate and expedite the cross-border supply of essential raw materials.
- 4 Support less developed countries to achieve effective dose distribution.
- 5 Continue to drive innovation, promoting and prioritising the development of new vaccines and effective therapies against new variants.

In addition, FARMAINDUSTRIA has, with the support of the CEOE committees on International Relations, European Union, and Research, Development and Innovation, contributed to the preparation of several documents and letters from BusinessEurope and BIAC (Business at OECD) emphasising the position of the pharmaceutical industry regarding patent waivers in the context of Covid-19.



Antimicrobial Resistance

In June 2021, the European Commission launched a pilot project to fight antimicrobial resistance, as part of the initiatives envisaged in the European Pharmaceutical Strategy. The pilot is based on a public-private partnership project by Horizon Europe and aims, through the use of pull incentives, to enhance research on antimicrobial medicines for which there is an unmet medical need and where the likelihood of commercial failure is high. In the same vein, the Commission anticipated that HERA would be key to promoting investment and coordination of various European projects focused on promoting research, development and manufacture of antimicrobials and their rational use.



3.3.2 INTERNATIONAL CONTEXT

ACTIVITIES WITHIN THE IFPMA FRAMEWORK

FARMAINDUSTRIA channels much of its action in the international context through its participation in IFPMA and the resulting activities. The organisation is composed of 53 associations (50 national and three regional), 37 pharmaceutical companies and five affiliated federations in areas complementary to the sector. FARMAINDUSTRIA is represented on the governing bodies of IFPMA (Council and General Assembly) as well as the Committee of Heads of National Associations.

IFPMA's activity revolves around various strategic committees and working groups of which FARMAINDUSTRIA is also a member and in which it participates actively and regularly.



Meetings of the IFPMA Governing Bodies

FARMAINDUSTRIA participated in the meetings of the IFPMA Council held in May and December 2021, which addressed the priorities of the international federation on intellectual property, innovation and access. In turn, the meetings of the Committee of Directors General of National Associations focused mainly on the pharmaceutical policies of their respective countries, as well as the need to step up advocacy actions in the international debate on intellectual property, access and price transparency.



Intellectual Property

To mark World Intellectual Property Day (26 April), 25 pharmaceutical companies that are members of IFPMA launched, under the aegis of INTERPAT (the international organisation of the research-based pharmaceutical industry focusing on intellectual property), a commitment document, “IP PACT”, setting out the ten principles of intellectual property that place the patient at the heart of the decisions of the pharmaceutical industry regarding the R&D of innovative treatments.

WHO Fair Pricing Forum

The World Health Organization (WHO) organised in April 2021 the third Fair Pricing Forum in collaboration with the Government of Argentina, continuing the debate begun at the first Forum in 2017 on the concept of “fair pricing” of medicines, in which IFPMA participated on behalf of the pharmaceutical industry.

The Forum, as in previous editions (2017 and 2019), was critical of our industry in terms of pricing, intellectual property and access, emphasising the existence of unequal access to Covid-19 vaccines and medicines. In this regard, the WHO published at the end of the Forum a press release in which it advanced its intention to intensify its line of action on prices for medical devices and to continue working in this area until the next Fair Pricing Forum is staged in 2023.

Although IFPMA emphasised in its intervention the willingness of the industry to engage in an open and constructive dialogue in order to seek out joint solutions to accelerate access to innovation more equitably and for the sustainability of healthcare systems, as well as the importance of ensuring an ecosystem that promotes innovation through respect for intellectual property rights, many of these points were not reflected in the conclusions of the sessions held. However, mention should be made of the positive tone with which some of the debates addressed the concepts around prices differentiated according to the purchasing power of the countries and price based on value, as well as the recognition of the complexity of the causes regarding access and manufacturing problems. Intellectual property cannot be attributed to these challenges.

WHO List of Essential Medicines

WHO, in October 2021, published the 22nd edition of its List of Essential Medicines and the 8th List of Essential Medicines for Children, including 20 medicines for adults and 17 for children, and specifying new uses for 28 medicines already listed. Since it was first published in 1977 this list has been revised and updated every two years by the Expert Committee on Selection and Use of Essential Medicines at the WHO, with the aim of providing national health systems (in particular in countries with more limited resources) with a selection of "essential" medicines to cover their citizens' health needs.

Medicines included in 2021 included a number of oncology medicines, new antimicrobials, insulin analogues and other diabetes treatments. In parallel, the WHO published an executive summary in which the Committee of Experts detailed the changes made to the list, as well as explaining the rationale used in the selection of the medicines, and proposed a series of actions to improve access to all essential medicines.



COMPETITIVENESS AND INTERNATIONALISATION ACTIVITIES

Within the context of overseas trade, FARMAINDUSTRIA acts in coordination with EFPIA through specialist Working Groups, the ultimate aim being to improve the presence of its pharmaceutical member companies on international markets. In 2021, the European Commission followed up on the association agreements in force and continued progress on negotiations for those agreements pending finalisation.

EU-UK Trade and Cooperation Agreement

Although there were various delays to the exit date, ultimately on 31 January 2020, following ratification on 29 January of the Withdrawal Agreement by the British and European parliaments, the United Kingdom ceased to be a member of the EU, beginning the Transition Period (up until 31 December 2020). Following intensive negotiations throughout 2020, on 24 December, the EU and the UK concluded a Trade and Cooperation Agreement in force from 1 May 2021 following its ratification by the European Council and Parliament, as well as by the relevant British institutions.

The agreement reached is made up of three pillars:

- 1 A Free Trade Agreement.
- 2 A new framework for police and judicial cooperation.
- 3 A horizontal agreement on governance, guaranteeing the utmost legal certainty for companies, consumers and citizens.

The Agreement achieved goes beyond the traditional agreements, covering a range of spheres which lie outside the scope of trade in goods and services, such as investment, competition, data protection and Social Security coordination.

With regard to free movement (of goods, services, capital and people), since the EU and the United Kingdom have become independent markets, the framework will be more restrictive, and the export and import of goods will therefore be subject to customs procedures, although to facilitate trade, an exemption from tariffs and quotas has been established for all goods that comply with appropriate rules of origin. In the field of competition, both parties undertook to guarantee fair conditions. As for Social Security coordination, the Agreement aspires to guarantee a set of rights for EU and United Kingdom citizens working, travelling or moving in both directions. Lastly, the Agreement allows the United Kingdom to continue participating in various landmark EU programmes over the period 2021-2027, such as Horizon Europe, on condition of a financial contribution to the EU budget.

In the field of health, the Agreement includes a specific annex on medicines, establishing the conditions for the mutual recognition of inspections and certifications. The annex determines the framework which will govern mutual recognition, establishing specific articles which lay down how modifications to legal and regulatory provisions must be conducted in the sphere of good manufacturing practice, the potential suspension of mutual recognition, cooperation in the regulatory field, and the establishment of a working group on Medicines, which will supervise the proper application of the annex. The Agreement likewise indicates the intention of the EU and the United Kingdom to work together in the field of health security, allowing the United Kingdom to access the European Early Warning and Response System, while also making provision for cooperation for the prevention and control of disease.

EU-Canada Free Trade Agreement (CETA)

After final adoption and signing on 30 October 2016, the EU-Canada Free Trade Agreement entered into force provisionally on 21 September 2017. As this is a mixed agreement, it must be ratified by the national Parliaments of all EU Member States in order to enter fully into force. By the date when this Annual Report went to press, 15 Member States had already ratified the Agreement, including Spain.

EU-Mercosur Partnership Agreement

In 2015 the EU and Mercosur (made up of Argentina, Brazil, Paraguay and Uruguay) relaunched their negotiations for this Partnership Agreement, which began in 1999 and was suspended in 2004, with the aim of promoting trade relations between the two blocs. Between 2017 and 2019 the negotiation rounds intensified, and on 28 June 2019 the EU and Mercosur laid the foundations for a trade agreement which, among other commitments, will serve to eliminate tariffs over the next 10 years on 91% of the products that the EU exports to the region.

The trade agreement will have a considerable impact on the pharmaceutical sector since:

- 1 It will eliminate 90% of tariffs on pharmaceutical products.
- 2 It will reinforce compliance with intellectual property rights.
- 3 It will adapt the patent regime in accordance with the legal framework of the TRIPS agreements within the context of the World Trade Organisation.
- 4 It will establish a platform for dialogue and cooperation in combating anti-microbial resistance.

The text of the trade agreement is undergoing legal analysis with a view to finalising the Partnership Agreement for ratification by all member states of Mercosur, the parliaments of the EU Member States, and the European Parliament.

Modernisation of the EU-Mexico Global Agreement

In May 2016, the EU and Mexico began negotiations to update the Global Agreement signed in 2001. As a result of these negotiations, on 21 April 2018 the political agreement was signed, with the negotiations for the agreement being concluded on 29 April 2020.

The agreed clauses include in particular the following:

- 1 Elimination of customs procedures for practically all trade in goods and simplification of rules of origin, with one of the beneficiary sectors being pharmaceuticals.
- 2 Strengthening of intellectual property rights and greater protection for investments, boosting protection for European R&D.
- 3 Opening up of public procurement markets, while also guaranteeing their predictability and transparency.

In order to advance towards signature and ratification of the Agreement, the text is being reviewed with regard to its legal aspects.

EU-Australia and New Zealand Free Trade agreements

In June 2018 the EU began negotiations for free trade agreements with Australia and New Zealand. Following the rounds of negotiations held by 2021, efforts are achieving positive progress, with specific textual proposals already in place.



institutional activity_03

- 3.1 Market Regulation and Relations with Public Authorities
- 3.2 Communication
- 3.3 International Relations
- 3.4 The Pharmaceutical Industry in Spain and Worldwide**

3.4 The Pharmaceutical Industry in Spain and Worldwide

3.4.1 THE PHARMACEUTICAL INDUSTRY IN EUROPE

The analysis of the evolution of a business sector over a given period of time should be placed in the context of the overall evolution of the economy over that period, above all at a time like the present when the outbreak of the health pandemic caused by SARS-CoV-2 caused a widespread recession across the European continent in 2020 (the decline in EU-27 GDP in real terms was -6.4% after six consecutive years of economic growth (2014-2019)).



Subsequently, the improved health situation and expansionary fiscal policies adopted by member states to counter the effects of the health crisis allowed economic activity to recover gradually, leading to a recovery in 2021 of part of the lost ground, with growth (+5.3%) expected to continue in the coming years, albeit at more moderate levels (+2.7% forecast for 2022 and +2.3% for 2023)¹. However, these growth forecasts need more than ever to be viewed with caution, as they are subject to significant volatility,

due among other factors to the uncertainty surrounding the development of the pandemic, since February 2022, the war in Ukraine, which, in addition to having triggered European inflation (+6.8% expected by 2022) threatens a possible interruption in energy supplies that could lead to an energy emergency with consequences that are difficult to predict. Moreover, China's radical strategy in pandemic mitigation may also accentuate problems in global value chains by adding another factor of instability to the current economic scenario.

¹ European Economic Forecast. Spring 2022. European Commission. Published May 16, 2022. Available at: https://ec.europa.eu/info/system/files/economy-finance/ip173_en.pdf



In a context such as that described above, despite the fact that different Member States have managed to partially mitigate job loss through the legal instruments at their disposal, the drop in economic activity associated with the outbreak of the pandemic caused the EU unemployment rate to increase in 2020 from 6.8% to 7.2% of the labour force, although in 2021 it fell to 7.0% and in 2022 is expected to close with an unemployment rate of 6.7%, recovering to pre-pandemic levels.

The health crisis likewise had a notable and substantial impact on the public accounts of European countries, following a number of years marked by a process of budgetary consolidation serving to reduce the public deficit in the EU from 6.9% of GDP in 2009 to 0.6% in 2019. The outbreak of the Covid-19 health crisis in March 2020 thus simultaneously caused a sharp increase in public spending and a reduction in tax revenues that caused the EU's public deficit to soar to 6.8% of European GDP in 2020, which in turn increased the European public debt ratio to 91.7% of GDP in 2020, a new record high. However, and in line

with the evolution of the previous indicators, these ratios improved markedly at the end of 2021 (EU deficit: 4.7% GDP and public debt: 89.7% of GDP) although it will still take some years to recover pre-pandemic levels since, at the end of 2019, the government deficit amounted to only 0.6% of EU GDP and the government debt ratio was 83.8%.

As regards the health sector, it should be remembered that despite the suspension of fiscal rules in EU countries for the period 2020-2022, and the increase in health expenditure resulting from the pandemic, Member States' health budgets continue to be closely monitored, which could imply, particularly from 2023 onwards (the year in which fiscal rules are expected to be restored), restrictive measures that could affect the evolution of a market so heavily dependent on public budgets and regulation.

¹ European Economic Forecast. Spring 2022. European Commission. Published May 16, 2022. Available at: https://ec.europa.eu/info/system/files/economy-finance/ip173_en.pdf

Although this factor could limit the growth of the European pharmaceutical market in the coming years, there are other elements that will drive sales upwards, such as the ageing population, the chronification of certain conditions or the development of new treatments. Thus, the latest forecasts by the consultancy company IQVIA¹, published in January 2022, place global market growth for the next five years (period 2022-2026) at pre-pandemic values, with annualised growth of between +3% and +6%.

Analysed by region, IQVIA predicts for the USA, which is the main global pharmaceutical market, an annual increase until 2026 in the +2.5% / +5.5% band, which, in its central estimate (+4.0%), is almost one point below the +4.9% growth recorded by this country in the last 5 years (2017-2021).

Meanwhile, the annual growth rate for the five main European markets in the 2022-2026 five-year period would be in the range of +3.0% / +6.0%, i.e. fairly close to the +4.8% recorded by the *big five* in the 2017-2021 period.

Within the five major European markets, the highest annual growth forecast is Germany (+4.5% / +7.5%) followed by the UK (+4.0% / +7.0%). France and Italy have more moderate rates (+2.0% / +5.0% in both cases). The lowest rates are expected to be recorded by the Spanish pharmaceutical market (+1.5% / +4.5%), for which IQVIA also anticipates a growth slowdown in the next five years, with a central estimate that would be at +3.0% per year for 2022-2026, which, if met, would represent a substantial reduction from the +5.4% per year at which it has been growing in the 2017-2021 period.

¹ The global use of medicines: Outlook to 2026 (IQVIA Institute): <https://www.iqvia.com/insights/the-iqvia-institute/reports/the-global-use-of-medicines-2022> (figures for the total pharmaceutical market in each country (outpatient plus hospital)).

Lastly, and regardless of the rate of growth, it is important to emphasise the significance of Spain within the European pharmaceutical context. In this regard, and as shown in the following table, Spain is the fourth most significant pharmaceutical market in the European Union by volume of sales and job creation (behind only Germany, France and Italy), and the sixth in the EU in production terms (following the aforementioned three countries, Ireland and Belgium).



GENERAL DATA FROM THE PHARMACEUTICAL INDUSTRY IN THE UE-13 (2019)						
Country	Number of manufacturers (1)	Production (million €) (2)	Employment	Domestic Sales (MSP) (million €) (3)	Foreign Trade (MSP) (€ million) (4)	
					Imports	Exports
Germany	104	33,158	119,994	40,456	52,679	81,862
Austria	250	3,024	16,094	4,583	9,898	11,150
Belgium	130	17,547	38,489	5,988	42,332	49,732
Denmark	38	14,931	24,821	311	4,217	17,041
Spain	137	15,832	47,449	17,105	14,767	11,953
Finland	40	1,877	5,672	2,712	1,985	669
France	270	35,848	98,780	29,304	26,012	32,556
Greece	60	1,376	25,700	5,158	2,957	1,944
Netherlands	42	6,180	20,000	5,770	29,928	44,382
Ireland	50	19,305	37,000	2,279	7,686	49,521
Italy	200	34,000	65,800	24,099	27,867	31,666
Portugal	116	1,737	9,000	3,409	2,803	1,229
Sweden	90	9,840	11,012	4,313	4,391	9,918
Total EU-13*	1,527	194,115	519,811	145,487	227,522	343,623

(*) Although previous editions of the Report provided this information with reference to the "fifteen" members of the European Union (EU-15), from this edition onwards the data reported will be for the EU-13, since from 31 January 2020 onwards the United Kingdom no longer belongs to the EU, and data are not available for Luxembourg.

(1) Pharmaceutical companies that are members of EFPIA Associations.

(2) The data refer to production activities for medicines and raw materials for human and veterinary use, except Germany, Spain and Ireland where they refer only to the activity intended for human use.

(3) Includes sales through retail pharmacies, hospitals and other distribution channels.

(4) Foreign pharmaceutical trade (SITC 54). Includes veterinary products

Source: FARMAINDUSTRIA from EFPIA and Eurostat (Comex Database).



R&D+i

"Knowledge and innovation are critical factors to guarantee economic growth and promote the competitiveness and productivity of a country. Closing the virtuous circle between quality public universities and equal opportunities, scientific and technical research and the transfer of knowledge to companies is a priority for a reform agenda that will achieve true consolidation and place the society and economy of Spain on the track to the future".

The above assertion represents one of the fundamental principles of the document entitled "Agenda for Change: 2030 Objective", highlighting that research, development and innovation activities (R&D+i) form a central part of a sustainable, competitive, high-quality growth model and are key to creating employment and improving the productivity and competitiveness of an economy.

In order to promote such activities, the Spanish Government has developed its 2021-2027 EECTI (Spanish Science, Technology and Innovation Strategy), as the central plank of Spain's R&D policy for the coming years. It sets out a series of objectives to be achieved over the coming years in terms of the R&D spending of the Spanish economy in relation to GDP and how it is distributed between the public and private sectors, as summarised in the table below:³

Indicator	Year available	Data for most recent year	EU data	Effective value 2027
Percentage of national GDP spent on R&D	2018	1.24%	2.12%	2.12%
% internal R&D expenditure funded by the business sector	2018	49.5%	58% (2017)	58%
% internal R&D expenditure funded by the public sector	2018	37.6%	29.3% (2017)	30.0%
Percentage of GDP spent on R&D within the business sector	2018	0.7%	1.4%	1.5%
Percentage R&D expenditure of SMEs	2018	46.9%	-	50.0%
Percentage R&D expenditure of public authorities funded by the business sector	2018	6.9%	8.3% (2016)	8.0%

³ 2021-2027 Spanish Science, Technology and Innovation Strategy (page 51). Ministry of Science and Innovation Available at: <https://www.ciencia.gob.es/stfls/MICINN/Ministerio/FICHEROS/EECTI-2021-2027.pdf>

As the above table shows, one of the priority areas for action under the 2021-2027 EECTI involves strengthening and boosting the role of the private sector in Spanish R&D, by setting the target of increasing its participation in overall R&D expenditure from 49.5% at present, to 58.0% in 2027.

To achieve this, and given that the overall objective is for Spain to allocate 2.1% of its GDP to R&D by 2027, R&D spending by the business sector in our country would need to be increased from 0.7% of GDP to 1.5% in 2027, which is undoubtedly a very ambitious challenge that will require appropriate stimulus and support measures to promote and facilitate research investments within our business sector.

In this regard, the EECTI sets out seven fundamental objectives, the last three of which are closely tied to the business sector:



As a consequence, in order to achieve improvements in these spheres, and given that the EECTI acknowledges that in the short term (2021-2023) "it will be essential to provide clear and decisive support for R&D and innovation in the field of health",⁴ it is seen as vital to the success of the strategy that the participation of the pharmaceutical industry be facilitated and promoted, given its role as the leading industrial sector in terms of research, as highlighted in the data below from the Spanish statistics agency, the INE:

1 The pharmaceutical industry invested €1.011 billion in research and development in 2020, 19.6% of the total R&D investment in Spanish industry, which makes it by far the leading industrial sector by volume of spending on research, alongside the automotive industry. The figure is also particularly significant if one bears in mind that the turnover of pharmaceutical companies accounts for just 2.3% of all Spanish industry, which means that the pharmaceutical industry is in this case in relative terms ("R&D intensity")⁵ the leading Spanish industrial sector, alongside aerospace.

2 When analysing how R&D spending breaks down into phases, the pharmaceutical industry once again leads the industrial ranking for volume of resources intended for basic or fundamental research, where it accounts for more than half of the total spending of the industrial sector in Spain (58%), and almost a third of the overall figure for industrial applied research (29%).

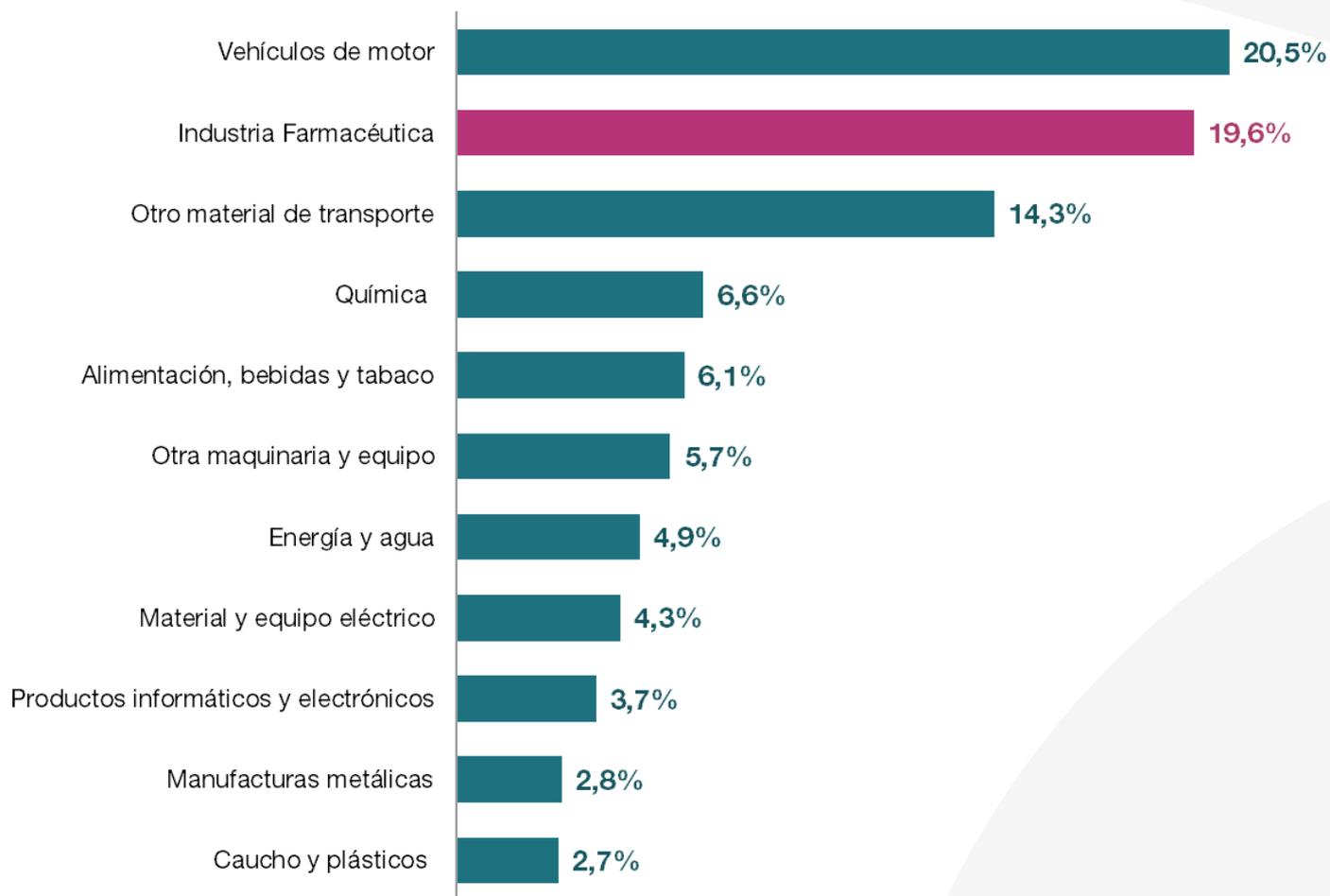
⁴ 2021-2027 Spanish Science, Technology and Innovation Strategy. Executive Summary. Ministry of Science and Innovation

⁵ The term "R&D intensity" refers to the proportion of turnover that each sector assigns to R&D.

- 3** With regard to the location of investments, pharmaceuticals also lead the industrial ranking, both in research conducted internally at company-owned centres (19.5% of the industrial total) and in research contracted from third parties (universities, hospitals, public or private centres, etc.), where it accounts for 15.8% of the Spanish industry total, the highest ratio together with the automotive industry.
- 4** The pharmaceutical industry is also the sector that generates the most research jobs, with 6,062 professionals dedicated to such tasks. In addition, two thirds of these posts are occupied by women (4,060), which means that currently one out of every four female researchers employed by the Spanish industrial sector works at a pharmaceutical company.



Leading Industrial Sectors by Investment in R&D in Spain, 2020 (as % of industry total)

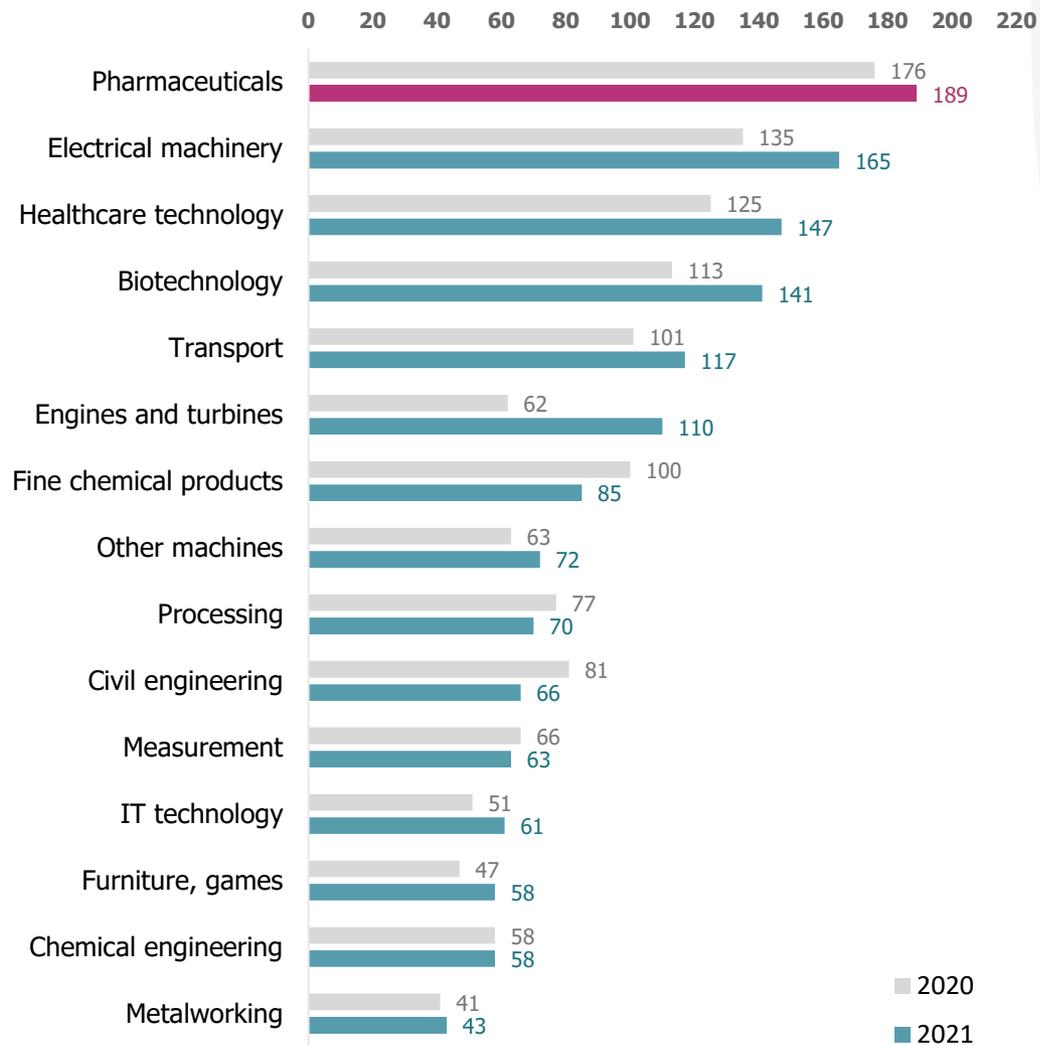


Source: FARMAINDUSTRIA from INE figures (Survey on innovation at companies).

However, just as relevant as investment and employment in research is the fact that these efforts are translated into results and concrete innovations that help create wealth for the country. It should be emphasised here that according to the European Patent Office, the pharmaceutical industry was in 2021, for the third year running, the industrial sector filing the greatest number of patent applications in Spain (189), followed by the health technology industry. Pharmaceutical patent applications account for 9.7% of all those filed in Spain, placing the sector at the head of all technological fields, as may be seen below.⁶

⁶ Source: FARMAINDUSTRIA based on European Patent Office (www.epo.org)

Spanish patents: the 15 leading technological fields



The above arguments demonstrate the pharmaceutical industry's leadership in research in Spain, as well as its strategic importance in shaping a new production model in our country that allows us not only to overcome the economic recession that plagued global economies in 2020, but also to achieve more lasting economic growth, to show greater resilience and less vulnerability in coping with future crises and, finally, to reduce our dependence on international markets in order to provide greater guarantees in addressing potential future health emergencies.



Pharmaceutical Foreign Trade⁸

The productive structure of the Spanish economy has traditionally meant that the country has been dependent on purchasing more abroad than it produces for foreign markets, giving rise to a trade deficit as a regular imbalance in the national economy.

This tendency towards an imbalance in Spain's balance of trade is heightened during economic booms, when the dynamism of domestic demand gives a particular boost to imports, while being more moderate at times of economic slowdown, when foreign purchases decline, and companies based in Spain manage to place their surplus output on overseas markets, thereby increasing exports.

In the context of the severe economic recession which began ~~in the country~~ in 2020, with the largest fall in GDP (-10.8%) since the Civil War, in 2021 the situation improved, with real GDP growth of +5.1%. The behaviour described above, together with the increase in the competitiveness of the Spanish economy recorded in recent years, explains why the Spanish trade deficit decreased from 2.8% of GDP in 2019 to 1.4% in 2020 (the lowest percentage in the past sixty years), only to rebound in 2021 to 2.4% of GDP.



⁸The data in this section are confined to foreign trade in pharmaceutical products. The figures for 2020 are provisional, and are subject to subsequent revision.

Meanwhile, the coverage ratio (ratio of exports to imports) stood at 92.4% at the end of 2021, almost three percentage points below the 2020 figure, although it remains well above the coverage ratio recorded by Spain's economy prior to the 2008 financial crisis, when the figure was around 70%.

In 2021, Spanish exports of goods and products reached a new record high, exceeding €316 billion, representing growth of +20.1% compared to 2020 and +8.8% compared to 2019, thus exceeding pre-pandemic levels. Imports grew +23.8% to €342.787 billion, a new record high.

The growth in foreign trade shows the evolution the country is experiencing towards a more export-oriented productive model which would be desirable to continue further so as to address the traditional imbalance in Spain's trade balance and continuously achieve a positive net GDP contribution from the export sector.

With regard to the pharmaceutical export trade, the strong dynamism of medicinal exports is noteworthy, and has been strongly driven by sales abroad of localised domestic production of Covid-19 vaccines. Pharmaceutical exports from Spain thus grew by +41% in 2021 to reach €17.076 billion, easily a record high for the sector. This trend means that pharmaceutical exports rose from 4.6% of all Spanish exports in 2020 to 5.4% in 2021, placing them fourth in the rankings of Spanish exports by tariff category.



Spanish pharmaceutical exports grew by +41% in 2021, with medicines being the country's fourth-biggest export

Meanwhile, pharmaceutical imports also recorded substantial growth (+38.7%), caused in large part by foreign purchases of Covid-19 vaccines, placing the coverage ratio in the pharmaceutical sector at 82% in 2021, a level higher than in recent years (it was 73% in 2018, 81% in 2019 and 80% in 2020).

The above figures highlight the significance of the pharmaceutical industry in Spain's overseas trade, a significance which is not just quantitative but also qualitative, as demonstrated by the fact that according to INE data for 2019 (the most recent figures available), pharmaceutical exports accounted for 20.4% of all national high-tech product exports (the most difficult to replace on international markets), making the pharmaceutical industry the most important sector in this sphere, alongside aerospace.

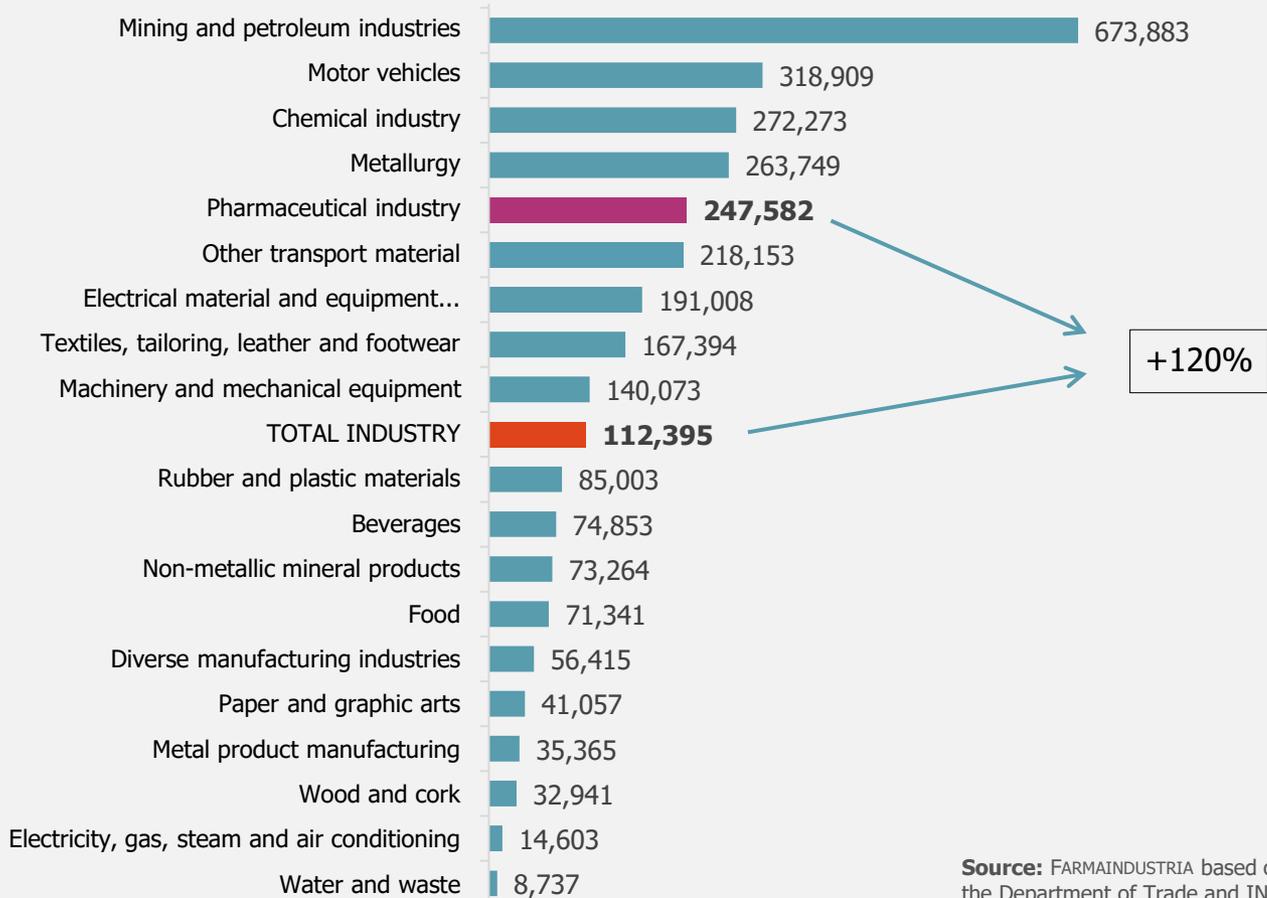
However, the assessment of the contribution of the pharmaceutical industry to the country's export trade would not be complete without analysing such a significant parameter as external competitiveness of the sector, which can be done through different ratios.

An analysis of the export indicator in terms of turnover using the figures for 2019 (the most recent available), for example, shows that the pharmaceutical industry achieves twice the average for Spain's industrial sectors as a whole (77% vs. 38%).

If other approaches are used, such as the ratio of exports per employee, the difference is even more substantial, with pharmaceutical exports exceeding €247,000 per employee in 2019, more than twice the average for Spanish industry, as shown in the following graph.



Main Sectors of the National Economy in Exports per Employee (2019)



Source: FARMAINDUSTRIA based on data from the Department of Trade and INE.

With regard to the geographical distribution of pharmaceutical foreign trade, it should be noted that in 2021 the European Union continued to be Spain's main business partner: In 2021, in fact, despite the UK's exit from the EU (which was effective in January 2020), more than 50% of Spanish pharmaceutical purchases abroad came from our EU-27 partners, and 49% of our export quota corresponded to them. Among EU nations, Germany remains the main destination for Spanish pharmaceutical output (accounting for 28% of all medicinal exports to the EU), followed by France (13%), Italy (10%) and the Netherlands (7%).

With regard to the United Kingdom, following the increase in exports to the UK in 2019 (a +25% increase, possibly due to the pre-Brexit stockpiling effect), the situation regularised over the last two years, with a slight increase in 2020 of +1.8% and a -23.7% decrease in 2021, dropping from 4.4% of our foreign sales in 2020 to 3.3% in 2021, as the eighth global destination by volume of Spanish pharmaceutical exports.

As for other non-EU markets, which now account for almost half of all Spanish pharmaceutical exports, the main destinations are:

Switzerland **25.1%**

United States **5.8%**

China **3.0%**

Japan **0.8%**

Alongside the United Kingdom, these four countries account for two thirds of all pharmaceutical exports destined for countries outside the European Union.

Institutional Activity– 3.4 The Pharmaceutical Industry in Spain and Worldwide

Economic Area	2020		2021 (p)	
	Export	Import	Export	Import
World Total	100.0%	100.0%	100.0%	100.0%
EU-27	51.8%	55.4%	49.1%	50.9%
Germany	13.6%	15.3%	13.7%	15.2%
Belgium	1.7%	5.5%	1.6%	5.1%
France	7.2%	7.2%	6.5%	6.1%
Netherlands	3.7%	8.3%	3.4%	7.5%
Ireland	3.7%	2.7%	3.7%	2.4%
Italy	5.5%	4.8%	5.5%	4.3%
Rest of Europe	22.8%	12.0%	26.8%	14.8%
United Kingdom	4.4%	3.8%	3.3%	2.4%
Switzerland	21.1%	11.6%	25.1%	14.4%
Rest of World	25.4%	32.6%	24.1%	34.3%
China	2.9%	2.8%	3.0%	3.2%
United States	5.4%	16.8%	5.8%	17.5%
India	0.3%	1.2%	0.6%	1.0%
Japan	2.3%	0.5%	0.8%	0.4%

Source: Ministry of Economy, Industry and Competitiveness. Department for Trade.

Note: (p) provisional.

3.4.2 THE PHARMACEUTICAL INDUSTRY IN SPAIN

Domestic Market

In 2021, according to data published by the Ministry of Public Finance, public hospital pharmaceutical spending grew by +6.7%.

In turn, according to FARMAINDUSTRIA'S own estimations, sales of medicines at retail pharmacies in 2021, in net figures after the deductions set out in Royal Decree-Law 8/2010, increased by +3.5%.

As a result of the evolution of both segments, total sales of medicines in 2021 increased by +4.8% from 2020.

DOMESTIC MARKET FOR MEDICINES (MSP, million €)						
	Retail Pharmacies ⁽¹⁾	Increase (%)	Hospitals ⁽²⁾	Increase (%)	Total	Increase (%)
2018	9,720	1.8%	6,635	7.7%	16,355	4.1%
2019	9,942	2.3%	7,156	7.9%	17,098	4.5%
2020	10,009	0.7%	7,580	5.9%	17,589	2.9%
2021	10,357	3.5%	8,085	6.7%	18,441	4.8%

(1) Sales of medicines at retail pharmacies, after deductions (RDL 8/2010) at manufacturer sale price.

(2) Provisional data on public hospital spending for regions, civil service mutual insurers and prison institutions published by Ministry of Public Finance (manufacturer sales price ex VAT).

Source:

Retail pharmacies: FARMAINDUSTRIA from IQVIA data and own estimations.

Hospitals: Hospital pharmaceutical expenditure, Ministry of Public Finance. Updated March 2019.

Retail Pharmacy Market

The total market via retail pharmacies registered an increase in sales of +3.4% in 2021 as a result of the 2.4% rise in the number of units sold and a +1.1% increase in the average price.

A breakdown of the above figure into medicines eligible for public reimbursement (88% of all sales in terms of units) and pharmaceuticals not subject to

reimbursement (the remaining 12%) reveals that in the former case (medicines eligible for reimbursement) the number of units rose by +2.8% in 2021, while the average price increased by +0.8%.

In the case of medicines not covered by public reimbursement, the number of units fell by -0.7%, while the average price increased by +2.9% in 2021.

	MARKET STRUCTURE AT RETAIL PHARMACIES							
	Units (million)	Share	Increase (%)	MSP Sales (million €)	Share	Increase (%)	Average MSP (€)	Increase (%)
Market subject to reimbursement	1,165	88.1%	+2.8%	9,519	89.3%	+3.6%	8.17	+0.8%
Non-reimbursed market	157	11.9%	-0.7%	1,135	10.7%	+2.1%	7.21	2.9 %
Total market	1,323	100%	+2.4%	10,654	100%	+3.4%	8.05	1.1%

Source: FARMAINDUSTRIA from IQVIA data and own estimations.

The increase in the number of units was the highest recorded in recent years, although it should be noted that it is compared to one year (2020) of atypical behaviour due to the influence of the pandemic, in which units experienced the greatest decrease since 2012, when 416 national codes were removed from financing, while 79 hospital diagnostic medicines dispensed at retail pharmacies were transferred to hospital pharmacy dispensation.

In addition, the increase in the spread of the Omicron variant in the closing months of 2021 had an effect on pharmaceutical consumption, such that while in the period January-October 2021 units remained relatively stable compared to the same period of 2020, in the last two months of the year they increased by +15%.

It should also be noted that in November 2021 a new Reference Price Order was published in which, due to the modification of Article 98.2 of the LGURMPS, the groupings are formed of medicines that share ATC5 instead of active substance.



Although since 2014 certain groupings had already been made up of medicines that shared ATC5, but had different active substances, in the order published this year the criterion has been extended to all groupings, so that some have been created with medicines with different active substances that, to date, had never been created.

In retail pharmacies, and in accordance with this new criterion, the 453 groupings created in last year's order have been removed, while 460 new groupings have been formed, of which 27 correspond to those created for the first time, 15 of them without the existence of a generic or biosimilar medicine.

The creation of new reference groupings, together with the monthly update of homogeneous groups, meant that at the end of 2021, 84.5% of units marketed in the retail pharmacy market subject to reimbursement are at the same price level as their corresponding generics.

As regards generic medicines, their share in 2021 stood at 43% in units and 20% in values, a share of 62% in units and 48% in values if one considers only the market included in homogeneous groups which have a generic equivalent.



Therapeutic Groups

In 2021, pharmaceutical consumption increased in most therapeutic groups, with the following groups registering the highest increases:

- 1 Antiparasitics
- 2 Hormones
- 3 Central nervous system
- 4 Gastrointestinal tract

Falls in units were recorded only for the groups:

- 1 Respiratory tract
- 2 Anti-infective
- 3 Anti-neoplastic

According to IQVIA data, total sales of medicines via retail pharmacies were distributed by therapeutic group as shown in the following table.



TOTAL SALES OF MEDICINES VIA RETAIL PHARMACIES BY THERAPEUTIC GROUP (2021)								
Therapeutic group	Units (thousands)	Share (%)	Increase (%)	MSP values (thousands)	Share (%)	Increase (%)	Average MSP (€)	Increase (%)
N Nervous System	378,574	28.62%	4.45%	2,474,751	23.23%	1.79%	6.54	-2.55%
C Cardiovascular system	270,238	20.43%	0.70%	1,575,341	14.79%	-0.37%	5.83	-1.06%
A Alimentary tract and Metabolism	215,506	16.29%	4.03%	2,245,488	21.08%	9.39%	10.42	5.15%
R Respiratory system	102,239	7.73%	-4.46%	962,458	9.03%	-4.62%	9.41	-0.16%
M Musculoskeletal system	73,700	5.57%	2.06%	444,289	4.17%	6.76%	6.03	4.60%
B Blood and blood forming organs	69,105	5.22%	2.29%	849,234	7.97%	8.86%	12.29	6.42%
G Genitourinary system	54,248	4.10%	2.73%	638,443	5.99%	5.37%	11.77	2.57%
D Dermatologicals	47,360	3.58%	3.88%	298,674	2.80%	6.37%	6.31	2.40%
J General Anti-infectious Agents	39,311	2.97%	2.17%	215,526	2.02%	-0.30%	5.48	-2.41%
S Sensory organs	35,135	2.66%	-0.63%	291,363	2.73%	-0.74%	8.29	-0.11%
H Hormones	23,370	1.77%	7.29%	219,049	2.06%	9.19%	9.37	1.77%
L Anti-Neoplastic and Immuno-modular Agents	7,518	0.57%	-0.23%	367,713	3.45%	-0.29%	48.91	-0.05%
K Hospital solutions	3,235	0.24%	3.58%	3,994	0.04%	3.19%	1.23	-0.38%
P Anti-parasitics	1,841	0.14%	13.82%	11,328	0.11%	42.51%	6.15	25.20%
V Various	1,519	0.11%	4.05%	55,649	0.52%	10.87%	36.63	6.55%
T Diagnostic agents	13	0.00%	5.06%	234	0.00%	8.66%	18.32	3.43%
TOTAL	1,322,912	100%	+2.35%	10,653,536	100%	+3.45%	8.05	+1.07%

The central nervous system, the group with the highest market share in both units and values, recorded a large increase in unit consumption (+4.4%) influenced by the increase in consumption of non-narcotic analgesics that account for 44% of units in this group and increased by +6.4%. Use of antidepressants and antipsychotics has also increased above average. Meanwhile, the decrease of -2.6% in the average price is a consequence of the decrease in the price of narcotic analgesics due to the dynamics of homogeneous groupings and reference prices, as well as the sharp decrease in the use of tobacco addiction treatments, where the average price is much higher than the group average.

The consumption of units of the cardiovascular system group has increased below average, and the average price is influenced by the behaviour of lipid-modifying agents, representing 28% of the group, where units have increased by +3.1%, while their average price decreased by -7.7% during 2021.

The increase in digestive system units is influenced by a +20% increase in consumption of vitamin D-containing medicines. The increase in average price is partly explained by the increase in unit share of new anti-diabetic medicines, as well as by the increase in average price of anti-ulcer medicines, which account for 34% of units in this group.

The respiratory and anti-infective groups recorded the greatest falls last year, and again showed negative increases, though to a lesser extent.

Meanwhile, the units of the musculoskeletal system, that decreased by -13% the previous year due to the fall in non-steroidal anti-rheumatic medicines, this year recovered with a +2.1% increase.

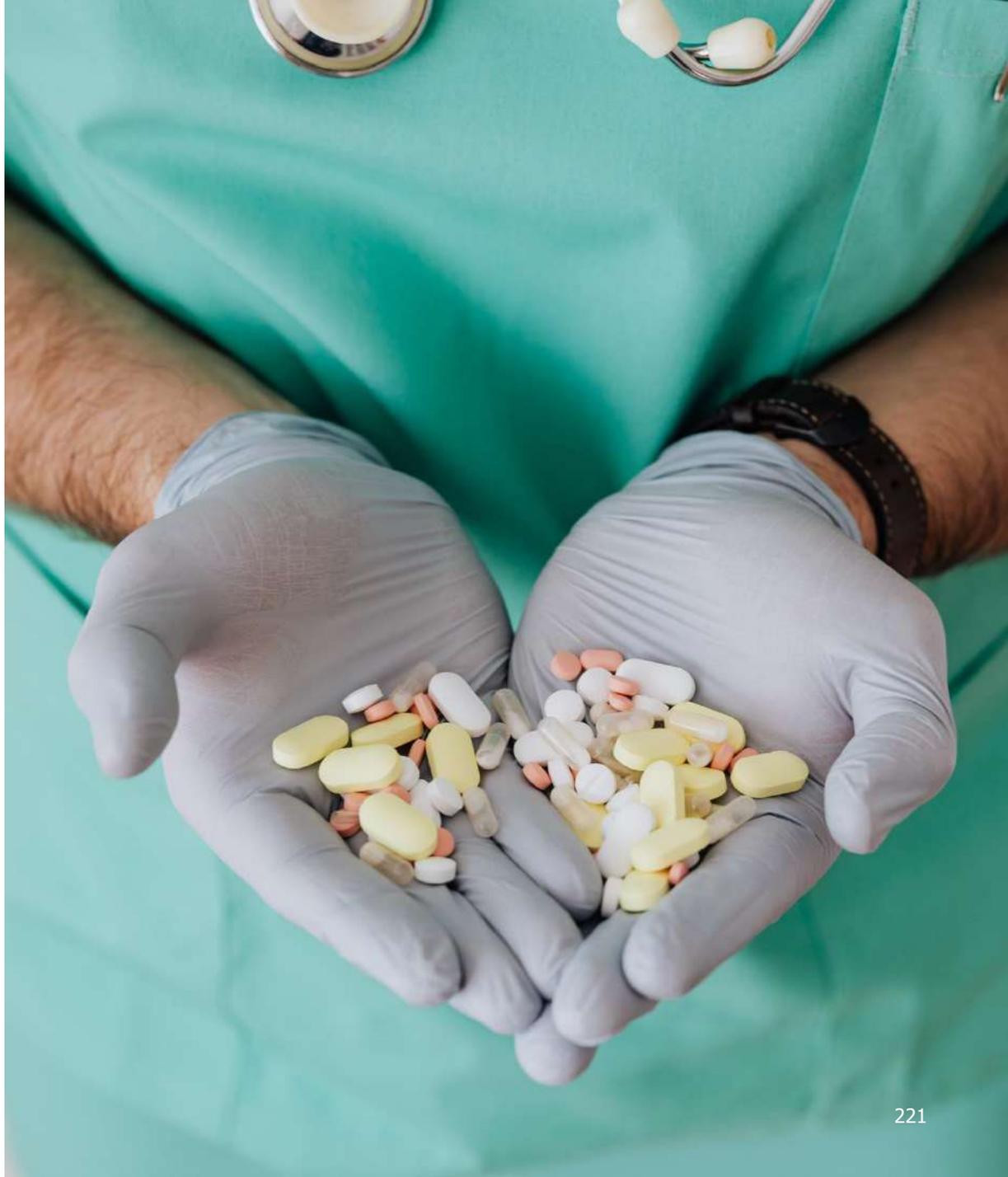
Group B, Blood and hematopoietic organs, have grown below average in units and above average in values, being one of the groups with the greatest increase in the mean price partly due to the increase in the market share of new oral anti-coagulants.

Lastly, the high growth rates of the hormone and anti-parasitic groups should be noted. The first with a +7.3 unit increase as a result of the +10% increase in corticosteroids, where units represent 49% of the group and are medicines used as part of the treatment of Covid-19. With regard to the increase in the anti-parasitic group, this could be due in part to the increase in cases of scabies recorded in the closing months of the year.



New Launches

In 2021, a total of 237 new medicines were launched via the retail pharmacies channel, with total sales of €37.5 million registered during the year. These include one medicine with a new active ingredient, 112 medicines (47.2%) corresponding to generic medicines, 59 medicines (25%) are corresponding to parallel imports, 13 (5.5%) corresponding to OTC medicines, and the remaining 52 (22%) are medicines with active ingredients or combinations of active ingredients already marketed.



Hospital Market

In the hospital market, according to IQVIA data for 2021, 65% of sales are concentrated in two therapeutic groups:

- 1** Group L - Antineoplastic agents and immunomodulatory agents, in which antineoplastic agents account for 68% and immunosuppressive agents for 27%.
- 2** Group J - General anti-infectives, a group in which systemic antivirals account for 66% of sales.

With the new Reference Price Order published on 26 November 2021, and on the basis of the new criterion for the definition of groupings, 237 over those existing to date were eliminated, 254 new groupings were created, 11 of them on the basis of a biosimilar medicine, and 46 with no generic or biosimilar product.

According to IQVIA data, 96 new medicines were introduced in the hospital market during 2021, of which 25 correspond to medicines with new active ingredients marketed for the first time, 39 are generic medicines, 2 are biosimilar medicines, 2 are parallel imports, and the remaining 30 are medicines with active ingredients or combinations of active ingredients previously marketed.

Of the 25 medicines with new active ingredients marketed this year, ten (40%) are orphan medicines, two of which are oncological.

By December 2021 there were 43 biosimilar medicines being sold on the Spanish hospital market, corresponding to 14 active ingredients.

Public Pharmaceutical Expenditure on Official NHS Prescriptions

The Ministry of Health figures for 2021 indicate an increase in public pharmaceutical expenditure at retail pharmacies +6.0%, amounting to €11.747 billion. This change in the level of expenditure is the consequence of a +4.5% increase in the number of prescriptions and a +1.5% increase in the average cost per prescription.

NHS SPENDING ON PRESCRIPTIONS DISPENSED AT PHARMACIES						
Year	Spending (Million € RRP VAT)	Increase (%)	No. of Prescriptions (Millions)	Increase (%)	Spending per Prescription (€)	Increase (%)
2010	12,207.7	-2.4%	957.7	+2.5%	12.7	-4.8%
2011	11,135.4	-8.8%	973.2	+1.6%	11.4	-10.2%
2012	9,770.9	-12.0%	913.8	-6.1%	10.6	-6.6%
2013	9,183.2	-6.0%	859.6	-5.9%	10.6	-0.1%
2014	9,360.5	+1.9%	868.6	+1.1%	10.7	+0.9%
2015	9,535.1	+1.9%	882.1	+1.6%	10.8	+0.3%
2016	9,912.8	+4.0%	901.6	+2.2%	10.9	+1.7%
2017	10,170.8	+2.6%	908.5	+0.8%	11.1	+1.8%
2018	10,481.9	+3.0%	945.8	+4.1%	11.0	-0.9%
2019	10,794.0	+2.9%	971.2	+2.6%	11.1	+0.2%
2020	11,077.3	+2.6%	979.2	+0.8%	11.3	+1.8%
2021	11,746.9	+6.0%	1,022.7	+4.5%	11.5	+1.5%

Source: Medical Prescription Invoicing. Ministry of Health

Regional Distribution of Public Pharmaceutical Expenditure

In 2021, pharmaceutical expenditure per capita on official NHS prescriptions stood at 247.9 euros, an increase of +6.2%.

At the regional level, Extremadura, Asturias and Galicia are the regions with the highest pharmaceutical expenditure per capita, while the lowest are in Madrid and Cataluña, two of the regions with the greatest weight in total public pharmaceutical expenditure.

Pharmaceutical expenditure per capita increased in all regions, with Andalucía, Madrid and Murcia show the highest increases, while the lowest increases occur in the País Vasco and Castilla-La Mancha.

Source: Medical prescription invoicing (MSSSI) and municipal electoral roll figures (INE).

PHARMACEUTICAL EXPENDITURE BY REGION (2021)			
Region	Spending share(%)	€ per capita	Increase (%)
Extremadura	3.0%	332.5	6.4%
Asturias	2.6%	298.6	5.3%
Galicia	6.6%	289.8	6.1%
Castilla-León	5.9%	288.4	5.3%
Cantabria	1.4%	282.0	5.1%
Murcia	3.6%	278.0	7.1%
Castilla-La Mancha	4.8%	277.3	4.6%
Islas Canarias	5.0%	272.7	6.6%
Valencia	11.6%	269.7	5.1%
Aragón	3.0%	268.4	5.0%
Andalucía	18.2%	251.9	7.6%
Total Spain	100.0%	247.9	6.2%
La Rioja	0.7%	243.0	5.5%
País Vasco	4.2%	224.3	2.3%
Navarra	1.3%	222.9	6.7%
Islas Baleares	2.1%	211.8	5.6%
Cataluña	13.8%	209.1	6.5%
Madrid	11.9%	206.8	7.5%

member services_04

4.1 Online Services

4.2 Working Groups / Barcelona
Delegation

4.3 Spanish Technological
Platform for Innovative Medicines

4.4 Self-Regulation Systems

member services_04

4.1 Online Services

4.2 Working Groups / Barcelona
Delegation

4.3 Spanish Technological
Platform for Innovative Medicines

4.4 Self-Regulation Systems

4.1 Online Services

It is now 20 years since FARMAINDUSTRIA gave a firm commitment to the digital transformation of its information systems, by promoting remote electronic methods.

Both administrative procedures and communication services are integrated within our network of portals, giving us a speedy means of reaching out to our members and the general public.

Our general interest portals (Members Intranet, Public Portal and Self-Regulation System) and our focused sites (Innovative Medicines Platform and Presentation Catalogue) serve to channel any information that could prove of value.

We also maintain a number of internal tools to handle association processes, and also to administer regulatory procedures, such as the application of deductions derived from RDL 8/2010.

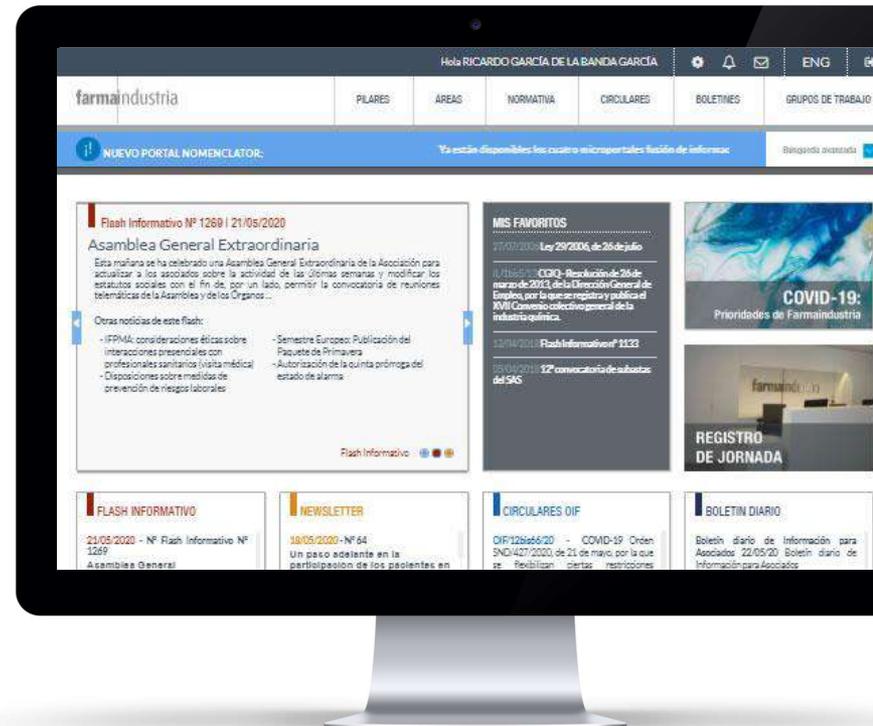


Corporate Portal - Industry Intranet <https://www.farmaindustria.org>

For the exclusive use of member companies, this contains over 100,000 documents grouped into over 50 categories, including circulars, publications, departmental areas, flashes, newsletters, regulations, etc.

This supports an individualised home page for each of the 2,000 registered industry users, allowing them to decide the information that will be displayed on their page.

Each of the Working Groups at FARMAINDUSTRIA has a private space, providing fast, secure and orderly access for over 1,400 members. This also includes documentation repositories for the Association's Statutory Groups.

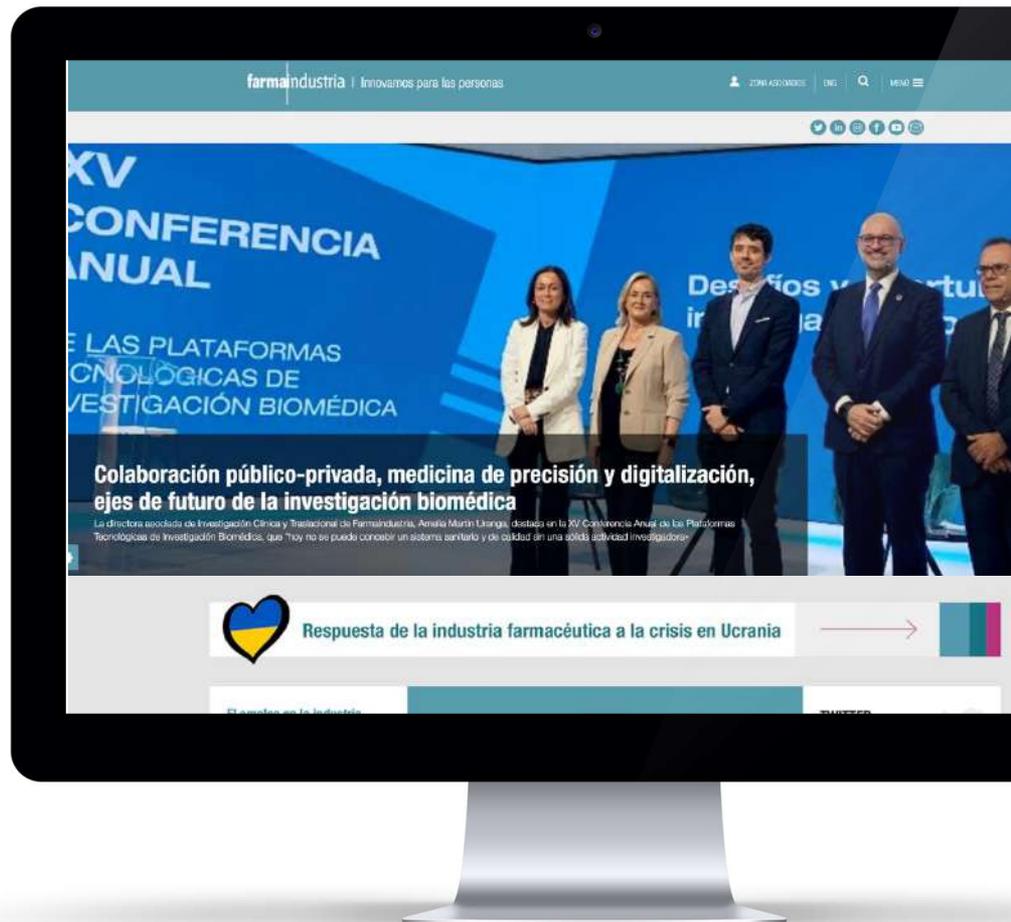


Public Website

<http://www.farmaindustria.es>

The FARMAINDUSTRIA public website is especially designed to convey information clearly, quickly and openly to anyone interested in the Spanish pharmaceutical industry.

Two years ago, the weekly newsletter was added, with the most significant information about the industry and medicines, which has grown to 10,000 subscribers.



Innovative Medicines

<https://www.medicamentos-innovadores.org/>

After the complete renovation of the recently completed portal, it is now an established tool to showcase the efforts made by the industry.

This portal has received over 30,000 queries in 2021 from 7,000 different addresses.

It has also consolidated its monthly newsletter, increasing the number of subscribers to almost 2,400.

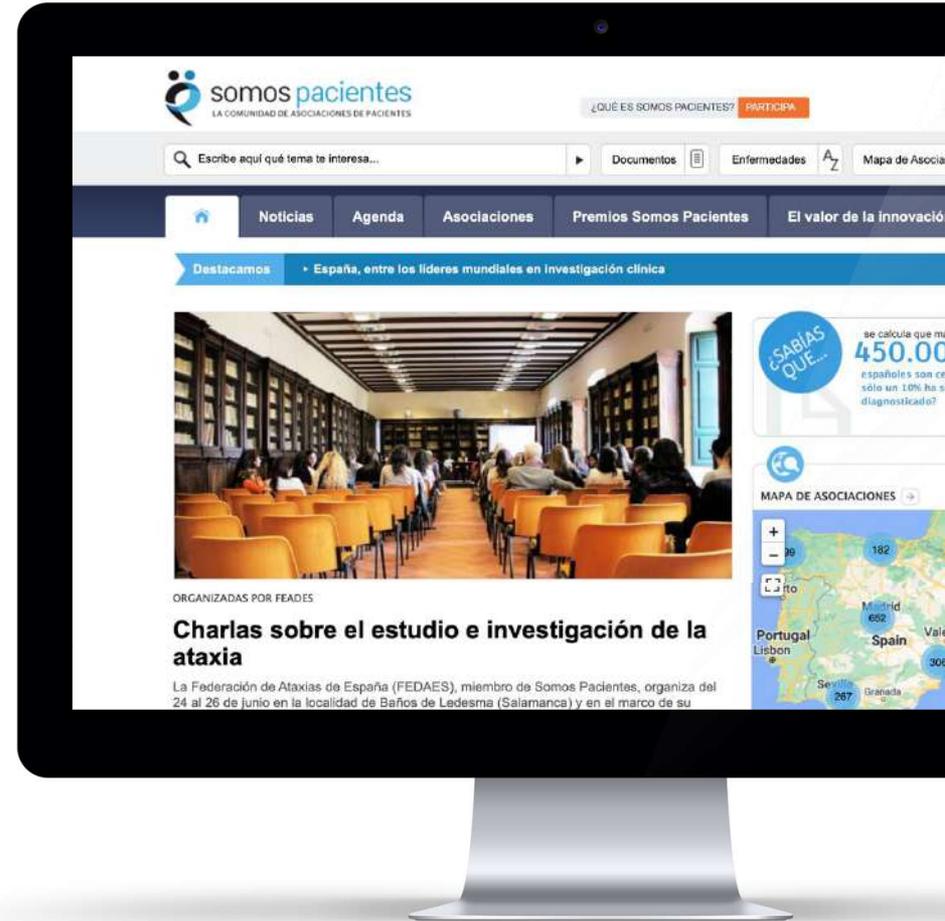


Somos Pacientes

<https://www.somospacientes.com>

Somos Pacientes is a community providing a shared forum for information, participation, training, services and collaborative efforts, intended for all associations of patients and the disabled in Spain.

The portal offers an extensive array of content, services and tools to facilitate interrelationship and to generate a sense of community among patients' associations, and to provide information to patients, relatives, professionals and the general public.



Self-Regulation System Website <https://www.codigofarmaindustria.org>

The pharmaceutical industry Self-Regulation System represents the response of manufacturers to the demands of stakeholders and society at large, to establish criteria and standards of conduct guaranteeing trust and credibility in the promotion of medicines and the interrelations of the pharmaceutical industry.

This website provides access not only to the Code of Good Practice and the Practical Case Test, but also full information on transparency, control bodies, regulatory framework, list of training activities, in addition to an area reserved for the management and reporting of events and scientific meetings.



Four Speciality Presentation Catalogue Micro-Sites <http://nomenclator.farmaindustria.org>

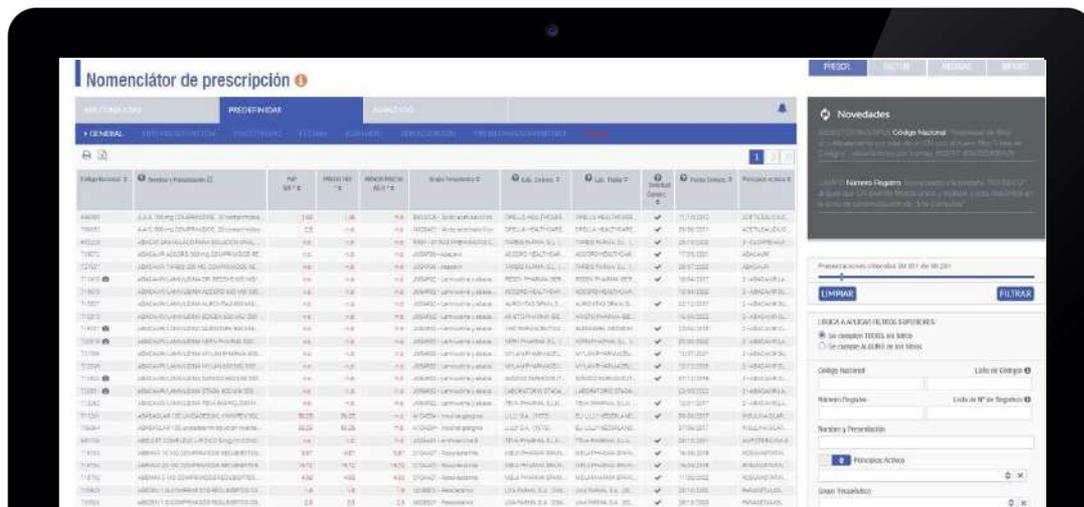
In order to facilitate access by the laboratory market analysis teams to the Billing and Prescription Presentation Catalogue of the Ministry of Health and the AEMPS, FARMAINDUSTRIA decided to develop four micro-portals.

At the end of 2019, the BIFIMED database was added, with information on the state of financing of medicines in the NHS.

This is a consultation and filtering tool on the information provided by both institutions, and can be used to find out how the information changes, month by month. In addition to certain individual improvements, in 2021 all fields were added to the query generator.

Websites for Management of Royal Decree-Laws 8/2010 and 10/2010

These are four portals allowing the application of deductions derived from the application of Royal Decrees-Acts 8/2010 and 9/2011. Through these four tools, the Official Associations of Pharmacists, pharmaceutical manufacturers, the General Council of Official Associations of Pharmacists, and the bank carrying out the transactions can comply with the agreed procedure.



member services_04

4.1 Online Services

4.2 Working Groups / Barcelona
Delegation

4.3 Spanish Technological
Platform for Innovative Medicines

4.4 Self-Regulation Systems

4.2 Working Groups / Barcelona Delegation

Organised by spheres of interest to the pharmaceutical industry and coordinated by the different departments of FARMAINDUSTRIA, the Working Groups aim to encourage the active participation of companies in the Association, to publicise legislative or regulatory initiatives of the different public authorities, to prepare sectoral arguments or follow action plans on relevant sectoral matters, so that the Association can forward them to the corresponding authorities and interlocutors in a timely manner.

The groups are governed by specific functional directives, including in particular principles of confidentiality, personal data protection and compliance, all strictly complying with standards in the field of competition, the contents of which prevail over all meetings of the Association's Working Groups.



At present, the list of active working groups at FARMAINDUSTRIA is as follows:

- 1 Access
- 2 Health Technology Assessment (HTA)
- 3 Financial Directors and Collections
- 4 Hospital Market
- 5 Technical Regulation of Medicines
- 6 Biotherapeutic and Orphan Medicines
- 7 Manufacturing and Traceability
- 8 Environment
- 9 Pharmacovigilance
- 10 Vaccines
- 11 Pharma-Biotech
- 12 BEST for Excellence in Clinical Research
- 13 Legal Services
- 14 Taxation
- 15 Human Resources
- 16 Code of Good Practice
- 17 International
- 18 Relationships with Autonomous Regions
- 19 Trademark Protection
- 20 Incremental Innovation
- 21 Medical Visit
- 22 Communication and Corporate Social Responsibility
- 23 Patients
- 24 Cybersecurity

In addition, with the aim of exploring diverse aspects in greater depth, a number of ad hoc groups operate with a smaller scope, the results of which are elevated to the plenary of the group to which they belong.

The activities of the various FARMAINDUSTRIA working groups over the course of 2021 are summarised below.

Access Working Group

The Access Working Group ('GT-ACC') is responsible for monitoring market access to medicines. The group also monitors the procedures, criteria and decisions of the Ministry of Health and its competent collegiate body regarding financing and pricing, reviews, exclusions, and establishment of special financing conditions for medicines, Therapeutic Positioning Reports, Reference Price Orders, as well as the analysis of parliamentary and regulatory initiatives related to economic regulation and sustainability of the NHS.

During 2021, 10 meetings were held, with the following three specific thematic areas related to access always being covered:

- 1 Current institutional setting
- 2 Interministerial Price Commission
- 3 Therapeutic Positioning Reports

GT-ACC participated in the preparation of a proposal for a procedure for the pricing and reimbursement process to increase transparency and predictability for companies, and during the different meetings a detailed analysis of the CIPM was carried out in aspects such as: schedule, composition, agreements reached and analysis of decisions. Numerous indicators have been included related to new medicines, new indications, price revisions, etc.

The group also analysed the indicators of the WAIT report produced by IQVIA at several meetings.

Meanwhile, in the area of therapeutic positioning reports, indicators were analysed for both TPRs in their 2013 version and the new model which, as a pilot, is being produced in accordance with the new TPR Consolidation Plan.

The 2021 Draft Reference Price Order has also been analysed, as well as the inclusion in Royal Legislative Decree 1/2015 of the ATC5 criterion as the designation of the active substance. The new groupings were analysed and the main arguments discussed, as set out in more detail in the legal section of this Annual Report.

Although it underwent no relevant updates during 2021 and remains pending approval by the NHS Interterritorial Council, GT-ACC also analysed the action plan to promote the use of biosimilar and generic medicines in the National Health System.

The GT-ACC meetings also included the analysis and arguments as to the Draft Order amending Annexes I, II, III, VI and VII of Royal Decree 1030/2006, of 15 September 2006, establishing the common services portfolio of the National Health System and the procedure for updating this.

Lastly, it should also be noted that aspects related to access, such as the pharmaco-clinical protocols approved by the Pharmacy Standing Committee, which are additional to the decision for reimbursement for some medicines, and are included in VALTERMED to collate real-life health outcomes, were also discussed at the meetings of the party.

***Ad hoc* Orphan Medicines Working Group**

This *ad hoc* group, attached to GT-ACC, was created to define the FARMAINDUSTRIA positioning in the field of rare-disease management in Spain, particularly with regard to access, given the particular situation of orphan medicines and their unique characteristics.

The objective of this *ad hoc* group is to develop a robust proposal on the challenges in access to the market for orphan medicines, allowing FARMAINDUSTRIA to position itself in this regard and to build bridges for collaboration with the Government to improve the availability of these medicines in our country. In addition, an analysis has been performed on access indicators specific to this type of medicine.

Seven *ad hoc* meetings took place, resulting in a document with twelve proposals affecting the marketing authorisation, reimbursement process and subsequent period. FARMAINDUSTRIA is currently in the active phase of communication with the Ministry of Health, the Autonomous Regions, clinical experts, other scientific societies and patients associations.

Health Technology Assessment (HTA) Working Group

This working group was set up at FARMAINDUSTRIA with the aim of issuing proposals and developing technical documents regarding the main aspects affecting procedures for the economic assessment of medicines, such as: relative effectiveness, therapeutic positioning, degree of innovation, selective financing, measurement, analysis and usage of health outcomes in healthcare decision-making, etc.

The group has representatives from some 50 companies, with a membership profile centred very much on Market Access and Health Economics & Research Outcomes. During 2021, monitoring continued of the main initiatives in progress in the field of measuring health outcomes, both nationally and internationally. At the domestic level, analyses were conducted of the main national and regional initiatives in the field of assessment of new medicines, with a particular emphasis on the economic appraisal now being included in the Therapeutic Positioning Reports, and subsequent implementation in the autonomous regions.

Finally, at the international level, the working group closely followed the progress of the processing of the European regulation on HTA (finally approved in December 2021), which provides for a joint clinical evaluation of new medicines for the whole of the EU and analysed its potential implications in the process of pricing and reimbursement of medicines in Spain. Further information on this Regulation is provided in the International part of this Annual Report.

Financial Directors and Collections Working Group

This working group comprises mainly the financial managers of the more than 60 member companies, although other professional profiles are also represented, such as controllers, treasury managers and credit and collection managers.

The group monitors the financial and accounting aspects related to the Collaboration Agreement signed with the Government for the 2016, 2017, 2018 and 2019 financial years, as well as monitoring all economic and accounting developments and implications derived from a possible new agreement that could be signed with the Government in the field of sustainability.

The group also analyses the evolution of the commercial debt entered into by NHS hospitals as a result of the supply of medicines, by means of monthly monitoring of balances receivable from regional health services and the average payment periods.

During 2021, the group closely followed the main milestones in terms of late payment, such as the processing of the General State Budgets and regional budgets, the resources enabled by the Fund for Financing the Regions (FLA and FFF), and the revenues, both ordinary and extraordinary, that the Government makes available to the final payers (mainly the regional governments).

In addition, there was detailed monitoring of legislative initiatives regarding late payment, as well as those that could have an impact on the turnover of the public hospital market due to their potential effects on collection times and the commitments that the sector could make regarding sustainability.

Elsewhere, throughout 2021 the *ad hoc* Electronic Invoicing Sub-Group ('SG-FAC') continued to conduct an in-depth review of all national and regional developments and regulations regarding electronic invoicing with the public sector since their mandatory implementation in January 2015.

These include the Business Creation and Growth Bill, which when this Annual Report went to press, was at the parliamentary reading stage.

In addition, throughout the year, the SG-FAC has closely monitored several regional initiatives of relevance in terms of electronic invoicing:

- In Cataluña, the development of EDI implementation for pharmacy purchases from hospitals of the Institut Català de Salut (ICS) and the acquisition of the Hospital Universitari Sant Joan de Reus and Hospital Comarcal de Móra d'Ebre by the Health Department of Cataluña.
- In Andalucía, the process to wind up and liquidate the Public Health Business Agencies ('APES') culminating in their role being taken over by the Andalusian Health Service ('SAS'), with a working committee set up between the SAS and FARMAINDUSTRIA to monitor the issues and minimise possible incidents.
- In Valencia, the reversion of the Hospital de Torrevieja to public management by the Department of Universal Health and Public Health.

Meanwhile, incidents were managed on an ongoing basis and resolved in the hospital sphere in some regions, in close collaboration with the health services and delegated agencies concerned.

Lastly, the Association continued its involvement in the CEOE Digital Society Committee, addressing occasional matters connected with this field.

Hospital Market Working Group

In 2021 this working group, which works in close coordination with other FARMAINDUSTRIA Working Groups, such as Financial Directors and Collections, Biotherapeutic and Orphan Medicines, Trademark Protection, Relations with Autonomous Regions and Access, continued to analyse the hospital market by monitoring and studying the various initiatives undertaken at the national and regional levels, in particular the most notable developments in the field of public hospital procurement.

This working group receives information from the monitoring performed by FARMAINDUSTRIA on access to innovations in the different Autonomous Regions and policies that could limit the offering of and access to innovative medicines or freedom of prescription, with especial emphasis on the regulations for original biological and biosimilar medicines, hospital medicine assessment committees and the implementation of Therapeutic Positioning Reports. The group comprises 59 companies, representing all the statutory groups of FARMAINDUSTRIA.

Technical Regulation of Medicines Working Group

The main activities of this working group focus on analysis and contributions to prepare the industry's position with regard to the regulations issued by European institutions and published by the Ministry of Health and the AEMPS with regard to procedures for the authorisation, registration and commercial release of medicines, in particular the implementing provisions of Royal Legislative Decree 1/2015, approving the amended text of the Guarantees and Rational Use of Medicinal and Healthcare Products Law.

This working group focuses on an analysis of matters with a substantial technical component, such as levies, labelling and information leaflets, authorisation applications and modifications, approval of authorisations, classification of medicines with no commercial interest, etc. The party likewise conducts constant monitoring of the functioning and decision-making periods of the AEMPS.

In 2021, the working group analysed, among other issues:

- 1 One of the main challenges of the European Pharmaceutical Strategy developed by the European Commission is to reduce the complexity of pharmaceutical regulations in order thereby to shorten authorisation times of medicines.
- 2 Launch of the new procedure for the generation of REvalMed NHS Plan reports.
- 3 The implementation of Instruction 1/2020 of the AEMPS with regard to materials concerning risk prevention.
- 4 The new proposal of the AEMPS names guide.

In all its meetings, this working group discusses eight specific subject areas:

- 1 Therapeutic Positioning Reports
- 2 Early access
- 3 Product information
- 4 Biological medicines
- 5 National procedure and management
- 6 Quality regulation
- 7 Risk-management plan
- 8 European procedures

During 2021, the *ad hoc* group to promote the “ePIL” pilot project supervised by the AEMPS for the implementation of the electronic package leaflet for medicines used in a hospital setting and the consequent removal of the hard-copy package leaflet continued to meet to set up its launch in early 2022, as published in the Information Note issued by the AEMPS in November 2021.

In addition, an *ad hoc* group has been formed on the effective marketing of medicines in order to make proposals for improvement to the AEMPS.

Finally, in 2021 the group involved a representative of the AEMPS at one of its meetings to give an update on the European and national environments in the field of digitalisation projects.

6 Biological and Orphan Medicines Working Group

Since October 2013, this working group has been monitoring the entire issue related to biological and orphan medicines in the areas of authorisation, regulation and access.

The lines of work of this group have included both health and economic aspects, access issues and purchasing procedures, and also the analysis of the international legal framework, particularly the focus on the evolution of the provisions and guidelines adopted by international agencies, particularly in relation to biosimilars.

Since the establishment of the *ad hoc* group on orphan medicines dependent on the Access Working Group, and in order to avoid an overlap with the matters also addressed in other FARMAINDUSTRIA working groups, it has been decided to maintain this working group for information purposes, without set meetings, unless specific matters or issues so requiring arise.

Manufacturing and Traceability Working Group

This working group is responsible for analysing the regulations and making technical contributions on the aspects related to the manufacture of medicines, logistics operations, supply guarantees and minimisation of counterfeits.

In 2021, the group resumed four-monthly meetings, now that the extreme situation experienced during the pandemic that required much more frequent monitoring of the supply of essential Covid-19 medicines has been resolved.

The key issues addressed in this group stem mainly from the concerns of the competent authorities on medicinal supply problems in such an extremely

complex context as the current situation with the combined consequences of the pandemic, the increase in energy and raw materials costs, and the logistical complications arising from geostrategic issues and warfare. An environment which makes it increasingly complex to develop and follow up contingency plans for pharmaceutical companies to ensure that patients continue to have medicines available under normal conditions.

In addition, this group follows up on some issues that are still in the process of being implemented, such as the hospital supply of medicines with aggregated unique identifiers, and the follow-up of alerts occurring during verification

which, although they are progressively declining, still represent a very significant workload in the operations area.

In addition to these permanent points on the working group's agenda, these meetings often address other issues of interest that may affect the sector, such as initiatives for inclusion in strategic projects for economic recovery and transformation (PERTE), the removal of the paper package leaflet in certain medicines in a hospital setting, or the position on the personalised dosing systems to meet the same requirements as those required of the pharmaceutical industry to manufacture medicines.

Environment Working Group

During 2021, this working group, in close cooperation with SIGRE, monitored national and European legislation in environmental matters related to the pharmaceutical industry:

1 Climate change

2 Environmental quality

3 Circular economy

4 Environmental responsibility

5 Energy transition

6 Requirement of the Balearic Government forcing all types of packaging (domestic, commercial, industrial, primary, collective, transport, etc.) to be included in an extended producer responsibility (EPR) system for packaging.

7 Bill on Waste and Contaminated Soils aimed at preventing and reducing the impact of certain plastic products on human health and the environment, introducing a special tax on non-reusable plastic packaging.

8 Draft Royal Decree on Packaging and Packaging Waste, which will extend the EPR to all packaging, including commercial and industrial packaging, and will establish new obligations for producers and an increase in costs to be assumed for waste management.

Pharmacovigilance Working Group

This working group channels the main questions and clarifications derived from both national and European pharmacovigilance provisions. The following provisions and actions should be highlighted in 2021:

1

With regard to the dissemination of both medicine safety information (DHPC) and risk prevention materials (MPR), duly authorised by the AEMPS, through the Scientific Societies, FARMAINDUSTRIA has continued to increase the number of collaboration agreements with them (63 signed in total).

List of Scientific Societies (as of 20 April 2022) that have signed a collaboration agreement with FARMAINDUSTRIA for the dissemination of information on the safety of medicines (DHPC) and for the dissemination of Materials on Prevention of Risks (MPR)

1. Spanish Academy of Dermatology and Venereology (AEDV)
2. Spanish Association of Surgeons (AEC)
3. Spanish Mental Health Nursing Association (AEESME)
4. Spanish Society of Gastroenterology (AEG)
5. Spanish Society of Paediatrics (AEP)
6. Spanish Association of Primary Care Paediatrics (AEPap)
7. Spanish Association of Child and Adolescent Psychiatry (AEPNyA)
8. Spanish Association of Urology (AEU)
9. Spanish Association of Vaccinology (AEV)
10. Spanish Association for the Study of the Liver (AEEH)
11. National Association of Haematological Nursing (ANEH)
12. Foundation of the Spanish Society of Pathology (FSEAP)
13. Spanish Foundation of Haematology and Haemotherapy (FEHH/SEHH)
14. Spanish Group of Myelodysplastic Syndromes (GESMD)
15. Spanish working group on Crohn's Disease and Ulcerative Colitis (GETECCU)
16. Spanish Society of Allergology and Clinical Immunology (SEaic)
17. Spanish Society of Angiology and Vascular Surgery (SEACV)
18. Spanish Society of Cardiology (SEC)
19. Spanish Society of Aesthetic Surgery (SECE)

20. Spanish Society of Orthopaedic Surgery and Traumatology (SECOT)
21. Spanish Society of Reconstructive and Aesthetic Plastic Surgery (SECPRE)
22. Spanish Society of Paediatric Intensive Care (SECIP)
23. Spanish Society of Diabetes (SED)
24. Spanish Society of Paediatric Endocrinology (SEEP) and Foundation of the Spanish Society of Paediatric Endocrinology (FSEEP)
25. Spanish Society of Endocrinology and Nutrition (SEEN)
26. Spanish Society of Neurological Nursing (SEDENE)
27. Spanish Society of Oncology Nursing (SEEO)
28. Spanish Society of Primary Care Pharmacists (SEFAP)
29. Spanish Society of Clinical, Family and Community Pharmacy (SEFAC)
30. Spanish Society of Hospital Pharmacy (SEFH)
31. Spanish Society of Clinical Pharmacology (SEFC)
32. Spanish Society of Geriatrics and Gerontology (SEGG)
33. Spanish Society of Gynaecology and Obstetrics (SEGO)
34. Spanish Society of Paediatric Haematology and Oncology (SEHOP)
35. Spanish Society of Immunology (SEI)
36. Spanish Society of Bone and Mineral Metabolism Research (SEIOMM)
37. Spanish Society of Emergency Medicine (SEMES)

38. Spanish Society of Aesthetic Medicine (SEME)
39. Spanish Society of Family and Community Medicine (semFYC)
40. Spanish Society of Internal Medicine (SEMI)
41. Spanish Society of Primary Care Physicians (SEMERGEN)
42. Spanish Society of General and Family Physicians (SEMG)
43. Spanish Society of Nephrology (SEN)
44. Spanish Society of Neonatology (seNeo)
45. Spanish Society of Pulmonology and Chest Surgery (SEPAR)
46. Spanish Society of Clinical Neurophysiology (SENFC)
47. Spanish Society of Neurology (SEN)
48. Spanish Society of Paediatric Neurology (SENEP)
49. Spanish Society of Ophthalmology (SEO)
50. Spanish Society of Medical Oncology (SEOM)
51. Spanish Society of Radiation Oncology (SEOR)
52. Spanish Society of Otolaryngology and Head and Neck Surgery (SEORL CCC)
53. Spanish Society of Digestive Diseases (SEPD)
54. Spanish Society of Non-hospital Paediatrics and Primary Care (SEPEAP)
55. Spanish Society of Psychiatry (SEP) and Biological Psychiatry (SEPB)
56. Spanish Society of Rheumatology (SER)
57. Spanish Society of Paediatric Rheumatology (SERPE)

58. Spanish Sleep Society (SES)

59. Spanish Society of Blood Transfusion and Cell Therapy (SETS)

60. Spanish Transplant Society (SET)

61. Spanish Society of Thrombosis and Haemostasis (SETH)

62. Spanish Society of Pain (SED)

63. Spanish Multidisciplinary Pain Society (SEMDOR)

2

With regard to data protection, the Spanish Data Protection Agency (AEPD) has published the Code of Conduct of FARMAINDUSTRIA, as the regulator for the processing of personal data in the field of clinical trials and other research and pharmacovigilance, the first sectoral code approved by the AEPD.

3

Publication by the AEMPS of a new version of the Instructions Document for the conduct of clinical trials in Spain, with changes in Annexes I and II, clarifying that, as of 31 January 2022, the reporting of suspected unexpected serious adverse reactions (SUSARs) or annual safety reports to the health authorities of the Autonomous Regions will not be required.

All meetings of the working group also address six clearly defined topics:

- Inspection and audits
- Risk-management plans
- Master file
- Expedited reporting
- Periodic safety reports
- Patient support programmes and other initiatives

Finally, different meetings of the group included the Technical Advisor of the Inspection Area of Good Clinical Practice and Good Pharmacovigilance Practice, and the Head of the Pharmacoepidemiology and Pharmacovigilance Division of the AEMPS, respectively, who presented the main criteria for the inspection and the issues expected to be relevant in the coming months, such as facilitating the reporting and workload of suspected adverse reactions, improving access to FEDRA data, the use of real life data in regulations, and other matters.

10

Vaccines Working Group

Covid-19 vaccines continued to play a leading role throughout 2021, with their different facets thus being addressed within the Association. The Vaccines Working Group is primarily responsible for the regulatory and technical side of vaccines.

At the national level, population rates of calendar scheduled vaccines and also Covid-19 vaccines have been monitored. The group also coordinates with Vaccines Europe and therefore some aspects of the European agenda have been addressed, such as the state of play of the no-fault compensation system or the temporary suspension of patents for Covid-19 vaccines.

Information on documents and recommendations developed by Vaccines Europe was shared within the group, and issues related to access and funding were reported.

In addition, this working group invited representatives of the Directorate-General for Public Health (Director-General and Deputy Director-General) to attend. They presented the outstanding achievements and challenges in the area of vaccines and answered questions from the working group members.

Farma-Biotech Working Group

This working group works on goals such as promoting cooperation between the pharmaceutical industry, small biotechnology companies and public research centres, highlighting the differential, complementary aspect that FARMAINDUSTRIA can contribute.

In 2011, FARMAINDUSTRIA launched the Farma-Biotech cooperation programme and since then 21 interactive meetings have been held between the two sectors, mainly in such areas as the central nervous system, oncology, respiratory system, inflammation and autoimmune diseases.

Following a careful study, the most advanced projects were selected and invited to take part at a seminar to discuss the results obtained with various interested pharmaceutical companies. These seminars are of particular relevance both for pharmaceutical companies and for research groups.

The 21 meetings held to date involved 45 companies and 35 research centres and hospitals, presenting the advanced research projects selected for their innovation potential, while another 47 pharmaceutical companies with an interest in the projects were also represented. In total, more than 126 public and private sector agents.

Since the launch in 2011, 646 biomedical research projects have been analysed, with a total of 131 projects being selected, 81 of them promoted by Spanish start-up companies, and 72 by research centres and hospitals. This collaboration initiative has today driven advances in more than 56 new molecules which are at the development stage and are protected by patents.

Last year two online meetings were held on 28 April (monographic addressing only CSIC projects, as a sign of the increasing need for collaboration between the public and private sector to promote the progress of biomedical research) and 17 November 2021, presenting seven and six new research projects, respectively, led by small companies and Spanish public research centres that could receive a potential boost from collaboration with pharmaceutical companies.

This initiative has built a bridge between researchers and small biotech companies working on highly promising projects, and pharmaceutical companies that have the required resources and technology to embark on clinical research in an attempt to deliver new medicines to patients.

This working group likewise aims to promote instruments for public-private cooperation in R&D, hence the various meetings conducted with the CDTI (Centre for Technological and Industrial Development). Meanwhile, a very close eye is kept on all new funding rounds launched by the AEI (State Research Agency), as well as grants for R&D and innovation Projects under the 2021 Strategic Lines.

This working group also seeks to stimulate the participation of companies in national and international pharmaceutical R&D programs, especially the Innovative Medicines Initiative (IMI) and the actions of the Spanish Technology Platform for Innovative Medicines (PTEMI). One particularly important aspect here has been the engagement by companies at the various international public-private cooperation procedures launched to continue combining efforts in Covid-19 research.

In addition, the new Horizon Europe Framework Programme (2021-2027) will play a key role in public-private partnerships such as the continuation of the IMI, the Innovative Health Initiative (IHI), which aims to create a health ecosystem based on partnership with the pharmaceutical and medical technology industries.

This new intersectoral initiative includes the pharmaceutical industry, represented by EFPIA, Vaccines Europe and EuropaBio, together with medical technologies represented by COCIR and MedTech Europe. All these European associations, through a joint communiqué, welcomed the final adoption of its constitution, for the purpose of responding to prevention, diagnosis and treatment of medical conditions not currently covered (with a budget of €2.4 billion for this purpose).

As with its predecessor, IHI will in the coming months issue calls for public-private partnership projects according to the topics published in its strategic research agenda, issued at the end of 2021. Lastly, IHI will be aligned with other programmes, and will contribute to the achievement of the objectives of the European Beating Cancer Plan and European Pharmaceutical Strategy. FARMAINDUSTRIA is working with EFPIA on the monitoring and implementation of this new initiative.

BEST and Clinical Research Working Group

This working group, made up of more than 60 companies, focuses on the strategic aspects and promotion of competitiveness in clinical research in Spain, facilitating processes and improving the performance indicators according to Royal Decree 1090/2015 regulating clinical trials with medicines, medicinal product Research Ethics Committees and the Spanish Clinical Studies Register.

The working group also focuses on the regulatory and technical aspects of clinical research in connection with the Ministry of Health, the AEMPS and the Autonomous Regions, as well as dissemination in the field of biomedical research, in collaboration with hospitals and other organisations. In addition, together with the Patients Working Group, work has been performed on developing a guide with recommendations for the participation of adult and paediatric patients in R&D projects.

Spain is a global benchmark for the conduction of clinical trials to test the efficacy of new medicines developed by pharmaceutical companies. This is thanks to the collaborative work carried out for years by health authorities, hospitals, investigators, patients and the pharmaceutical industry, and which allows our country to participate in the most cutting-edge international trials, which particularly benefit patients.

The coronavirus pandemic has further highlighted the importance of biomedical research around the world, with Spain taking up a key role in the field of clinical trials into Covid-19 treatments and vaccines.

Since the start of the pandemic, pharmaceutical companies and hospitals in Spain have participated in more than 200 studies of potential treatments and vaccines, of which 70% are medicines authorised for other indications, 24% new molecules and 6% cell therapy. Twenty pharmaceutical companies associated with FARMAINDUSTRIA (national and international) are participating in a large part of these clinical trials and collaborating in other public initiatives. These trials involve professionals from more than 200 Spanish hospitals.

In addition to the above figures, almost one thousand new clinical trials were authorised in Spain in 2021, demonstrating the interest in maintaining activity in clinical trials for other diseases.

The Covid-19 Health Crisis has also placed the emphasis on the digital transformation of healthcare. Digital transformation has only just begun in this sector, and the way that this complements many in-person activities will progressively be improved and adapted as the various technologies are developed.

Particular mention should be made in this regard of the activity of the Spanish Data Protection Agency, which worked together with the AEMPS and FARMAINDUSTRIA to seek out a solution for the remote monitoring of trials, guaranteeing their continuity as in some cases they are the only therapy option available to patients.

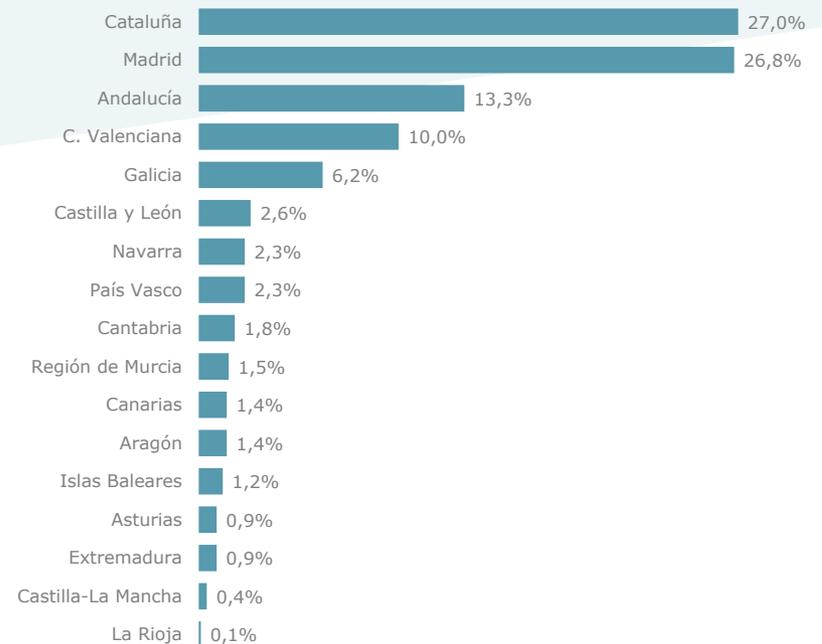
The adoption of ethical and legal measures allowing such activities to be conducted remotely serves to ensure that in the current epidemiological situation, research does not need to be suspended.

Over the last year, FARMAINDUSTRIA has continued to monitor and work with different hospitals on the implementation strategy for these measures, which led to the creation of an *ad hoc* Decentralised Clinical Trial Group to address issues such as:

- Delivery of investigational medicines to the patient's home
- MobileNursing service
- Satellite sites or collaborators
- Telemedicine
- Patient recruitment through different digital platforms and channels.

Proportional distribution of the pharmaceutical industry by region

Distribution by Region of the Clinical Trial Site Involvement (PCEC) of the pharmaceutical industry in the period 2016-2021.



The BEST Project, headed by FARMAINDUSTRIA, groups together the leading public and private agents comprising the medicinal knowledge generation and clinical research system in Spain. 61 pharmaceutical companies, 54 hospitals, 13 regions, 6 independent clinical research groups and 1 CRO. BEST aims to foster R&D investment, monitoring the situation of clinical research processes in Spain, identifying different practices and adopting measures intended to enhance efficiency and competitiveness.

The latest data collected in December 2021 have identified that the therapeutic area where the most clinical trials are performed is oncology (48%), followed by immunology. In addition, another important milestone in the evolution of global times in the pharmaceutical industry is the reduction of recruitment time, estimated at approximately 79 days.

Over the past year, this working group was hard at work monitoring Spanish and European legislative initiatives in the field of clinical research, in particular Regulation 536/2014, and Royal Decree 1090/2015.

Regulation (EU) 536/2014 establishes common procedures for the authorisation of clinical trials across Europe, urging Member States to cooperate in the assessment by adopting a single, common stance but otherwise leaves out of this cooperation inherently national aspects that require assessment by each Member State. The cornerstone for applying the new principles of this regulation is the development of the Clinical Trial Information System (CTIS), a portal managed by the European Union that became fully applicable on 31 January 2022. This initiative aims to simplify processes and speed up these studies, and consequently to ensure that new effective and safe medicines reach patients earlier.

To learn more about this new procedure, FARMAINDUSTRIA partnered with the AEMPS to organise working sessions in December 2021 and January 2022 for member companies and members of Medicinal Product Research Ethics Committees, at which more than 100 participants gathered. The Regulation provides for a three-year transition period.

Meanwhile, during 2021 FARMAINDUSTRIA continued to work actively on ensuring that the Document of Complementary Instructions to Royal Decree 1090/2015, of 4 December 2015, would correspond to the sector's needs, in particular during the Covid-19 pandemic. The last update of this document corresponds to version 16 dated 31 January 2022. In this case, the Association worked in coordination with the AEPD and the AEMPS.

Work was also conducted with the AEMPS and medicinal product Research Ethics Committees (mREC) to ensure that the annexes to the document are translated into English. All this information is available on the AEMPS website.

The most notable activities undertaken during recent months include the following:

1 Update to the Early Stage Clinical Research Units Guide.

The decision was taken to improve the operability of this Guide by creating an online application that will facilitate both publication and future data display and export. Currently, and after its publication in July 2021, it has information from more than 40 units from different public and private hospitals belonging to 11 Autonomous Regions. It should be noted that this guide received the 2021 E-nnova Health Award in the category of Digital Transformation, which encompasses all initiatives and projects that have dedicated efforts to digital transformation, with special consideration for those carried out collaboratively.

2

Publication of the new **Code of Conduct regulating the processing of personal data in the area of clinical trials and other clinical investigations and pharmacovigilance.**

In February 2021, the AEPD approved the first sectoral code of conduct since the entry into force of the General Data Protection Regulation (GDPR). The GDPR states that associations and bodies representing categories of controllers or processors may develop codes of conduct to facilitate effective implementation.

These codes are an element of voluntary self-regulation in response to the specific needs of the sector of activity that they regulate, providing guarantees for the rights and freedoms of individuals, and representing added value to the applicable regulations, and must be approved by the supervisory authority.

This new Code promoted by FARMAINDUSTRIA (which replaces the previous 2009 version and complies with the current regulations) represents a step forward in the protection of the data of those participating and involved in the activities regulated, and will serve to strengthen clinical research and pharmacovigilance.

The Code also establishes a mediation procedure, voluntary and free of charge, which allows for an agile response to any complaints that may be raised by the parties concerned against the signatory entities. Likewise, at the end of March 2022, the independent governing body was established to oversee proper compliance with the Code.

Although the scope is national, it aspires to be a European benchmark as the first code in this area approved in Europe. In this regard, at the meetings of the EFPIA Data Governance Working Group, FARMAINDUSTRIA actively participates by providing its experience in this field to draw up a Code of Conduct at the European level.



3 Publication of the **Excellence Guide for the conduct of clinical trials in Hospital Pharmacy**. This Guide originates from the Guideline Criteria for Excellence in the conduct of clinical trials published in May 2020. In order to develop recommendation number 8 of this document, which states the importance of the commitment and participation of Pharmacy Services, a working group was set up with representatives of the Spanish Society of Hospital Pharmacy (SEFH) and companies belonging to FARMAINDUSTRIA.

The publication, which took place on 5 April 2022, aims to:

- Combine criteria
- Improve communication
- Harmonise and digitalise processes in conducting clinical trials at Hospital Pharmacy services.
- Respond to the challenges of maintaining and improving competitiveness in Spain as an international benchmark for medical research



Within the realm of the **interrelationship with patient groupings**, numerous activities have been developed, as described in the subsection on the PTEMI (Spanish Technological Platform for Innovative Medicines) in this Annual Report.

Legal Services Working Group

As in previous years, the efforts of this working group were confined to monitoring all legal issues of interest to associated companies. The monthly frequency of meetings was maintained, as well as daily communication of matters of a legal nature (covering EU, national and regional regulations and case law), and reports of interest to the sector.

Aside from the rules enacted in the context of the health crisis, and of the actions carried out at institutional level with legal implications, the working group also gathered information on such issues as the following:

1

Within the framework of the IPT Consolidation Plan, officially launched in November 2020, the Association carried out different actions, such as the filing of an administrative law appeal, arguing that the aforementioned Plan reflects the nature of a regulatory provision adopted without the mandatory procedures for its preparation, in addition to containing certain aspects requiring clarification, in matters such as the procedure (dates and deadlines for processing), prioritisation (meaning and scope thereof with regard to the pricing and reimbursement procedure), the list of prioritised medicines, the selection criteria, the identity of the experts involved in the hubs, etc. Likewise, a number of working documents were prepared and submitted to the Ministry of Health, mainly aimed at improving the procedure for the pricing and reimbursement of medicines currently applied in Spain's National Health System, in order to promote rapid patient access to therapeutic innovations.

2 In relation to the above point, with regard to transparency, all complaints considered appropriate were filed with the Board of Transparency and Good Governance in order to ascertain the various decisions adopted within the Pharmacy Standing Committee and the Interministerial Committee on Prices of Medicinal Products, due to their impact on the policies developed regarding pharmaceutical provision.

3 In the field of public procurement, all dossiers for the supply of medicines tendered at the national and regional level were monitored, including in the clauses of their specifications aspects contrary to the regulatory framework for public procurement, such as the inappropriateness of award criteria favouring some companies to the detriment of others, the obligation to send a grouped list of unique identifiers of medicines or grounds for termination of contracts not provided for in the applicable regulations, undertaking the corresponding actions in the institutional and legal sphere to rectify them.

In addition to the above, all hearing procedures initiated at the state level (State Public Health Centre Law, Royal Decree on Magistral Formulas, Reference Prices Order 2021, Order on Service Portfolio, Digital Health Strategy) and at the regional level (Pharmacy Law of the Madrid Region, Law on the Professional Association of Healthcare Technical Information Agents of Extremadura, Order on the Therapeutic Integration and Optimisation Programme of the Valencia Region, etc.) in which observations were submitted, in addition to the different parliamentary procedures (PGE 2021, Business Growth Law, Science Law) through the preparation of amendments.

The group was also informed of all new developments regarding labour law or data protection (both issues developed in other chapters of this Annual Report), as well as EU, national or regional court decisions of relevance for the member companies.

14

Tax Working Group

This working group permanently analyses and monitors those issues that have tax implications for the pharmaceutical sector.

At the beginning of 2021, the traditional Annual Taxation Changes Seminar was held, open to all members and attended by numerous managers in charge of tax and finances from the pharmaceutical companies. The main tax measures enacted during the pandemic, as well as regulatory developments in this area, were discussed. In turn, the measures included in Law 11/2020, of 30 December, on the General State Budgets for 2021, addressed the issue of VAT in consignment deliveries and the effects of the end of the Brexit transitional period, and provided a review of the most relevant jurisprudence and decisions in the tax field.

Meanwhile, the group has been conducting a thorough analysis of the extensive national and EU regulations that processed and published throughout the year, including:

- The CbCR reports on inter-country information exchanges under the OECD BEPS agreements.
- The 2022 Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD).
- Law 11/2021, of 9 July, on measures to prevent and combat tax fraud.
- Royal Decree 243/2021 of 6 April (DAC 6).
- The extension of VAT tax measures for intra-EU deliveries, imports and acquisitions of goods intended to combat Covid-19.

Particular mention should be made of the group's close monitoring of the processing of Law 22/2021, of 28 December, on the General State Budget for 2022, the text of which contains some relevant measures included in the 2022 Budget Plan submitted by the Government to the European Commission. Throughout its processing, the Association presented arguments and proposed amendments on several aspects, among others those intended to mitigate the impact on the R&D+i deduction following the introduction of minimum corporation tax.

The latter measure is closely related to the agreements reached under the OECD and G20 Inclusive Framework on BEPS, in particular those concerning the Global Rules against Base Erosion (GloBE), published in December 2021. In this regard, more than 130 countries and jurisdictions (including Spain) have joined a Declaration establishing a new framework for international tax reform, structured into two pillars to address the tax challenges arising from the digitalisation of the economy.

These pillars are aimed at reforming international tax regulations and ensuring that multinational companies pay taxes where they operate and make profits (Pillar 1), and establishing a minimum worldwide rate of 15% for Corporation Tax (Pillar 2). The developments in this Plan, which is expected to be launched globally from 2023 onwards, are being monitored by the working group, as are the two proposed directives of the European Commission (presented in December 2021), which take as their starting point the aforementioned OECD and G20 efforts for the establishment of an overall minimum tax of 15% (Pillar 2) and the communication on business taxation of the 21st century (revision of the ATAD Directive).

In parallel, the outcome of the work of the Committee of Experts appointed by the Government in compliance with component 28 of the Government's Recovery, Transformation and Resilience Plan was monitored to draft the White Paper on Tax Reform, containing 118 proposals, including those on the desirable improvement of R&D+i taxation.

Elsewhere, an exhaustive analysis has been conducted of both the Green Paper amending Law 38/1992, of 28 December, on Excise Duties, and the draft Royal Decree amending the Regulation on these taxes, which were still being processed when this Annual Report went to press. With regard to the latter, the Association has presented the relevant arguments in an attempt, among others, to simplify the formal obligations that will be imposed on keeping and supplying accounting records for the Excise Duty on Alcohol via the AEAT online portal, which has implications for the management of the exemption regarding the manufacture and import of alcohol intended for the manufacture of medicines.

Within the scope of the aforementioned Excise Duties, the party closely monitored the processing of Law 7/2022, of 8 April, on waste and contaminated soil for a circular economy, in which Title VII includes, among others, the creation of the Special Tax on non-reusable plastic packaging, which will enter into force on 1 January 2023.

Although the regulation provides for exemption from tax in the case of the manufacture, import or acquisition of semi-finished plastic packaging and products within the EU where intended for use in relation to medicines or medical devices, it also sets out a number of formal tax management obligations to be fulfilled by the respective taxpayers, as manufacturers, intra-EU purchasers or importers.

Lastly, and also with regard to excise duties, the group is monitoring the processing of the Green Paper on the Tax on Fluorinated Greenhouse Gases, which provides for the modification of the tax in many respects, and on which the Association has submitted comprehensive arguments to the AEAT regarding the exemption from taxation of these gases in relation to their use in medicines presented as metered-dose aerosols for inhalation.

Throughout the year, the group has received timely information of all the case law of tax relevance for the sector, as well as of the legal doctrine published by the AEAT, the updating of information regarding the Immediate VAT Information System ('SII') and the publication of resolutions of interest, such as that regarding the AEAT 2022 Annual Tax and Customs Control Plan.

There was in turn permanent contact with the CEOE Tax Committee, analysing together with the working group those regulatory projects submitted by the organisation, so as to channel the relevant observations.

Human Resources Working Group

In 2020, within the context of the pandemic the activity of this working group increased significantly, a situation which was maintained throughout 2021, with members being informed almost daily of all relevant information by email, as well as holding monthly meetings.

One of the functions of this working group is to publicise all the European, national and regional regulations of interest, and it therefore reported on a daily basis all the most relevant issues.

The regulations reported notably include those related to ERTES, pensions, minimum wage, gender gap, consumers, transparency, professional skills, personal data, remote work, working hours registration, Covid-19 support measures, competition and complaint channels. Meanwhile, regional regulations were also reported, particularly those on public health measures for the containment of Covid-19, with a particular focus on Madrid and Cataluña.

In addition, during 2021 an updated document with all occupational risk prevention regulations in relation to Covid-19 at both the national and regional levels was sent to the working group, and updates on the Ministry of Health's Strategy for early detection, monitoring and control of Covid-19, the Vaccination Strategy against Covid-19 in Spain, and the Procedure for action for occupational risk prevention services against exposure to Sars-CoV-2, were all monitored. Another constant feature of information during the year referred to the suspensions and reopenings of medical visits in the Autonomous Regions, due to the context of the pandemic, a critical aspect for the human resources of the companies.

The group was also informed of all European and national case law that may have relevance in the field of employment. Among others, and in addition to those related to Covid-19, all aspects concerning layoffs, personal benefits, subcontracting, teleworking, effective working time, video surveillance, recording of telephone conversations at work, geolocation or substantial modification of working conditions. In particular, we would highlight the analysis of national and European case law related to the consideration of effective working time in relation to the new Working Hours Registration obligations in order to help interpret this concept, particularly within the context of the company's medical visitor or travelling staff.

One of the most important issues during the year was the negotiation of the 20th General Chemical Industry Collective Agreement for the years 2021, 2022 and 2023, in which FARMAINDUSTRIA participated through FEIQUE and which is mentioned in a specific section of this Annual Report.

The working group constantly analysed new models for organising working hours following the emergence of teleworking in some cases as a total or complementary alternative to on-site attendance at the workplace.

Likewise, aspects relating to the reorganisation of on-site attendance were analysed due to the measures or recommendations established by the national and regional authorities as to safe distancing, the use of facemasks and other measures such as temperature checks on entry or vaccination (particularly the impact of these practices for data protection and the instructions issued by the AEPD in this regard). Lastly, a survey was conducted at the working group last February to ascertain the current and potential needs of professionals with higher or medium-level vocational training, as well as possible changes in such qualifications or the need to create new vocational qualifications to meet the needs of the industry.

At the end of the year, one of the most significant issues was the Employment Law Reform published by Royal Decree-Law 32/2021, of 28 December, with a particular impact on recruitment, furlough schemes or collective bargaining, where the indefinite continuation of collective agreements was established unless otherwise agreed, as well as the prevalence of the sectoral agreement over company agreements on working hours and salaries.

Code of Good Practice Working Group

With the help and collaboration of the working group members, for the sixth year running transfers of value to healthcare organisations and professionals were published for the financial year 2020. It should be noted that 100% of transfers of value to healthcare professionals have been published individually for four years. We remain the only country in the European Union whose Self-Regulation System publishes all transfers of value on an individual basis.

This is an initiative that has not only consolidated its position over the years, but is also seen as an increasingly natural and normal process on the part of society as a whole and the main stakeholders (healthcare organisations and professionals).

The activity of this group focused mainly on the monitoring, analysis and resolution of the main incidents arising from the entry into force on 1 January 2021 of a new version of the Code, as well as the updating, review, improvement and approval of two new versions thereof, motivated by legislative changes and a court ruling on such a vital matter for the industry as the moment from which the promotion of a medicine or a new indication can begin, and which is discussed in other sections of this Annual Report.

In line with the model adopted in the previous year, and bearing in mind that compliance with the Code of Good Practice remains one of the Association's main goals, it was decided to maintain a Strategic Committee, which provides the Code of Good Practice working group with timely reports as to its decisions. The collaboration and dedication provided by the members of this Committee proved fundamental not only in such significant aspects as those detailed above, but also issues of a more institutional and strategic nature.

International Working Group

The International Working Group was set up for the purpose of conducting an analysis at the Association of the priorities and positioning of EFPIA and IFPMA and contributing to the design of the strategy and action plan of the pharmaceutical industry in Spain to champion these priorities.

The issues addressed by this working group, regarding which information was provided in previous sections of this Annual Report, include in particular:

- 1 European and international initiatives affecting the productive model of the innovative pharmaceutical industry, mainly the European Pharmaceutical Strategy.
- 2 The debate within the World Trade Organisation as to the waiver of patents for anti-Covid-19 products.
- 3 The adoption of the European HTA Regulation.
- 4 Monitoring of the meetings of the Council of Health Ministers (EPSCO Council) and the initiatives of the Directorates-General for Health, the Internal Market, Competition, and the working agenda of the European Commission.
- 5 The implementation of HERA.

17

Relationships with Autonomous Regions Working Group

The aims of the working group on Relationships with Autonomous Regions, comprising 65 companies, include the following:

- 1 Monitor relevant pharmaceutical and healthcare policy initiatives in the various Spanish Autonomous Regions.
- 2 Strengthen dialogue and collaboration with public authorities.
- 3 Promote balance in the healthcare system to allow patient access to pharmacological treatments and the development of industrial activity.
- 4 Consolidate alliances with the different agents in the healthcare sector to achieve common goals, with a special focus on healthcare professionals.
- 5 Set up a regional early-warning system to detect and monitor regional prescription-dispensing policies.

This working group receives detailed information of interest on aspects of health and pharmaceutical policy that occur both nationally and regionally and affect access to pharmaceutical provision, such as healthcare and pharmaceutical budgets and expenditure, prescription and dispensing policies, R&D+i, with an especial focus on regulatory developments and specific regional initiatives that may jeopardise fair access and market unity.

Meanwhile, this working group collaborates in drawing up thematic and situational reports on the Autonomous Regions, information and consultation tools as to the regional situation, which are available to members on the FARMAINDUSTRIA website.

Trademark Protection Working Group

Trademark protection remains one of the Association's strategic focuses. During the past year, this group monitored the actions carried out by the competent authorities in the field of medicines, confirming that the conditions for prescription and dispensing of branded medicines were carried out in accordance with current legislation.

The group remains attentive to the actions of the competent authorities, especially with regard to possible modifications of the different prescription modules.

Incremental Innovation Working Group

This working group has been in operation since January 2020 with the aim of highlighting the importance of continued improvements to out-of-patent medicines. During the past year, the established action plan and communication strategy have been developed to inform society about this type of innovation, which primarily seeks to incorporate modifications or improvements to existing medicines for the benefit of patients and the healthcare system.

Incremental innovation has various aspects, such as the incorporation of better administration devices (including digital ones), combinations of medicines to improve adherence, repositioning of medicines for unmet needs, etc. The main disadvantage of this type of modification is that it must be accompanied by a regulatory specificity that, in cases where these presentations of medicines are of interest to the NHS allows recognition of this interest so as to maintain financing taking into account the value of the medicine and not its mere content in terms of active ingredient. This is essential in order for companies to undertake this type of research, and FARMAINDUSTRIA is working on a series of targeted proposals to this end.

Medical Visit Working Group

This ad hoc working group was set up in 2020 with the aim of monitoring the situation with medical visits, which, as indicated in other sections of this Annual Report, were subject to an almost total restriction in the Spanish regions from mid-March 2020 onwards.

Following the preparation and dissemination of the Safety Protocol, which received a very favourable assessment by the regional authorities and which has been a key element in the progressive resumption of medical visits in Spain, the working group was established as a permanent fixture.

Aside from closely monitoring the medical visits situation, the group is also involved in producing and validating a situational chart indicating the main regional restrictions for the staging of congresses, seminars, workshops and scientific meetings, as well as the position regarding medical visits in each region of Spain.

These reports are periodically updated and are available to all members via the FARMAINDUSTRIA website.

This working group currently involves 50 pharmaceutical manufacturers, continuing efforts to monitor the situation with medical visits in the different Spanish Autonomous Regions, along with contact with regional figures of authority and healthcare informer and visitor associations.

Communication and Corporate Social Responsibility Working Group

The content of this working group is discussed in the section of this Annual Report addressing Communication.

Patients Working Group

The content of this working group is discussed in the section of this Annual Report addressing Communication.

Cybersecurity Working Group

The main aim of this working group is to serve as a forum for the IT managers of member manufacturers, so as to share problems, incidents and solutions, in particular from the perspective of cybersecurity.

In its initial steps, this task force established channels of communication with national cybersecurity institutions. These communication routes currently remain open and operational.

Cybersecurity in the research and IT teams of companies (with the collaboration of the CCN) or Royal Decree 43/2021 on Network and Information Systems Security, were other topics addressed by this working group.

Barcelona Delegation

The FARMAINDUSTRIA Delegation in Barcelona performs territorial representation functions of the Association in Cataluña, maintaining direct liaison with the Catalan public and health administration, social agents and business organisations. In turn, it represents FARMAINDUSTRIA on the Governing Bodies of other Federations (both the chemicals sector and multi-sectoral) and participates at meetings with member status. In the field of training, it also collaborates with regional academic institutions in the design of sectoral programmes for continuing training.

Presiding over all its activities, the Delegation focuses its work on serving members, exercising advisory and resolution functions for different types of consultations with the member laboratories in general, and those based in Cataluña in particular.

It also offers specific support to FARMAINDUSTRIA Statutory Groups, such as the Joint Group and the National Group, performing technical secretariat functions at the meetings of the latter, coordination of the group's own initiatives and management and updating of information of interest for the national member companies.

In turn, the Delegation coordinates several existing Working Groups at FARMAINDUSTRIA and undertakes cross-functional and multidisciplinary collaboration with the other departments of the Association, jointly managing matters of sectoral interest and resolution of specific consultations with members while providing technical and administrative support to other working groups and departments on the subject.

member services_04

4.1 Online Services

4.2 Working Groups / Barcelona
Delegation

4.3 Spanish Technological
Platform for Innovative Medicines

4.4 Self-Regulation Systems

After running for over 16 years, the Spanish Technology Platform for Innovative Medicines (PTEMI) has been consolidated as an initiative promoted by the pharmaceutical industry in collaboration with academic institutions, researchers and public administrations to promote pharmaceutical R&D in Spain.

The PTEMI is the Spanish reference point for the Innovative Medicines Initiative (IMI), an initiative of EFPIA and the European Commission to promote research into new medicines, which seeks to strengthen Europe's position in pharmaceutical research, make Europe more attractive for research investment, and, in the long term, provide European citizens with faster access to better quality medicines. In February 2021, the European Commission published the creation of the Innovative Health Initiative-IHI, a continuation of IMI, which aims to create a health research and innovation ecosystem focused on cross-sectoral projects involving the biopharmaceutical, biotechnological and medical technology sectors, including companies in the field of digital health.



The key activities undertaken by the PTEMI in 2021 include the BEST Project for excellence in clinical research, which proved a fundamental tool in making Spain one of the leading European countries for conducting clinical trials (see the subsection on the BEST working group for excellence in clinical research in this Annual Report), alongside the Farma-Biotech Cooperation Programme launched in February 2011 with the aim of facilitating collaboration between the pharmaceutical industry and the biotech sector in Spain, likewise discussed at length in this Report.

The Farma-Biotech cooperation programme has held 21 meeting days aiming to promote collaboration, expressly looking for projects with a real capacity to offer a high innovative potential and with reasonable expectations of achieving commercial success in the medium term. The programme therefore aims to contribute to the efficient exchange of information and to facilitate personal familiarity among the various actors.



**After more than
16 years, the
Spanish
Technology
Platform for
Innovative
Medicines
(PTEMI) serves
as a flagship in
promoting
research into
new medicines.**

Member services – 4.3 Spanish Technology Platform for Innovative Medicines (PTEMI)

Day	Date	City	Location	Therapeutic area	Number of projects submitted	Research Site and Hospitals	Small biotech companies	Participating pharmaceutical companies
Day 1	Feb-11	Barcelona	Farmaindustria HQ	Central Nervous System	6	0	6	19
Day 2	Apr-11	Barcelona	Farmaindustria HQ	Oncology	8	0	8	13
Day 3	May-11	Madrid	Farmaindustria HQ	Oncology	7	1	6	14
Day 4	Jul-11	Madrid	Farmaindustria HQ	Various areas (1)	9	0	9	14
Day 5	Mar-12	Barcelona	Farmaindustria HQ	Various areas (2)	7	4	3	14
Day 6	Jun-12	Zaragoza	Aragón Health Service	Various areas (3)	5	3	2	6
Day 7	Sep-12	Bilbao	BioSpanin 6th international meeting	Oncology	6	0	6	Open meeting
Day 8	May-13	Madrid	Farmaindustria HQ	Various areas (4)	6	1	5	12
Day 9	Jul-13	Barcelona	Farmaindustria HQ	Central Nervous System	7	4	3	7
Day 10	Nov-13	Madrid	Farmaindustria HQ	Various areas (5)	7	5	2	10
Day 11	Jul-14	Madrid	Farmaindustria HQ	Various areas (6)	8	7	1	10
Day 12	Sep-14	Santiago de Compostela	BioSpanin 7th international meeting	Various areas (7)	10	3	7	Open meeting
Day 13	Sep-15	Barcelona	Farmaindustria HQ	Central Nervous System	8	3	5	15
Day 14	Nov-15	Madrid	Farmaindustria HQ	Various areas (8)	8	7	1	11
Day 15	Nov-16	Madrid	Farmaindustria HQ	Various areas (9)	8	6	2	12
Day 16	Nov-17	Madrid	Farmaindustria HQ	Various areas (10)	6	5	1	9
Day 17	Nov-18	Madrid	Farmaindustria HQ	Various areas (11)	9	3	6	16
Day 18	Oct-19	Madrid	Farmaindustria HQ	Various areas (12)	7	5	2	13
Day 19	Nov-20	Not applicable	Electronic media	Various areas (13)	8	6	2	17
Day 20	Apr-21	Not applicable	Electronic media	Various areas (14)	7	6 (CSIC)	1	16
Day 21	Nov-21	Not applicable	Electronic media	Various areas (15)	6	3	3	12

- (1) Respiratory, Inflammation, Infectious Diseases, Nephrology and Dermatology
- (2) Inflammation, Infection and Respiratory System
- (3) Oncology, Hepatitis C, Pulmonary Fibrosis and Infectious Diseases
- (4) Oncology, Tuberculosis and sleep disorders
- (5) Immunotherapy and Cardiovascular
- (6) Inflammation, Immunotherapy and Oncology
- (7) Central Nervous System and Oncology
- (8) Oncology, Immunotherapy, Haemorrhage, Cardiovascular, Osteoporosis, Diabetes and Hepatitis
- (9) Oncology, Pulmonary Hypertension, Steatohepatitis and Atopic Dermatitis
- (10) Oncology, Nephrology, Parkinson's and Gene Therapy
- (11) Oncology, Central Nervous System and Dermatitis
- (12) Oncology, Pulmonary Hypertension, Infectious and Autoimmune Diseases
- (13) Vaccines, Oncology, Central and Peripheral Nervous System
- (14) Oncology, Central Nervous System, Infection, Circulatory
- (15) Oncology, Ophthalmology, Infection, Fibrosis, PCOS

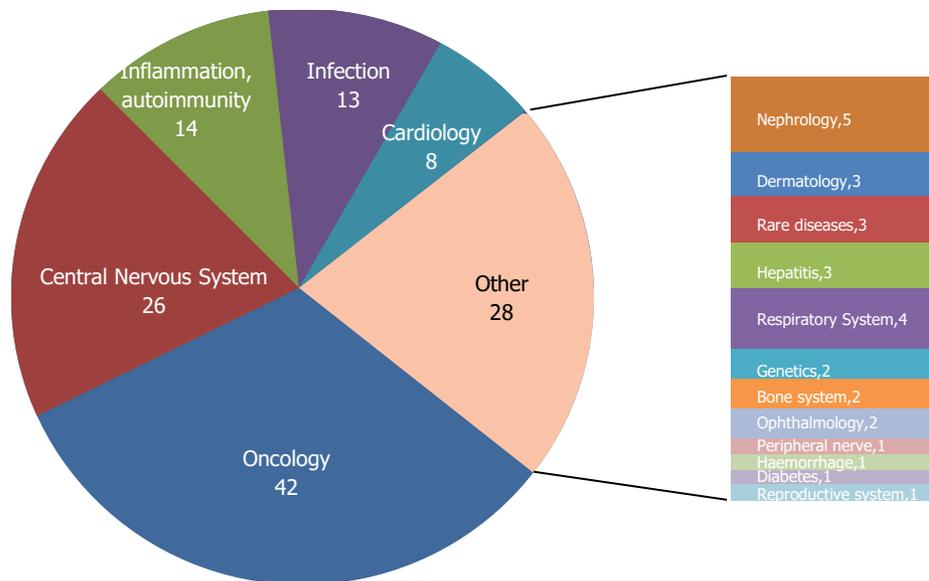
Milestones achieved in the period 2011-2021:

- **21** days in 5 different cities and one online
- **127** participating agents (47 pharmaceutical companies, 45 small biotechnology companies, 35 public research centres)
- **56** new molecules under development protected by patents
- **646** new medicine developments reviewed
- **131** developments selected and presented
- **153** presentations made, 22 of them from the same project at more advanced stages

The therapeutic area most often repeated among the projects presented was oncology (42 projects), which coincides with the general picture of the efforts being made in the field of research into new medicines. We would secondly emphasise the field of neuroscience (26 projects) and, thirdly, inflammatory and autoimmune diseases (14 projects).

However, projects in other therapeutic areas have been selected for submission to the pharmaceutical industry, expressly prioritising their innovative capacity and degree of development. All presentations are available on the website: www.medicamentos-innovadores.org.

Therapeutic Area Addressed in the Projects Presented



The PTEMI performs much of its work in the field of dissemination and promotion of activities addressing all agents in the science-technology-enterprise system via the platform website, www.medicamentos-innovadores.org, which is updated daily. Meanwhile, a monthly newsletter is published to be sent out to the more than 2,000 people expressing an interest in PTEMI activities.

128 editions of this newsletter had been published by April 2022, covering the main news items and events of interest in biomedical research.

The 14th Annual Conference of Technological Platforms, co-organised by FARMINDUSTRIA, Asebio, Nanomed, Fenin and Veterindustria, was held remotely on 11 and 12 May 2021 under the slogan: "Biomedical Research: Opportunity for the Country After the Covid-19 Pandemic".

The coronavirus pandemic has revealed the importance of biomedical research worldwide. Spain was already one of the world's leading countries in medicine research, a result of the collaborative work carried out by health authorities for years,

hospitals, researchers, patients and the pharmaceutical industry, and it remains an opportunity, not only as an economic sector, but as a country, since we must not forget that biomedical research, together with ecological transition and digitalisation, are key vectors for the future of our society.

In this edition more than 700 people attended lectures and panel discussions remotely, with record numbers registering at all editions.





16 years after the launch of PTEMI, now is the time to make improvements to maintain Spain's progress in clinical research. This demands that commitments be made, such as digitalising clinical research processes, driving remote monitoring, or facilitating delivery of medicines to the patient's home. At the same time, precision medicine tools should be introduced and new clinical trial designs encouraged to optimise development times.

Of particular significance in this area were the various seminars, meetings and publications seen in the fields of paediatric research, clinical research at early stages, research into rare diseases, criteria of excellence to conduct clinical trials, as well as recommendations for patient participation in the R&D processes of medicines.

Initiatives were likewise launched to advance excellence and prove more competitive in response to the full implementation of the EU Regulation on clinical trials, since administrative issues potentially affecting clinical trial launch times often play a vital role.



FARMAINDUSTRIA has maintained an active line of work with the AEPD and the AEMPS to advance issues regarding remote monitoring with source data verification, as well as issues regarding the legal basis and legal position of the parties in the conduct of clinical trials. To provide answers, the AEPD published a report clarifying that trial monitoring is a legally required activity and the monitor is the qualified professional chosen by the sponsor to guarantee his/her obligation to directly monitor the conduct of the trial in accordance with Article 40 of Royal Decree 1090/2015. Since the sponsor already signs a contract with each participating site, this contract must be understood to cover all activities involved in the conduct of the trial.

The necessary separation of functions established by clinical research legislation, clearly distinguishing between research activities performed at a given site by the trial investigators, and monitoring activities, cannot be conditioned by the instructions of said site to the monitor as to trial monitoring.



This applies without prejudice to the precautions that each site may adopt regarding the access and use of its facilities by third parties, including authorisation to access identifying data and the clinical history of trial subjects. In this regard, the site may request, if it deems appropriate, the signature of a document whereby the monitor undertakes to maintain the confidentiality of the personal data to which they have access.

This type of monitoring is now a reality in some hospitals in Spain, which has undoubtedly led to progress in the control processes of clinical trials.

Within the scope of pre-clinical research, the PTEMI collaborates with REDEFAR (Spanish Medicine Discovery Network) on the start-up of the strategic plan for the network to consolidate this as an inclusive and cross-functional platform. REDEFAR is a network of excellence of the Ministry of Economic Affairs and Digital Transformation, with the mission of serving as an instrument to create a coordinated structure within Spain covering the different stages of the early discovery of pharmaceutical products, seeking out added value at each stage and reducing the risk intrinsic to this type of activity, with an innovative approach better aligned with the demands of the pharmaceutical and biotech industry.



In the field of preclinical research, PTEMI collaborates with the Spanish Medicine Discovery Network (REDEFAR) to implement its strategic plan

Given the importance of pre-clinical research, the PTEMI is intended to continue this line of collaboration and to participate in meetings with different organisations. During 2020 a line of collaboration was begun with the CSIC, enabling the organisation of a Pharma-Biotech cooperation meeting with CSIC research groups in late April 2021.

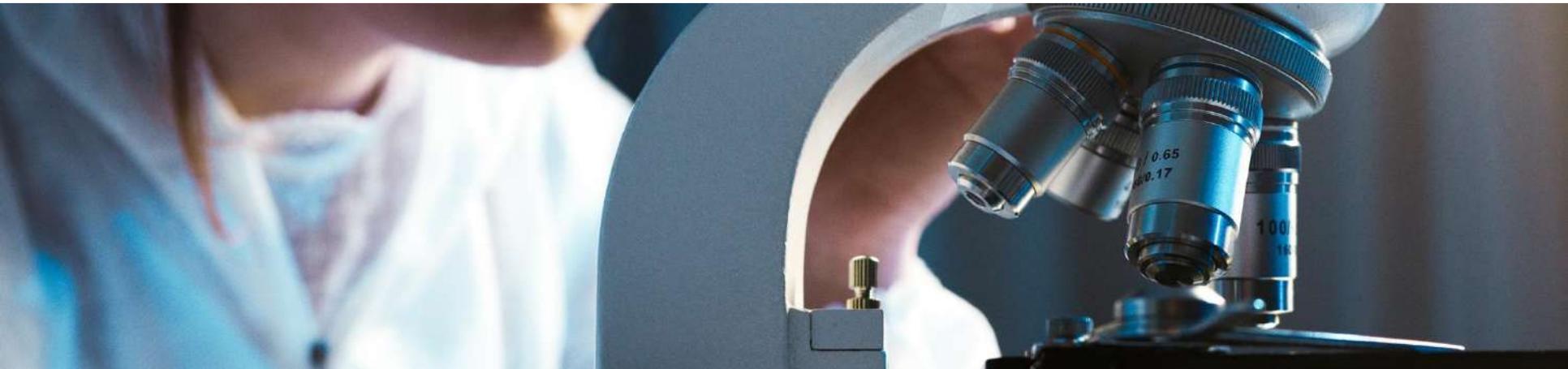
Work is also being carried out on an analysis and proposals document to promote a debate capable of generating a qualitative leap forward in the configuration of preclinical research in Spain and trying to provide answers to the gap between the high level of scientific effort made by the country in basic research and the scant exploitation of the results generated by such research.

In the field of the interrelationship with patient groupings, extensive work has been performed in the areas described in the document of recommendations for structuring participation by patients and patients associations in the process of pharmaceutical R&D.



The document may be summarised in terms of eight main areas:

- 1 Identification of needs not covered and definition of research priorities.
- 2 Generation of materials for patient information and education about medicinal R&D.
- 3 Explanation of medicinal R&D for patients and society at large.
- 4 Participation in the authoring of protocols for clinical trials and informed consent forms.
- 5 Search for and publicising of clinical trials of interest for each pathology.
- 6 Participation in the preparation and authoring of executive summaries of clinical trials (or lay summaries).
- 7 Collaboration in the recruitment of patients to take part in clinical trials.
- 8 Patient bodies with an interest in participating in industrial R&D activities.



Likewise, member companies of FARMAINDUSTRIA have worked together with Hospital Sant Joan de Dèu (HSJD), the Kids Barcelona Group, the Spanish Network of Paediatric Clinical Trials (RECLIP) and the Spanish Paediatric Association (AEP) to adapt these recommendations to the paediatric population. This resulted in the Paediatric Patient R&D Guide, which aims to ensure the research process for new medicines aimed at treating children, focusing on this patient profile and maintaining close relationships with them. It is a unique guide in the European context and once again reinforces Spain's leading role in the field of medicinal research in an international context. The Guide presentation event took place in October 2021 at the HSJD.

In this regard, numerous workshops have been organised and disseminated in the field of patient participation in the development of medicines,

especially in paediatric research and rare diseases, as well as in relation to public-private partnership in biomedical research and other issues related to the digitalisation of clinical trial processes to make them more efficient.



Meanwhile, work was performed on a new Code of Conduct for Data Protection in Clinical Research and Pharmacovigilance, in accordance with the Spanish Law on Personal Data Protection and Guarantee of Digital Rights. The new Code interprets the law in accordance with the General Data Protection Regulation (GDPR) with regard to:

- 1 Data processing in biomedical research.
- 2 Extensive consent.
- 3 Reuse.
- 4 Legal basis for processing of personal data connected with the clinical trial, within the protocol, or uses outside the protocol.

This Code is extensively discussed in other sections of this Annual Report.



Meanwhile, during 2021 the PTEMI was heavily involved in different national and international forums as to the promotion of biomedical R&D, and organised specific workshops and seminars addressing issues of interest for agents in the sectoral science-technology-enterprise system, including in particular:

1 | **BIOSPAIN.** The PTEMI actively participated in the 10th edition of the biotech fair BioSpain organised by the Spanish Association of Biocompanies (Asebio), held on 29 September 2021, where FARMAINDUSTRIA held a round table discussion dedicated to the challenges of preclinical research in Spain. It addressed some of the bottlenecks surrounding pre-clinical research leading to deficiencies in Spanish public research systems in transferring the result of their efforts from basic research to a point where it is attractive to the pharmaceutical industry.

2 | **European Forum for Science, Technology and Innovation: Transfiere.** Active participation at the 11th edition of this forum, both at the preparatory meetings as part of the Organising Committee, and in the organisation of the round table: Update on the status of transfer in projects derived from the health situation, held on 16 February 2022. This is the main R&D+i meeting in southern Europe for sharing scientific and technological knowledge, promoting innovation and connecting science and business through knowledge transfer, improving competitiveness in the business sector and generating business opportunities and networking.



3 AEMPS Sand Box – Testing with Sponsors. Training in the new regulation: CTIS.

FARMAINDUSTRIA worked jointly with the AEMPS on this programme to explain and demonstrate the functionalities of the *Clinical Trial Information System* (CTIS), harmonising the processes for the submission, evaluation and monitoring of clinical trials, in relation to their use by the sponsors.

4 Digital challenges in the management of clinical trials.

The Covid-19 crisis has highlighted the importance of the digital transformation of the health sector, in terms of both healthcare and medical research. Within this sphere, remote monitoring with source data verification has played a vital role, with FARMAINDUSTRIA working together with the AEPD and AEMPS to ensure that such monitoring can be undertaken with full guarantees for patients.

5 Training of baccalaureate students. “Bringing Science into Schools” programme.

Since 2016, in collaboration with the Jiménez Díaz Foundation, Sant Joan de Dèu Hospital and the Málaga Maternity and Infant Hospital, alongside the IBIMA (Málaga Biomedical Research Institute), activities have been conducted to explain medicinal R&D to baccalaureate students. These training days were held in the months of November and December in online format, focusing on the R&D of new Covid-19 vaccines, with more than 2,500 baccalaureate students taking part. The information conveyed through these activities addresses the full extent of the R&D process for new medicines: from the identification of therapeutic targets and animal experimentation to pharmacovigilance, alongside clinical trial stages, lead times and the required investment. Mention is also made of the need for public-private partnership to successfully conclude such research initiatives.

Since the establishment of the PTEMI, the Coordination Committee has met annually. The last meeting (November 2021) conducted an in-depth review of the Platform's activities in the field of pre-clinical and clinical research, big data, internationalisation and dissemination initiatives.

The PTEMI stands out for its open nature, allowing access to all interested organisations, through open registration via the Platform website.



member services_04

4.1 Online Services

4.2 Working Groups / Barcelona
Delegation

4.3 Spanish Technological
Platform for Innovative Medicines

4.4 Self-Regulation Systems

SELF-REGULATION SYSTEM OF THE PHARMACEUTICAL INDUSTRY IN SPAIN

On 1 January 2021 a new version of the Code of Good Practice of the Pharmaceutical Industry took effect, including, among others, the following new developments and improvements:

- 1 Reference to the principles and values governing the industry's Self-Regulation System.
- 2 A new Annex III including recommendations for information activities on medicines requiring prescription and relations with the media.
- 3 Clarifications and specifications of the responsibility of pharmaceutical companies in the digital sphere and in the use of social media.
- 4 Additional criteria and operational guidelines applicable in connection with services provided by healthcare professionals or healthcare organisations (new Annex IV).
- 5 Harmonisation of certain activities or practices in the sphere of the interrelationship with patients organisations.
- 6 Update to the procedures for communication of meetings, market research studies and projects.
- 7 Revision of the Queries (FAQ) document of the Code, incorporating six new questions and reformulating seven (Annex V).

With the approval and entry into force of this new version of the Code, FARMAINDUSTRIA, as a member national association of EFPIA and IPFMA, fulfils its constant commitment to align its national code with the latest developments approved at the European and international level.

It should also be noted that two new updated versions of the Code required approval over the course of the year. The first of these took place in June as a result of the entry into force of Royal Decree 957/2020 regulating observational studies with medicines for human use, and the second in September as a result of the judgment handed down by the High Court of Justice of the País Vasco which ruled, among other matters, on the moment from which a medicine can be promoted.

Approval of this new version of the Code and its subsequent updates prompted by legislative and case-law issues would not have been possible without the collaboration provided by pharmaceutical companies, especially those forming part of the Code Strategic Committee and Code Working Group (GT-COD).

For the second year running, the Covid-19 pandemic continued to have a very significant impact on the volume of interactions conducted by pharmaceutical companies with their main stakeholders: healthcare professionals, healthcare organisations and patient organisations.



In this regard, taking into account the three communication procedures provided for in the Code, we can confirm that:

- 1 In the field of scientific and professional meetings (Articles 11 and 33), the decrease detected in 2020 continued with respect to data compared with the years prior to the current health crisis.
- 2 With regard to market research studies (Articles 14.3 and 34), the volume of communications received remains almost constant.
- 3 It is in the area of service provision (Articles 16 and 35) that there is a greater change, with three times the number of projects analysed compared to 2020.

Notwithstanding the effects of the aforementioned health crisis on the activities and collaborations conducted by pharmaceutical companies, the Professional Ethics Supervision Unit continued as normal to fulfil the functions and responsibilities entrusted to it as the supervisory body of the Pharmaceutical Industry Self-Regulation System, adapting to virtual formats and environments where necessary.

As for transparency, it should be noted that for the fourth year running, pharmaceutical companies individually published all transfers of value made to healthcare professionals and organisations. It is worth recalling that Spain is the only country in the European Union that publishes this information individually under a Self-Regulation System.



Once again last year, taking into account the consistency of the data, the media received the transparency initiative adopted by the pharmaceutical industry with normality, neutrality, recognition and even a positive tone.

A comparison of the amounts published in June 2021 (regarding transfers of value conducted in 2020) and those published in June 2020 (for transfers of value in 2019) reveals no significant differences.

- +11% increase in transfers of value associated with R&D
- -68% decrease in transfers of value made to healthcare professionals for possible attendance/participation at scientific-professional meetings

This latter figure reflects the negative effect that the current healthcare crisis caused, during 2020, in attendance by healthcare professionals at in-person training activities, thereby reducing transfers of value for items such as travel and accommodation.



The continuity, consistency and coherence of the data published over the years reinforces the model of the interrelationship in Spain between the pharmaceutical industry and its main stakeholders. A model of interrelationship based essentially on principles of trust, integrity, respect, legality, prevention and transparency.

Finally, it should be mentioned that from 2021 the website of the Self-Regulation System (www.codigofarmaindustria.org) provides direct links to the websites of the companies where the transparency reports are published.



ETHICS SUPERVISION UNIT ACTIONS

In relation to the dissemination of our Self-Regulation System, the following activities should be highlighted, among others:

- Participation at multiple meetings with the groups concerned (Code Strategic Committee (ComEst), Code working group, Governing Council, Board of Directors) with the aim of approving the two Code updates made during 2021.
- Collaboration and participation in other FARMAINDUSTRIA Working Groups to analyse issues connected with the Code of Good Practice.
- Meetings with companies to monitor and support transparency projects.
- Meetings with Health Departments of the Autonomous Regions to address issues related to the Self-Regulation System.
- Meetings with scientific societies with the aim of sharing the initiative in updating of the Code.
- Delivery of training sessions specifically designed to meet needs and demands of pharmaceutical manufacturers (in-company training)
- Joint work on training sessions relating to the Code within the framework of specialised courses, doctorates, masters.
- Participation in EFPIA Working Groups responsible for ensuring transposition, implementation and consolidation of the approved standards to the applicable codes in each national association.
- Active member of the Codes Committee (Chair), of the Strategic Committee, of the Ethics & Compliance Committee (Vice-Chair), of the Medical Education Working Group of EFPIA.

- Continuous collaboration with IFPMA: Chair of the Appeal Group of the complaints procedure of the IFPMA Code and participation in the working groups for Patient Centricity, Code Training, Innovation Models, New Technologies, Responsible Stakeholder Engagement, Scientific Meetings and Congresses, and Social Media.
- Active participation at international meetings for the development of guidelines on the provision of services, interaction with patients and virtual interactions with healthcare professionals.

As regards relations with patient organisations, the main objective is to ensure that companies comply with the commitment to provide updated information on their collaborations (available at www.codigofarmaindustria.org).



CONSULTANCY AND JOINT PROJECTS

The Professional Ethics Unit ('USD') continued its collaboration and support tasks through:

- 1 Review, adaptation and improvement of the internal procedures implemented by pharmaceutical manufacturers to ensure compliance both with the Code and with the regulations in force in the promotion of medicines.
- 2 Continuous and ongoing support for pharmaceutical manufacturers and third parties involved, mainly scientific societies, technical secretariats and service providers in general.
- 3 Active participation in meetings and forums organised by FARMAINDUSTRIA, EFPIA and IFPMA.

This task proved particularly intense and significant, taking into account the numerous collaboration initiatives arising as a result of the health crisis and the virtual or digital nature of many of the resulting interrelations.



MONITORING AND PREVENTION

The number of preventive actions carried out in 2021 (775) almost matches those carried out in the previous year (771). During 2021, for the first time since its creation, the Professional Ethics Unit did not file any complaint.

In 2021 the number of scientific professional meetings analysed and verified totalled 1,419 (33 fewer than in 2020). In percentage terms, the level of alignment of the meetings was 97% (compared with 91% in 2020). In this regard, we should emphasise a marked increase in the level of alignment of scientific and professional meetings on the international stage, largely driven by the disappearance or reduction of

elements of conflict, with most taking place digitally or virtually.

There was a slight decrease in the number of market-research studies analysed, amounting to 263 (22 fewer than in 2020), and also a decrease in their level of alignment in percentage terms, from 97% in 2020 to 89% in 2021.

As noted above, it is in the field of service provision that there is the greatest variation with regard to the number of projects reported by pharmaceutical companies, with a total of 984 projects reported in 2021 compared with 303 projects reported in 2020.

1,419

Scientific-professional meetings analysed and verified

97%

Level of compliance

263

Market-research studies analysed

984

Projects analysed

This increase is due to the impact on the volume of communications derived from the modification approved in the 2021 Code with regard to the number of healthcare professionals from which communication is mandatory (decreasing from 20 to 10), and the increase in the organisation by companies of training projects on demand, which are smaller and mostly performed in virtual or digital format, involving the recruitment of healthcare professionals as speakers. However, the level of compliance of projects in percentage terms remains almost constant (96% in 2021 versus 94% in 2020).



Member services– 4.4 Self-Regulation Systems

		USD ACTIVITY (1 January to 31 December 2021)														
		2004-2008	2009 (a)	2010	2011 (b)	2012	2013	2014	2015	2016	2017	2018 (c)	2019	2020	2021 (d)	Cumulative
EVENTS	ANALYSED	11,205	3,878	5,080	5,335	5,003	4,954	5,566	5,337	5,382	5,377	3,894	3,884	1,452	1,419	67,766
	No incidents	9,720	3,345	4,383	4,862	4,389	4,412	5,124	4,867	5,110	5,084	3,747	3,772	1,321	1,380	61,516
	% Compliance	86.75%	86.26%	86.28%	91.13%	87.73%	89.06%	92.06%	91.19%	94.95%	94.55%	96.22%	97.12%	90.98%	97.25%	90.78%
STUDIES (a)	ANALYSED		687	724	626	512	400	449	300	317	293	262	310	285	263	5,428
	No incidents		397	546	565	416	332	368	251	280	271	249	300	275	233	4,483
	% Compliance		57.79%	75.41%	90.26	81.25	83.00%	81.96%	83.67%	88.33%	92.49%	95.04%	96.77%	96.49%	88.59%	82.59%
SERVICES (b)	ANALYSED				357	330	306	350	368	363	364	290	373	303	984	4,388
	No incidents				282	272	230	292	301	274	321	270	354	285	943	3,824
	% Compliance				78.99%	82.42%	75.16%	83.43	81.79%	75.48%	88.19%	93.10%	94.91%	94.06%	95.83%	87.15%
PREVENTIVE ACTIONS		8,523	2,670	3,482	3,131	2,488	2,112	2,180	2,138	1,483	1,674	1,513	1,633	771	775	34,573
USD COMPLAINTS		64	12	4	3	1	9	7	7	2	3	3	3	4	0	122

(a) System for Communicating Studies approved under the 2008 Code

(b) System for Communicating Services approved under the 2010 Code

(c) Change in the procedures for publication of third-party Events (Circular USD 2/18) in force since February 2018

(d) Change in communication procedure for Services in Code 2021 (from 20 to 10)

7 Cases resolved in the Courts

6 Binding decisions by the Self-Regulation Jury in favour of the USD

90 Resolved by mediation before the Ethics Commission, acknowledging the infraction and accepting corrective measures

17 Shelved at the request of the USD

2 Not upheld by the Self-Regulation Jury

0 Under evaluation by the Professional Ethics Commission

ACTIONS BY THE PROFESSIONAL ETHICS COMMITTEE

During 2020, the various measures and restrictions to mitigate the effects of the pandemic led to the meetings of the Professional Ethics Committee being held online. During 2021, although these measures and restrictions were gradually phased out or moderated, meetings continued to take place online, although in-person meetings may nonetheless be called if necessary.

One of the most relevant issues of the year was the update of the Code of Good Practice which came into force on 1 January 2021, the main characteristics of which have already been discussed. The new Code includes, among other aspects, a section on principles, as well as recommendations for information activities on prescription medicines and media relations.

Updates are also included with regard to scientific and professional meetings and their development virtually or digitally, the modification in the communication of service provision, the publication of the links of the companies' transfers of value on the FARMAINDUSTRIA website, as well as the incorporation of a new self-assessment dispute resolution procedure.

After the Code was approved, on 2 January, Royal Decree 957/2020, of 3 November, regulating observational studies with medicines for human use, came into force, whereby the definitions regarding post-authorisation studies (PAS) no longer apply, as well as the subtypes for the classification of PAS, and so in accordance with the principle of legality, the Code of Good Practice was modified and the sections referring to these studies were replaced accordingly by the definition of Observational Studies established in the aforementioned Royal Decree.

Meanwhile, the Board of Directors of FARMAINDUSTRIA on 23 September 2021 approved the modification to query no. 10 of Annex V Queries (FAQs) of the Code of Good Practice, by virtue of the pronouncements of the Judgment of the High Court of the País Vasco of 30 June 2021 regarding the promotion of medicines discussed in other sections of this Annual Report. All these changes were passed on to the Ethics Committee for its information and assessment. Lastly, as early as March 2022, the Professional Ethics Committee received a binding consultation on journalistic articles.

At the different meetings of the Committee, discussion and analysis of the consequences of the pandemic in the area of medicines advertising was a constant feature, and it has been noted that the pandemic is changing the way in which pharmaceutical manufacturers interact with healthcare professionals. One of the trends prompted by this context is the development of virtual congresses that have been monitored by the USD through the new inspection and control mechanisms developed by the Unit.





In addition to these matters, the USD has been reporting to the Professional Ethics Committee on the activities performed in 2021 through the corresponding activity reports, and also the data on the publication of transfers of value by pharmaceutical companies corresponding to the year 2020: 288 million euros to compensate healthcare organisations and professionals for their participation in research and development activities, and 127 million to support continuing training activities, of which 90 were for healthcare organisations responsible for the organisation of scientific-professional meetings and congresses, and 37 corresponded to support for healthcare professionals to participate at such meetings. In addition, value transfers for the provision of services amounted to 72 million euros, and donations to health centres and organisations totalled 42 million. In total, then, transfers of value between the pharmaceutical industry and industry agents amounted to 529 million euros in 2020, a figure lower than in 2019 (601 million euros) due to the situation generated by the pandemic.

In conclusion, we should emphasise that the Board of Directors of FARMAINDUSTRIA held in December appointed a new member of the Professional Ethics Committee to supplement the two members already belonging to the Committee.

The Professional Ethics Committee held a total of 11 meetings in 2021. As for the mediation cases, three grievances were filed with the Professional Ethics Committee, and these were processed in accordance with the ordinary procedure set out in Article 32.2 of the Code. As in 2020, due to the causes set out above, the number of complaints received decreased markedly compared to previous years. The following layout summarises the grievances, grouped according to classification criteria.

TOTAL	3
PROFESSIONAL ETHICS COMMISSION	3
Case Shelved	1
Commission Mediation	1
<i>Agreement</i>	1
Self-Regulation Jury	1
<i>Pending</i>	1
PLAINTIFFS	
Member companies	67%
Adhered companies	33%
DEFENDANTS	
Member companies	100%



annex_I

SIGRE Medicines and the Environment

SIGRE, 20 YEARS OF COMMITMENT BY THE PHARMACEUTICAL INDUSTRY TO CARING FOR THE ENVIRONMENT

The pharmaceutical industry is primarily a sector committed to society and to improving people's quality of life. This commitment is reflected in all activities.

SIGRE is an example of this. With the launch of the system 20 years ago, pharmaceutical companies in Spain blazed a trail in their firm commitment to environmental protection and the circular economy.

Over the course of these past two decades, SIGRE has established itself as the largest collaborative project in the pharmaceutical sector in Spain, and thanks to public awareness and collaboration, the joint effort made by industry agents and health and environmental authorities, the habit of recycling waste from domestic medicines has been fully implemented in 90% of Spanish households.



20th ANNIVERSARY OF SIGRE

In 2021, SIGRE celebrated the 20th anniversary of its entry into operation. To commemorate the twenty years of a sector-wide alliance, a series of events were organised and awards were staged to recognise the commitment of all actors involved in caring for the natural world, as the organisation's motto proclaims.

Among the events organised, one noteworthy ceremony was held in Madrid at the Palacio de Linares-Casa de América in November, attended by Pilar Aparicio, Director-General for Public Health at the Ministry of Health, and Ismael Aznar, Director-General for Quality and Environmental Assessment at the Ministry for the Ecological Transition and Demographic Challenge.

The ceremony saw the awarding of the badges and plaques commemorating the 20th anniversary bestowed by the SIGRE Board of Directors on the personalities and institutions that have contributed most during this period to achieving environmental and social-healthcare objectives.

This central event of the 20th anniversary also served as the setting for the 3rd SIGRE Awards for Medicines and the Environment, for the pharmaceutical sector, and the 2nd Awards for the Health of the Natural World, for journalists.

The Official Jury of these awards, chaired by Ms Clara Arpa, president of the United Nations Global Compact in Spain, publicly acknowledged the quality of the many nominations presented and their valuable contribution to the promotion of the values championed by SIGRE.

Image from the Central Event held in November 2021 to commemorate the 20 years of SIGRE.



3rd “SIGRE MEDICINE AND ENVIRONMENT” AWARDS

These awards were launched to highlight the work and initiatives of the pharmaceutical industry, distribution, retail pharmacies and industry institutions in protecting and caring for the environment.

For the pharmaceutical industry, three categories were awarded, for the best measure in eco-design in pharmaceutical packaging, the best environmental initiative, and the best communication action in sustainability and the environment.

3rd ‘HEALTH OF THE NATURAL WORLD’ AWARDS

Through these awards, SIGRE sought to recognise the country's media and information professionals for their contribution to the development of an environmental culture in Spanish society.

This new edition of the SIGRE Journalism Awards “For the Health of the Natural World” highlighted the work of information professionals in the categories of print media, television, radio and blogs.

Journalists from El Confidencial and RNE, Órbita Laika and blogger and pharmacist Ms Cristina Carrillo were the winners in this third edition of the awards.



Image of the award winners together with dignitaries and representatives of SIGRE

20th ANNIVERSARY VIDEO AND SIGRECIRCULARES GAME

The environmental and social-healthcare achievements attained, as well as the work performed by each of the agents in the pharmaceutical sector over these 20 years of SIGRE's activity, were recorded in a commemorative video.

'SIGREcirculares' was also launched, a board game that "must be kept within reach of children" through which SIGRE disseminates the importance of moving from a linear to a circular economy, promoting transparency of processes and raising public awareness and sensitivity, regardless of age.

Through a special 'SIGRE Informa' newsletter the company collected these and other activities, and also involved 20 leading figures from the field of health, the environment, journalism and government.





A SUCCESS STORY THAT BEGINS IN A PHARMACEUTICAL LAB

Through the SIGRE System, the pharmaceutical industry implemented the sustainability principles for which it has always stood out, handling not only the management of medicine packaging, as required by environmental legislation, but also handling waste medicines, as a voluntary move at that time.

From the outset the system furthermore opted to integrate eco-design throughout the various stages of the pharmaceutical packaging lifecycle, promoting what are now such key concepts as energy efficiency, minimising waste in production, reuse or recycling.

Since 2000, ~~then,~~ the pharmaceutical industry has, with the collaboration of SIGRE, successfully completed 7 Business Plans for Packaging Prevention ('PEP') and implemented 2,988 eco-design initiatives to reduce the weight of pharmaceutical packaging by more than 25% and facilitate the recycling of 60% of the packaging materials collected.

The sustainable commitment of the pharmaceutical industry means that more than 493 million medicine units are released on the Spanish market each year with some environmental improvement in their packaging.

The work being performed by pharmaceutical companies in this regard is very valuable and particularly challenging, considering the supremely delicate nature of medicines, with the need to ensure quality at all times.

THE ROLE OF SIGRE IN THE RESPONSIBLE USE OF MEDICINES

The relevant information available to patients includes the SIGRE symbol that appears on the outside of the package and the environmental indication that the package leaflet contains to warn citizens that waste medicines and their packaging must be disposed of via the SIGRE Point at the pharmacy.

In November 2021, the AEMPS renewed its web section dedicated to information and symbology in the labelling of medicines, to state that the “SIGRE symbol indicates that the manufacturer is signed up to SIGRE, the only integrated medicine-management system authorised in Spain by health and environmental authorities. It guarantees that both containers and any waste medicines they may contain will receive appropriate environmental treatment once the citizen deposits them at the SIGRE Point”.



As a result, through their participation in SIGRE, pharmaceutical companies comply with the environmental and health regulations regarding the proper management of waste medicines and containers of domestic origin:

- Directive 2004/27/EC on medicinal products for human use.
- Consolidated text of the Law on guarantees and rational use of medicinal products and medical devices (approved by Royal Legislative Decree 1/2015, of 24 July).
- Royal Decree 1345/2007, of 11 October, regulating the procedure for the authorisation, registration and dispensing conditions of medicinal products for human use manufactured industrially.
- Circulars 1/2011 and 3/2013 of the AEMPS.
- European Directive 94/62/EC on packaging and packaging waste.

- European Waste Directive 2008/98.
- Law 11/1997 on packaging and packaging waste.
- Law 22/2011 on waste and contaminated soil.

In addition to the above, it must be taken into account that the habit of using the SIGRE Point, prevents the use of old leftover medicines for self-treatment, without consulting a healthcare professional.

Particular mention should be made in this regard of SIGRE's contribution to combating antibiotic resistance, one of the leading healthcare risks worldwide. This role has been recognised in the 2nd National Action Plan on Antimicrobial Resistance (PRAN), which calls on patients and carers to take waste antibiotics to the SIGRE point at the pharmacy at the end of course of treatment to prevent them from entering the environment and contributing to the generation and transmission of bacterial resistance.

THE CONTRIBUTION OF PHARMACEUTICAL COMPANIES TO THE UN SDGs THROUGH SIGRE

SIGRE advocates an operational model based on sustainability and value generation, shared through strong alliances and based on the values promoted by the circular economy.

Its activity thus makes a priority contribution to the fulfilment of 8 of the 17 Sustainable Development Goals included in the UN 2030 Agenda, paying particular attention to those most closely linked to public health and the environment.

In addition to being a signatory partner in 2009, from 2012 to 2020 SIGRE served on the Executive Committee of the United Nations Global Compact Spain.



In addition to the creation of SIGRE as an example of business synergy, the report "SDG Year 6: The Sectoral Approach of the 2030 Agenda" prepared by the United Nations Global Compact Spain, highlights that the pharmaceutical sector is essential in contributing to the challenges of this Agenda, not only for its outstanding contribution to SDG 3 - good health and well-being - but also through its commitment to such other goals as:

- 1 quality education
- 2 gender equality
- 3 decent work and economic growth
- 4 industry, innovation and infrastructure
- 5 responsible consumption and production

According to this report, and within the opportunities offered by the SDGs to health-related sectors, it targets aspects linked to digitalisation, innovation and new technologies, while as a challenge, the report points to environmental protection.

In a clear example of protection of our environment, it should be noted that with the aim of reducing greenhouse gas emissions at its head offices, SIGRE has renewed its registration in the "Register of Carbon Footprint, Compensation and CO2 Absorption Projects" of the Ministry for the Ecological Transition and Demographic Challenge (MITERD) and obtained the "Carbon Footprint Calculation Stamp".

With this stamp, SIGRE further reinforces its involvement with SDG 13, consisting of urgent measures to combat climate change and its effects.

FARMAINDUSTRIA and SIGRE organised a seminar in November 2021 to further knowledge of the SDGs and explain the contribution of both entities to achieving them.

SIGRE, INTERNATIONAL BENCHMARK IN MEDICINE RECYCLING FOR 20 YEARS

Throughout its established track record, the SIGRE operating model has positioned itself as an international benchmark. SIGRE is the most comprehensive medicine recycling management system in Europe thanks to the participation of the entire sector with the supervision of environmental authorities and the existence of a pioneering and world-leading packaging and waste classification plant with a high degree of automation and artificial intelligence tools which deliver high recycling rates for materials from recovered packaging.

SIGRE also chairs the Ibero-American Network of Post-Consumption Medicine Programmes (RIPPM), which aims to boost the implementation and implementation of the waste collection and treatment model in Ibero-America.

Within this network, SIGRE coordinates the Medicines Post-Consumption Platform (PPM) which in 2021 held its 2nd Forum. A virtual meeting involving more than 80 attendees from 11 countries, with international expert speakers, revealed the concept of Extended Producer Responsibility and analysed its application to medicines in some Ibero-American countries on both sides of the Atlantic.



In 2021, SIGRE participated in other international conferences, such as the 1st Ibero-American Congress on Environmental Health, where it shared the operating model that made the organisation a benchmark for the environmental management of medicine waste and packaging, highlighting how sustainability and circular economy initiatives are also essential to care for our health.

Furthermore, the Pharmaceutical Group of the European Union (PGEU), the voice of community pharmacy in the European Union, has published the report “Best Practice Paper on Green and Sustainable Pharmacy in Europe”, in which SIGRE is listed as an example of good practice for the collection and treatment of medicines and packaging.



COMMITTED TO PURSUING EXCELLENCE AND CONTINUOUS IMPROVEMENT

In 2021, SIGRE successfully completed the follow-up audit for its four-fold certification for Quality Management (ISO 9001:2015), Environmental Management (ISO 14001:2015), Energy (ISO 50001:2011) and Health and Safety at Work (ISO 45001:2018).

These certifications, granted by AENOR, attest to compliance with the requirements set out in these international standards and show that the organisation is committed to continuous improvement, proper management of environmental impacts, energy efficiency and minimisation of the occupational risks associated with its activity.

The auditors in particular highlighted the analysis of the environment in which the entity operates and the opportunities and risks involved in its activity. They also emphasised the monitoring and control mechanisms in place over the processes they have outsourced.

The objectives set by SIGRE in the field of its management system include increasing the degree of knowledge of the activity carried out by SIGRE on the part of the employees of the laboratories by ten points. Various actions have been carried out, two of which are set out below by way of example.



DIGITAL TRAINING OF MEMBER COMPANIES

SIGRE organised four training sessions to explain the operation of the SIGRELAB 5.0 Form, the digital tool for the manufacturers attached to the system to submit their Company Declaration to SIGRE. These sessions were conducted digitally and more than 120 pharmaceutical representatives logged on.

Through these sessions, pharmaceutical companies can review the management of the application and the information requested in it, thus complying with the applicable packaging regulations.



2021 INDUSTRY + SIGRE MEETING

In June 2021, the Digital Industry + SIGRE Meeting was held, an annual event for environmental managers in the pharmaceutical industry, covering the main milestones of these 20 years of history and the latest developments in the field of the circular economy and eco-design.

During the day, in addition to reviewing the results achieved by SIGRE, the new environmental legislation was highlighted and a closer insight given into the operation of the Waste and Packaging Classification Plant for Medicines, located in Tudela de Duero, a global pioneer in its sphere.

In addition, some companies presented concrete examples of initiatives developed in the field of eco-design, thereby highlighting the efforts by the industry to move towards a more circular economy. Likewise, coinciding with the closure of the 2018-2020 PEP, recognition was given to laboratories that have implemented environmental improvements to their packaging during this three-year period.



The Director-General for Quality and Environmental Assessment at the MITERD, Ismael Aznar, during his speech at the opening of the 2021 Industry+SIGRE Meeting

2021 RESULTS

Business Plan for the Prevention of Packaging (PEP) in the Pharmaceutical Sector

2021 saw the end of the 2018-2020 PEP and the start of the 2021-2023 PEP. This new Plan is based on the excellent results obtained in the 2018-2020 Plan, in which the 441 eco-design measures implemented by 94 manufacturers served to reduce the weight of medicine packaging marketed in Spain by -1.33%, while saving some 600 tonnes of raw materials.

This new Three-Year Plan for 2021-2023 envisages an overall target of -0.75% reduction in packaging weight and a +5% increase in the number of qualitative eco-design initiatives. As a new feature in this Plan, the possible measures to be taken by

pharmaceutical companies are set out in terms of the respective SDGs that affect them and lie within the different stages of the life-cycle analysis of medicine packaging, thus promoting engagement with the circular economy.

With the aim of making the pharmaceutical industry's work on eco-design more visible, SIGRE published an Executive Summary of the 2021-2023 PEP, accompanied by a robust outreach plan to publicly recognise pharmaceutical companies' work in this field.



In the first year of implementation of this PEP, there was a slightly unfavourable development for the overall reduction target, with growth of +0.68%.

However, the number of environmental initiatives that pharmaceutical companies have developed on their different types of packaging has increased very significantly (more than 100% compared to the previous year), reaching 421.

The results obtained with all environmental improvements developed during 2021 highlight the extent, since more than 117 million packaging units (sale, grouping and transport) have been launched with some type of environmental improvement. This figure is much higher than the previous year (37.5 million) and even exceeds the total packaging units affected during the previous PEP (around 58 million).

Finally, it should be noted that the implementation of these environmental initiatives has resulted in a decrease in the weight of materials in all packaging marketed by more than 1,000 tonnes.





Annual Pharmaceutical Sector Packaging Declaration

SIGRE is the organisation responsible for presenting the 'DAE' Annual Packaging Declaration to the environmental authorities, the document setting out information as to the medicines sold each year on the Spanish market (number and type of pharmaceutical presentations, weight of packing and contents, and materials used), along with the environmental management applied to waste packaging and left over medicines generated by consumption in households.

During the past year, as set out in the 2021 Annual Packaging Declaration presented to the various 19 Departments of the Environment of the Spanish Autonomous Regions, SIGRE collected an average of 99.60 grammes per capita of empty packaging or packaging containing surplus medicines, successfully recycling 67.97 % of the packaging materials recovered.

Figures which clearly reflect the public's commitment to the environment through SIGRE. In the midst of the health crisis, Spanish citizens consolidated the habit of recycling through the SIGRE Points at pharmacies. After a challenging 2020 for all, marked by Covid-19 and its socio-environmental consequences, and an atypical 2021 because of the successive waves of outbreaks, the results of the collection of medicinal waste are already close to pre-pandemic levels.

ENVIRONMENTAL AWARENESS AND EDUCATION

Awareness-Raising Campaigns

Under the slogan "Every little bit helps", SIGRE launched a new national awareness-raising campaign in press, radio, TV and digital media to raise awareness throughout society of the importance of collaborating in the proper management of waste medicines through the simple step of taking them to the SIGRE Point.

Similarly, this campaign focused on highlighting the role of the pharmaceutical industry in providing the entire population with a convenient and safe system for disposing of medicines that are no longer needed.

In turn, as every 17 May, SIGRE participated in publicising World Recycling Day. This is intended to raise awareness as to the importance of learning how to properly manage the waste we generate and also reducing it to the maximum to minimise our carbon footprint.

Meanwhile, to mark World Environment Day, SIGRE partnered with its waste manager Biotran in a commemorative event organised by the local authority of Tudela de Duero, in Valladolid province.



Education as a Basis for Creating Environmental Habits at Each Stage of Learning

Developing good environmental habits from an early age is the key to inculcating them within society spontaneously in our daily lives. For this reason, SIGRE has a comprehensive educational plan covering everything from early childhood education to high school and higher education, so that students of all ages can understand the environmental and health importance of recycling medicines, and its impact on caring for the environment and the well-being of society.

After three years of pilot testing in Cataluña, SIGRE launched the Learning and Service Project ('APS') at the national level: "Medicines: Which, When, How", designed to raise awareness among all secondary school students about the responsible use of medicines, with an educational offering that combines learning and community service activities.

Likewise, SIGRE continues to promote and showcase its educational resources for early childhood education: the SIGRELANDIA website for primary education, and the higher education training module. The latter, aimed at students and pharmaceutical professionals, has an environmental management unit in the pharmaceutical industry.



annex_II

SEVeM (Spanish Medicines Verification System)

BACKGROUND

In 2008 the European Commission presented a legislative proposal amending Directive 2001/83/EC, by incorporating measures intended to prevent falsified medicines from entering the legal medicine supply chain. This initiative was in response to concern at the public health threat that could result from an increase in falsified medicines in terms of their identity, record and origin within the EU.

The Falsified Medicines Directive, Directive 2011/62, governs the inclusion of safety devices required in order to verify the authenticity and identification of individual packaging units, and to ascertain whether they have been tampered with. The Directive establishes that medicines subject to medical prescription must be equipped with safety devices. It nonetheless allows for certain such medicines or categories of medicine to be exempt from the obligation to be equipped with these devices, while also, on an exceptional basis and in exceptional circumstances, allowing for the possibility of safety devices being added to medicines not subject to medical prescription.

The detailed implementation of the provisions included in the Falsified Medicines Directive is delegated to the European Commission which, in accordance with this mandate, in October 2015 issued Delegated Regulation (EU) 2016/161, applicable on a mandatory basis since 9 February 2019.

OBJECTIVES AND COMPOSITION

SEVeM was founded on 21 July 2016 and began operations on 1 September the same year as a not-for-profit limited liability company, in order to develop, implement and administer the Spanish medicines verification system in accordance with the terms of Directive 2011/62. The corporate purpose of SEVeM likewise includes ensuring that information about SEVeM-authenticated medicines will be used to calculate the reimbursement owed by retail pharmacies to pharmaceutical manufacturers and distribution organisations of those medicines dispensed outside the NHS.

SEVeM was set up by the main agents in the medicinal supply chain: the pharmaceutical industry, distributors and retail pharmacies, which as the shareholders of the entity play a role on its governing bodies. Alongside the technological challenge involved in launching the verification system, particular mention should be made of the essential need for collaboration between these agents and the health authorities.



GOVERNING BODIES

The General Assembly is made up of the SEVeM members: AESEG, FARMAINDUSTRIA, General Council Official Associations of Pharmacists and FEDIFAR, while the governing body of SEVeM is its Board of Directors, which had the following composition in 2021:

PRESIDENT

- Mr Humberto Arnés Corellano

DIRECTORS

- Ms María Álvarez Fernández
- Mr Jesús María Aguilar Santamaría
- Ms Ana Bosch Jiménez
- Mr Emili Esteve Sala
- Ms Marta Galipienzo Jiménez
- Ms Raquel Martínez García
- Mr Ángel Luis Rodríguez de la Cuerda
- Ms Matilde Sánchez Reyes
- Ms María Iciar Sanz de Madrid Ibrán
- Mr Javier Urzay Ramírez

NON-DIRECTORIAL SECRETARY

- Mr Pedro Yanes Yanez

NON-DIRECTORIAL VICE-SECRETARY

- Mr Miguel Valdés Garaizabal

In addition, in accordance with the founding bylaws of SEVeM, when the Board of Directors deals with matters concerning the development and functioning of the Spanish repository, the Spanish Agency of Medicines and Medical Devices is invited.

DELEGATED BODIES

The delegated bodies of the SEVeM Board of Directors are the Operations Committee and the Audit Committee.

The Operations Committee comprises representatives of the four SEVeM services (AESEG, FARMAINDUSTRIA, FEDIFAR and CGCOF) and representatives of the authorities (AEMPS, Directorate-General for the Basic Portfolio of NHS and Pharmacy Services, and the Autonomous Regions). During 2020 the Operations Committee met on 10 occasions, mainly by videoconference because of the state of emergency caused by the Covid-19 pandemic, addressing issues connected with the following matters:

- 1 Updates of Delegated Regulation (EU) 2016/161 and regulatory provisions under preparation in the field of falsified medicines
- 2 Monitoring of key activity indicators and alerts generated, segmented by system user groups
- 3 Monitoring and tracking of required updates to user connection software
- 4 Migration of Nodofarma Verification to a new interface with additional functionalities to include the national medicine code and to eliminate double-dispensing human errors
- 5 Evolution of the European Alert Management System (development, implementation and pilots) and initial considerations for its future implementation in Spain
- 6 Status of the Agreement between the Ministry of Health and SEVeM and progress with the NHS Pharma Node

- 7 Information on new functionalities under study at the European level in order to improve the management of Datamatrix codes not subject to the anti-counterfeiting Directive and to homogenise the identification codes of exceptions or alerts in all Member States
- 8 Impact of Brexit
- 9 EMVO audit of SEVeM
- 10 Status of system reports platform for the competent authorities
- 11 Evolution of serialisation in vaccines against COVID-19
- 12 Confirmation of the Product Code with the National Code. Monitoring and reporting to Marketing Authorisation Holders (MAHs) and end users
- 13 Web tool to detect errors in scanner configuration
- 14 Aggregation of codes for hospitals

Meanwhile, the Audit Committee, which comprises representatives of the four members, met on three occasions during 2021 to review the annual accounts and to supervise the generation of the company's income and expenditure budgets to be presented to the Board of Directors.



The delegated bodies of the SEVeM Board of Directors are the Operations Committee and the Audit Committee

REGULATORY FRAMEWORK

Three amendments to the Delegated Regulation were adopted during 2021, two of them to introduce a repeal in the deactivation of exports to the United Kingdom and another in relation to certain notifications to the European Commission and the exclusion of certain medicines from serialisation.

A further amendment of the Delegated Regulation is expected in 2022 to regulate the deactivation of medicines intended for the United Kingdom and certain EU countries. This legislative change is not expected to affect the overall situation of SEVeM, but may require some adaptations to the functioning of the medicines verification system.

Meanwhile, the stalemate in negotiations between the Ministry of Health and SEVeM for the agreement provided for in Royal Decree 717/2019 for the integration of the NHS Pharma Node into the national repository managed by SEVeM, as well as the wait for the future ruling of the EU Court of Justice on the preliminary issues raised by the Supreme Court with regard to certain provisions of this Royal Decree, condition the future connection of the pharmacy services of public hospitals to the Spanish Medicines Verification System.



ACTIVITY IN THE SPANISH MEDICINES VERIFICATION SYSTEM

In 2021 more than 19,000 medicinal SKUs and 4 billion unique IDs were loaded into the system. More than 1.35 billion unique identifiers have been disabled since the system was launched.

During 2021, activity for the verification and deactivation of unique IDs increased from 27 million transactions per week to 40 million, reaching a mean deactivation percentage out of the estimated market share for serialised medicines in Spain of 65%.

CONNECTED USERS

At the end of 2021, SEVeM had 517 valid contracts with marketing authorisation holders for medicines for connection to the National Repository via the European platform. 331 distribution warehouses were likewise connected, along with 22,100 retail pharmacies and 204 private hospital pharmacy services.

These figures allow us to conclude that SEVeM provides in a regular and stable manner the services needed by all agents in the Spanish medicines supply chain to comply with their regulatory obligations.

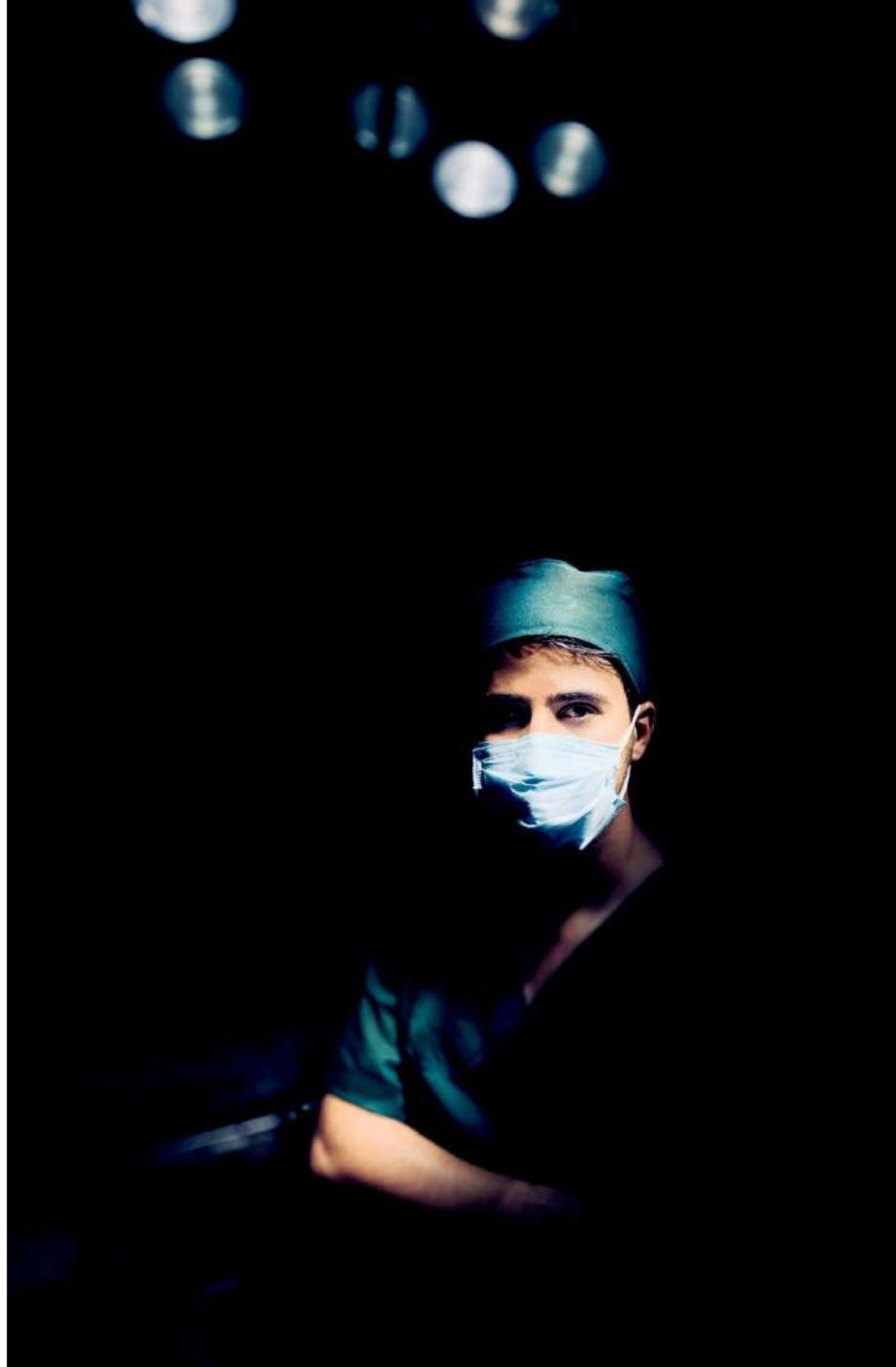


PROMINENT ACTIONS

The most important activities related to the verification project carried out during 2021 are concentrated within three fields of action:

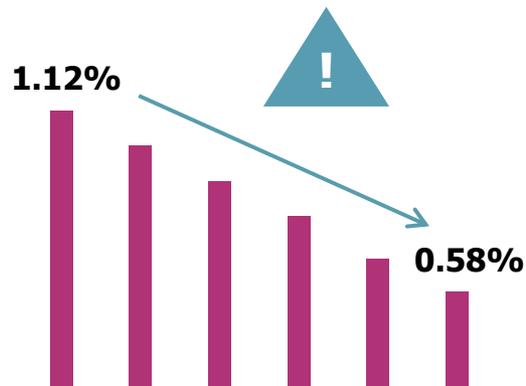
- 1 Reduced false alerts
- 2 Development of reporting platform for the authorities
- 3 Support for system users

To continue reducing false alerts, SEVeM has introduced further granularity in its analyses. This identifies users who generate the greatest number of false alerts, analyses alerts generated by those users to identify the root cause, and contacts each user to provide support and guidance to help eliminate problems caused by false alerts. In cases where several end users generate alerts as a result of the connection software of the same manufacturer, SEVeM has contacted and monitored the manufacturer itself to apply the corresponding software upgrades and updates to all its users. Regular support also continues to be provided for MAHs, identifying batches and codes not loaded into the system, as well as erroneous Datamatrix codes.



In September 2021, Nodofarma Verification was migrated to a technical design incorporating, among other aspects, functionality serving to reduce the false alerts generated by double deactivation of the unique ID by 80%.

This effort has been reflected in a significant reduction in false alerts, with the percentage of alerts relative to activity dropping from 1.12% to 0.58%.



2021 saw completion of the platform generating the verification system reports required by the authorities in support of the activities for which they are responsible in order to investigate possible falsifications, supervise system users, reimbursement and pharmacovigilance. In addition, technical optimisations have been performed to facilitate the processing of the high volume of existing information, significantly improving the reporting times.

Lastly, mention should be made of the efforts by SEVeM to support end users in their incidents and queries regarding their connection software and the use of the verification system. The evolution of system functionality requires end users to keep their system connection software up to date with the latest versions. SEVeM informs users in advance of each version change so that they have enough time to adapt, and supports them if they find it difficult to make the corresponding changes. The detailed monitoring performed by SEVeM aims to ensure that no user is disconnected from the system because they maintain an obsolete version.

Other significant activities undertaken by SEVeM during 2021 included:

- Participation in a pilot for the aggregation of codes for hospitals and coordination of related initiatives.
- EMVO audit of SEVeM and implementation of action plan to resolve identified observations.
- Incorporation of new functionalities and improvements in stabilisation of the system, optimisation of performance and security.
- Participation in different European Working Groups to address regulatory, functional, technical, cybersecurity and quality assurance issues.
- Coordination and support for the Ministry of Health in the development of the NHS Pharma Node, allowing connection by public hospitals.
- Coordination with the AEMPS and notification of the agency as to any users with a recurrently high level of false alerts.
- Support, notification and monitoring of end users to update their connection software to the new interface version, sending the National Code and other technical adaptations to enhance system security.
- Review and monitoring of the quality of identification data for medicines uploaded by manufacturers.
- Training and support for authorities in the use of the system supervision reports platform.
- Review and update of the internal quality management system.



EMVO AUDIT OF SEVeM

In June 2021, SEVeM was audited by EMVO, which is the entity managing the European platform that interconnects national medicine verification systems. During the audit, the Quality Management System, the implementation of the Verification System, the connection of end users, the alert management procedures, the integration of NodoFarma Verification in SEVeM were reviewed, as well as IT Security.

The results of the audit were satisfactory, and demonstrated the robustness of the operation of the Spanish verification system and the suitability of the model used in Spain with regard to the user requirements established by EMVO.

The EMVO audit of SEVeM demonstrated the operational robustness of the Spanish verification system

The comments made by the auditors have been translated into an Action Plan serving to achieve an even more robust quality system and improve aspects related to:

- The SEVeM Documentation Control System, and include the local validation performed additionally by the SEVeM unit itself in the validation procedure of the entire system.
- The definition of procedures and their corresponding evidence of performance in the relationship with NodoFarma Verification for the validation of that part of the system.
- The implementation of functionality that uniquely identifies the end user in intermarket transactions.
- Business continuity and Service Level Agreements established with IT vendors.

SEVeM headed the list of national verification organisations (NMVOs) audited by EMVO.

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