

# *Sustainable* Development

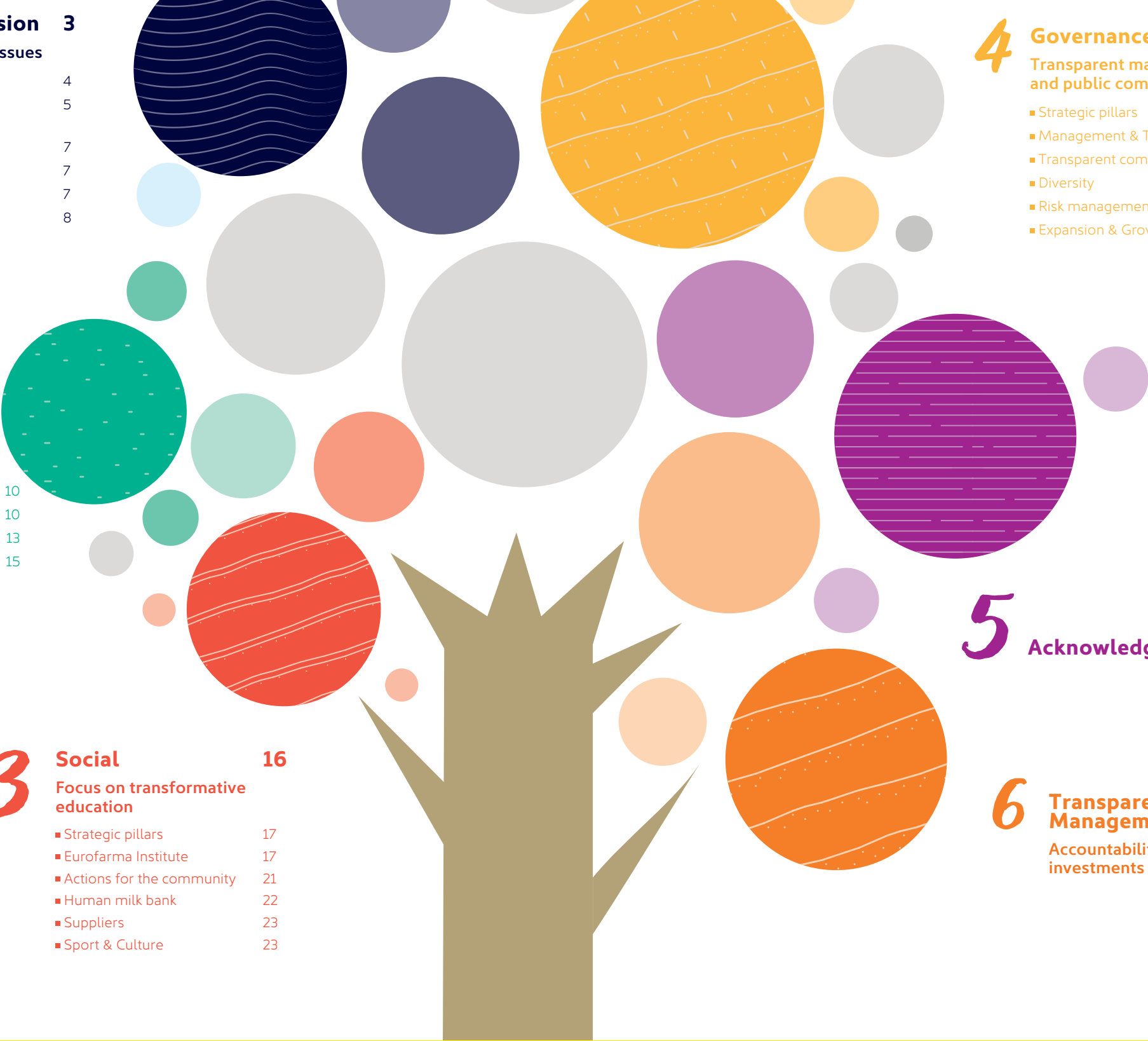
**ENVIRONMENTAL**

**GOVERNANCE**

**SOCIAL**

Sustainability Booklet 2023  
Base year 2022





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1

## Vision of Sustainability

Committed to global issues



## Vision of Sustainability

Committed to global issues

### Message

# On our 100-year journey

In the same year in which we celebrated our 50 years of operations, we finalized yet another important chapter in our history, Vision 2022. Our entrepreneurial journey is unmatched in the pharmaceutical industry. From our pioneering beginning, as an outsourcing laboratory for medicine production led by an Italian immigrant in Brazil, to the achievement of our long-dreamed-of entry into the U.S. market at the end of 2022, we have grown beyond what we had imagined, expanding our horizons. Consisting of a five-year strategic action cycle, Vision 2022 mapped out our capabilities and ambitions and guided us towards becoming a global company and ensuring our perpetuity for the journey of the next 50 years. The compass now is our Vision 2027, which brings new challenges and complexities considering the great Group we have become.

Our perpetuity is intrinsically linked with sustainability on all fronts that make up the ESG (Environmental, Social, and Corporate Governance) principles. We have been consistently following the sustainable path for 15 years, with the first Sustainability Plan established in 2008. During this period, the company has become a benchmark in sustainability in the industry, as evidenced by the many accolades we have received, but the restlessness and non-conformity indicate that we still have a long way to go.

Among our pioneering achievements, we remain as Brazil's only pharmaceutical company to publicly assume the commitment to neutralize 100% of direct CO<sub>2</sub> emissions, as a voluntary initiative to curb greenhouse gas emissions. In yet another cutting-edge effort as part of our climate governance, we have signed an agreement for self-production of wind energy with the goal of having our energy matrix in Brazil 100% clean by 2024. In early 2022, we also released the first sustainable bond in the pharmaceutical sector in Latin America, in line with the goal of expanding the availability of products with the +Verde seal by 2025 and boosting the presence of women in the sales force.

Still on the subject of pioneering, Eurofarma is the only Brazilian pharmaceutical company to have a human milk bank, Lactare, with facilities that grow each year and serve various hospitals in the Greater São Paulo area. For 16 years, the Eurofarma Institute has worked with a focus on transformative education, providing more than 130,000 consultations in Itapevi, São Paulo, and more recently, in Montes Claros, Minas Gerais, where a new production plant is under construction.

In keeping with the highest standards of governance, the ESG targets are aligned with our strategic planning and top management compensation. Commitments are public and auditable. In 2022, we joined Brazil's Securities and Exchange Commission (CVM) as a publicly traded company (category A), without a public offering, but even so, subject to all related obligations.

We rely on technological innovations and improvement of management practices as a way to remain true to our purpose of promoting access to health and quality of life with the least possible environmental impact and sharing part of our gains with society. With the end of Vision 2022, we are ready to lead the company into a new growth cycle. Vision 2027 also reflects our calling to develop and provide opportunities to help our team move forward together with the company. Looking at the horizon of internationalization and the "Eurofarma Way," with a focus on growth and sustainable profitability, we remain determined to follow our 100-year path.

Good reading!



Commitment to society

Our business strategies are aligned with two UN-led global initiatives, of which we are signatories. The first of these is the Global Compact, a code of business conduct for the adoption of best practices in the areas of human rights, labor relations, environment, and anti-corruption. In 2022, we renewed our adherence and our public commitment to the 10 principles. The second guideline is the 2030 Agenda, which sets out the 17 Sustainable Development Goals (SDGs).



To learn more about the principles and our actions, scan the QR Code with your phone.

Supported by these and other broad-ranging initiatives, we strive for economic, social and environmental balance, the tripod that forms the concept of sustainability.

Agenda 2030 and the Sustainable Development Goals

From among the 17 Sustainable Development Goals (SDGs) established in Agenda 2030, our ESG committee has defined five as priorities: SDGs 3, 4, 8, 12 and 13.



Principles of the Global Compact

Our delivery

We inaugurated Eurolab, the largest pharmaceutical research center in Latin America. One of the focuses is the research of treatments for so-called neglected diseases, such as leishmaniasis. Concerned with the issue of access, we also launched new products, expanding the therapeutic repertoire and competitiveness in the markets in which we operate. Internally, we have stepped up our HR programs focused on employee health and for maintaining a healthy work environment.



Respecting and supporting internationally recognized human rights



Ensuring the company's non-participation in human rights violations



Supporting the freedom of association and recognizing the right to collective bargaining



Eliminating all forms of forced or compulsory labour



Eradicating all forms of child labor



Encouraging practices that eliminate any type of discrimination in the workplace



Adopting practices that take a responsible, proactive, and preventive approach to environmental challenges



Developing initiatives and practices to promote and spread social and environmental responsibility



Encouraging the development and diffusion of environmentally friendly technologies



Working against corruption in all its forms, including extortion and bribery





# Vision of Sustainability

Committed to global issues



## Our delivery

For 16 years, we have been running the Eurofarma Institute for educational services for children and young people in socially vulnerable situations, in addition to a Nursing Center that trains professionals for the labor market. Internally, we invest in granting scholarships to improve and develop teams and run social programs, such as "de mãos dadas com a escola" (hand in hand with school), which aims to encourage employees' and third parties' children of school age to stay in school.



## Our delivery

For 19 years, we have ranked among the best companies to work for in Brazil and Latin America. Continuous, above-market growth for 15 years. We also work with the annual salary and benefits survey to ensure adequate compensation for our entire workforce. We also enable the development of our people and uphold our goal of filling 70% of the leadership positions with in-house talent, providing mobility and professional growth.



## Our delivery

We are pioneers in placing products on the market with the +Verde seal, which incorporate sustainability concepts, and in creating a methodology for household decontamination of the primary packaging of medicines. This allows the reuse of materials after they have been used for ultimate recycling. System for water reuse to meet the needs of adjacent processes, cooling towers, and some production processes, in addition to the donation of the surplus to municipalities in the vicinity of our operations. Technological waste management, recycling and circular economy programs.

## Our delivery

We are the first Brazilian pharmaceutical company to pledge to neutralize 100% of direct CO<sub>2</sub> emissions. We launched the first sustainable bond in Latin America and signed an agreement for wind energy production, ensuring – as of 2024 – a 100% clean matrix in Brazil. We also work for an increasingly sustainable fleet with electric and hybrid vehicles and in maintaining a fuel policy that privileges the use of renewable sources, such as ethanol.



## Vision of Sustainability

Committed to global issues

# Responsibility aligned with best practices

Every two years, we administer the Ethos Social Responsibility Indicators questionnaire to evaluate our practices and projects. With these evaluations, we have a diagnosis of our activities, which helps us draw market benchmarks and identify opportunities for improvement, since our indicators are a benchmark for best practices and are always evolving. Results guide decisions of the Accountability Committee Corporate responsibility and the establishment of action plans. Since 2012, we have been part of the Ethos Institute's benchmark group, as one of the 10 best performing companies.



### Performance in Base Topics 2019 Results Measured in 2021 - Eurofarma note

Human Rights	6.0
Community Engagement and Development	8.0
Organizational Governance	8.2
Environment	8.7
Consumer Issues	8.8
Operations and Management Practices	7.8
Work Practices	7.6
Vision and Strategy	9.6

### Performance in Base Topics - vs 2015 to 2021 - average in relation to market

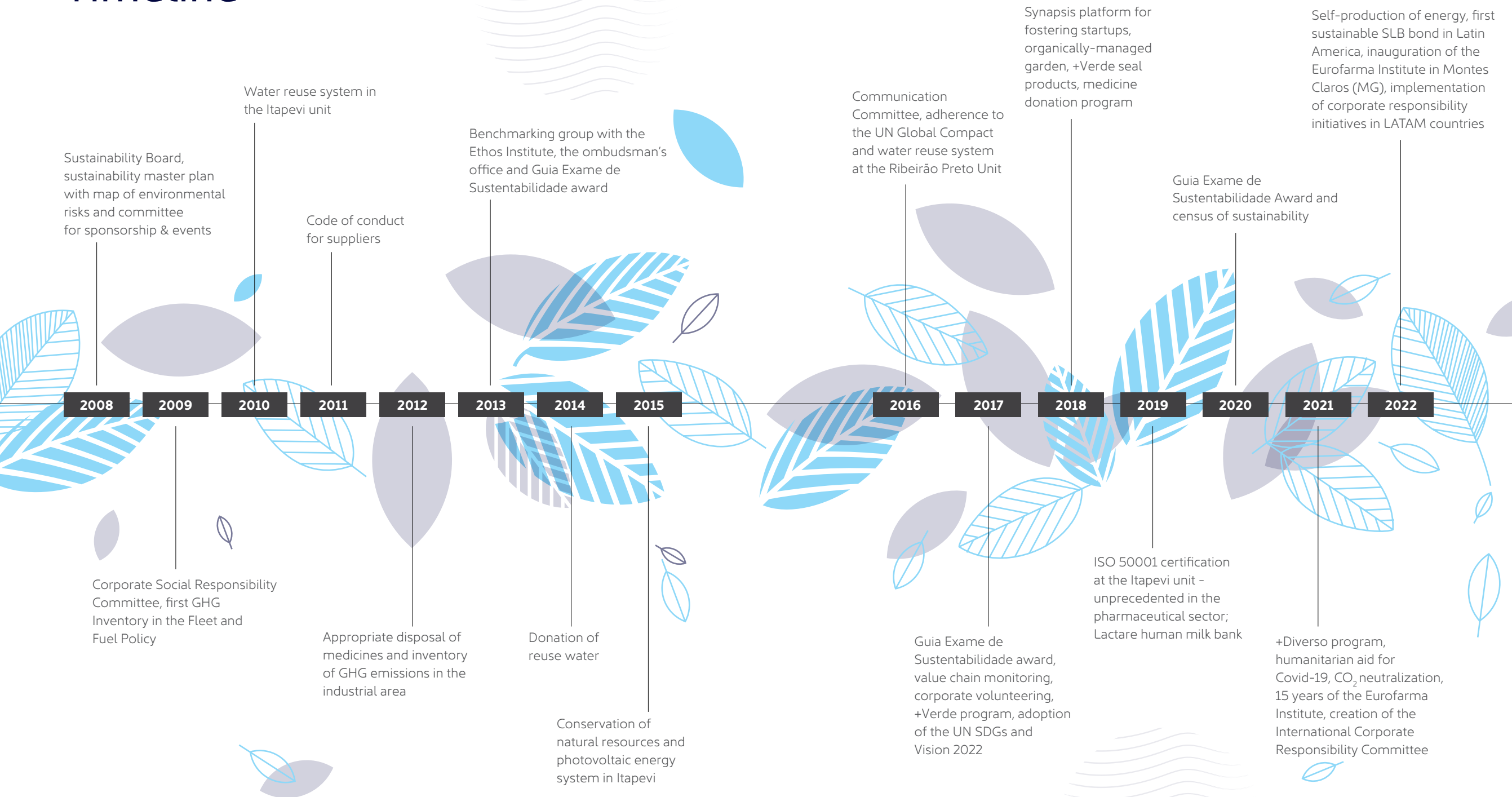
Comparison baseline 2015 to 2021	2015	2017	2019	2021
Human Rights	4.4	4.8	4.7	5.7
Community Engagement and Development	4.1	4.1	3.8	4.3
Organizational Governance	5.3	5.7	5.4	6.6
Environment	4.2	4.2	3.2	3.8
Consumer Issues	5.9	5.8	4.3	5.3
Operations and Management Practices	5.4	5.5	4.6	5.8
Work Practices	5.3	6	5.2	6.3
Vision and Strategy	5	5.8	4.8	5.5



## Main socio-environmental investments **R\$ 78.6 million**



# Timeline







2

## Environmental

Climate commitment



# Environmental Strategy Pillars

The environmental strategy pillars comprise three major areas, aligned with the UN Sustainable Development Goals (SDGs)

1



## Climate commitment

(alignment with the SDGs 7 and 13)

We are set to achieve climate neutrality in our operations. The focus is on cutting direct emissions, and have a 100% renewable energy matrix. Non-avoidable emissions will be offset through of the purchase of carbon credits.

2



## Operational eco-efficiency

(in line with SDGs 6 and 12)

Through more sustainable operations and processes. The focus is to lower the consumption of natural resources, waste, improve efficiency and expand circular economy practices.

3



## A More Sustainable Portfolio

(in line with SDGs 6, 7, 12 and 13)

With innovation in practices and technologies, we aim to expand the use of more sustainable materials in our products, with emphasis on +Verde products.

# Climate commitment

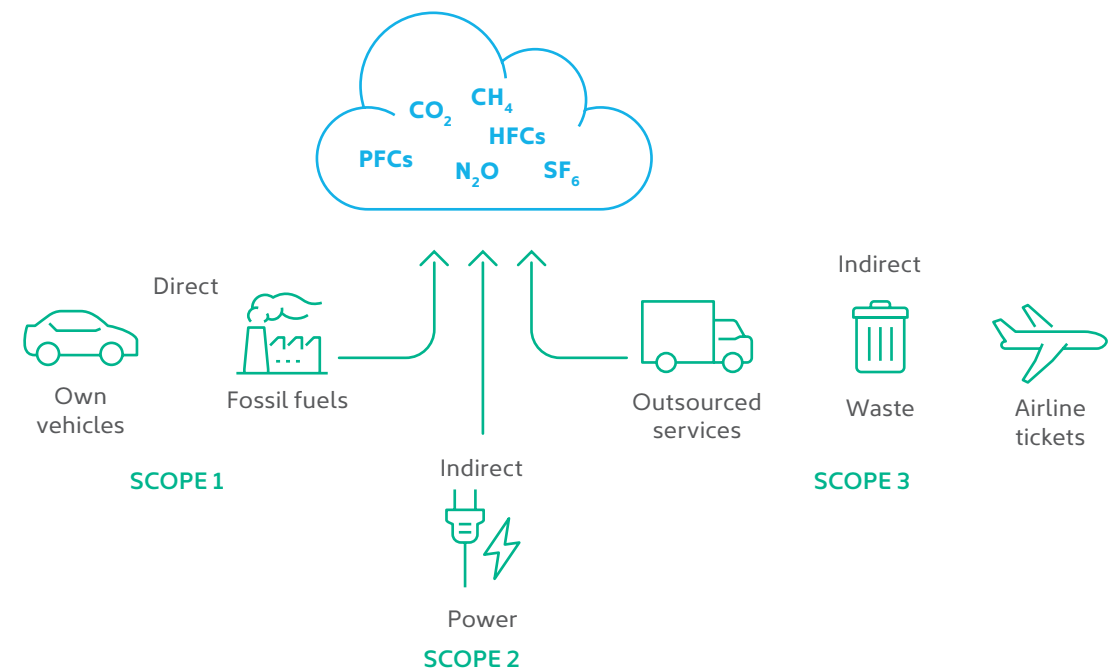
## Pioneering actions to help address climate change

The year 2022 will be remembered for significant progress in our engagement in the fight against climate change. Although we are a low emission industry, we do have a number of activities that emit greenhouse gases (GHG) responsible for global warming, including the generation of electricity from non-renewable sources and the use of fossil fuels. In 2022, we signed a 15-year agreement for self-production of wind energy with the a company called Ômega, Brazil's largest clean energy generator. The wind farm set up in Bahia will ensure that all Brazil units will have 100% clean source energy (*I-Rec certified*).

## Emissions inventory

Since 2008, we have followed the GHG Protocol methodology to report our greenhouse gas (GHG) emissions inventory. Under this method, the inventory is divided into three scopes (*see figure below*). This mapping enables the design of more refined policies and strategies to curb emissions. Two years ago, we neutralized our direct emissions (*scope 1*), as the only Brazilian pharmaceutical company with this consolidated commitment.

## Definition of scope category, under the GHG protocol methodology





## Environmental

### Climate commitment



By entering the energy self-production market, we are implementing our strategy to ensure a 100% renewable energy matrix and, furthermore, to advance towards the neutralization of scope 2 emissions, which refers to energy consumption. The wind production will have a I-REC certification, which proves the origin of the renewable energy and establishes zero carbon emissions.

The park is located in the municipality of Gentio de Ouro, Bahia, and will generate enough energy to meet our needs in Brazil. The contracted volume was 15.6 average megawatts (MWm) and the forecast is to reduce 260,000 tons of carbon dioxide (CO<sub>2</sub>) going into the atmosphere by 2038. This calculation is made on the basis of Corporate Inventory, published by the National Interconnected System (base year 2021) and consumption expectation. The partnership is scheduled to begin in 2024, and may be brought forward to 2023 as construction progresses.

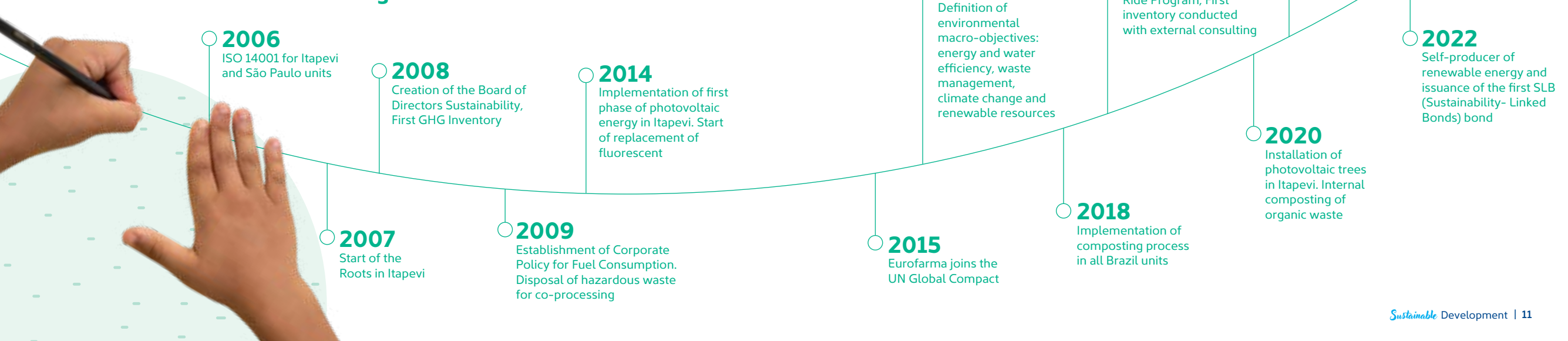
### Market for self-production of energy

Self-production of energy is an alternative of energy procurement that offers cost reduction and environmental gains such as the guarantee of consumption from a 100% renewable source, in the case of wind energy.



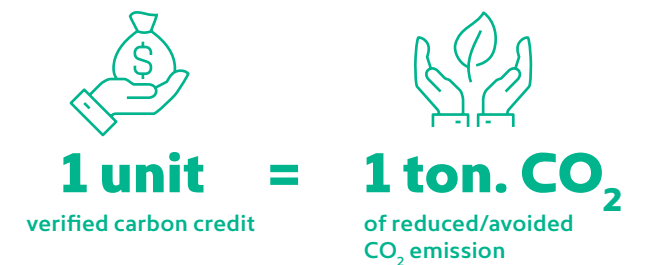
In the business realm, an autoproducer is a form that, by choosing to produce energy to meet their needs, performs an activity separate from their main business. In this case, the major goals are cost reduction (or predictability) and security of supply.

### Timeline of Eurofarma climate governance



### Do you know how CO<sub>2</sub> neutralization works?

Greenhouse gas emissions are inherent to productive activities. In addition to the reduction of gas emissions pollutants, a solution to offset their negative effects on the climate is CO<sub>2</sub> neutralization through the purchase of carbon credits. It is a unit of measurement representing one ton of carbon dioxide that is no longer emitted into the atmosphere; i.e., in order to neutralize 1 ton of carbon gas it is necessary to buy 1 carbon credit. The purchase of carbon credits helps balance greenhouse gas emissions, by financing socio-environmental projects and adopting emission-reduction actions.



In our first neutralization action, Eurofarma invested in two projects aimed at protection of the Legal Amazon, in an area impacted by illegal deforestation. The projects have strengthened local communities in preventing risks to the forest, as well as promoting environmental awareness and reforestation.

In 2022, neutralization benefited a project in Salvador (Bahia) or capturing methane gas generated by decomposition of urban waste in landfills, and subsequent treatment for the generation of renewable power. This is the world's first project with this UN-approved scope.

# Environmental

## Climate commitment

### Mobility

Urban mobility issues pose challenges in cities around the world, either due to the high emission of polluting gases and congestion, or the impact on the economy and people's quality of life. In our context, we strive to mitigate these impacts by encouraging a number of programs.

The Corporate Policy for Fuel Consumption sets out that the fueling of cars used by the sales force fleet and administrative area must follow the 75% ethanol-25% gasoline ratio. In 2022, consumption target was exceeded, with 78% ethanol and 22% gasoline. Since 2009, when the policy was implemented, we have seen a reduction of 63,930 tCO<sub>2</sub>.

### Electric trucks for a more sustainable fleet

In 2022, we acquired six electric trucks to meet our internal logistics needs. Thus, we will stop emitting 28 tCO<sub>2</sub> per year in the transfer of products between blocks and between units in São Paulo.



Currently, 155 hybrid vehicles are used by employees. Since we made the choice for a more sustainable fleet, we stopped emitting 70 tCO<sub>2</sub> per year. In addition, we are opening spaces for low emission vehicles and electric cars, by providing charging stations, encouraging employees to use less polluting vehicles.

### Carona solidária & Eco Bike Trail

We have created communities to bring together associates who want to take or offer rides on the Yammer corporate social media. Besides the savings in fuel, tolls, and other costs, the initiative favors team building. Associates who give rides are entitled to exclusive parking spaces in the parking lots.

Another mobility program at the company is Eco Bike, which makes regular, cargo and electric bicycles available for the internal mobility of associates at the Itapevi Complex.

### Zero Paper

A program created in 2015 to reduce paper printing in the company. In 2018, with the creation of the Papel Zero Committee, the issue gained relevance and new actions were implemented. The initiatives include the expansion of document digitalization, electronic invoicing, and several other processes that have gone digital, such as the dossiers for new drugs.



### Protection and conservation of green areas

In 2021 inaugurated a 1,200-meter eco-trail in the Itapevi Complex in our permanent preservation area. In 2022, we inaugurated a new 400-meter stretch. In total, the trail is one mile (1,600 meters), divided into three moderate-difficulty trails: Figueiras Trail, Orquídeas Trail and of Bromeliads. The project was designed for implementation without significant interventions, without removing vegetation, and in full harmony with and respect of nature.

In Itapevi, we have a total of 57,000 m<sup>2</sup> of preserved area, where we conduct biodiversity studies, with mapping of species of amphibians, birds, mammals, and reptiles, such as the toucan, the caxinguelê squirrel, the marmoset monkey, the teiú, the jararaca snake, and the carcará eagle. Regarding the flora, there are several native species of the Atlantic Forest, some even on the endangered species list, such as the araucaria, fig tree and the xaxim fern.



A virtual tour is available to the public on the company's website. Read the QR Code with your phone

### Raízes Program celebrates 15<sup>th</sup> anniversary!

The Raízes Program, created to honor employees who complete 15 years in the company, involves planting a native tree in the Itapevi Complex. Each seedling comes with a plaque with the name of the employee, the date they joined the company, the tree species, and the planting date. Altogether, we have already planted 904 trees, 66 of which in 2022.

### Environmental gains

Since 2021, the company has been looking for ways to quantify environmental gains obtained from corporate projects. One of the highlights is in relation to the home office policy, which since its introduction in 2020 has contributed to the reduction of 2,699 tCO<sub>2e</sub> with 507 tCO<sub>2e</sub> in 2022. In total, the environmental projects have stopped emitting 640 tCO<sub>2e</sub> last year.



# Operational eco-efficiency

## Innovation in waste treatment

In 2021, we started using a modern solution in the company to compost 100% of the organic residues from the restaurants at the Itapevi and São Paulo Units. With the use of the *Bioconverter* equipment, a biodigester that processes food leftovers and transforms them into a liquid effluent, it is possible to dispose of the material in sanitation sewage without no impact on the environment. This innovation also helped eliminate the transport of external waste for composting, thus avoiding the emission of 13 tCO<sub>2</sub> in 2022.



## Sustainable season

The Sustainability Census—carried out in the company in 2020 – identified the opportunity to help associates to properly dispose their household waste. To this end, we developed the Cartilha de Casa para o Mundo, with a focus on circular economy, reduced waste generation, and consumption of natural resources.

In 2022, we implemented a Sustainable Station at the Itapevi Complex to serve employees and third parties. It is a collection point for different recyclable residues, from the most common materials, e.g. plastic, glass, paper, and metal, to socks, batteries, spray cans and slippers. The initiative also contributes to job and income generation for the region's co-ops.

### Further progress

**60%**  
waste sent for recycling

**7%**  
diposal to a landfill



## Recovery of waste

With the pandemic, we experienced a significant lack of inputs in the market for the production of cardboard boxes. Faced with this challenge, we implemented a reverse logistics solution to extend the life cycle of shipping boxes. The solution has been validated by durability tests and by the quality assurance area, and allows us to use the boxes an additional three times since the introduction of reverse logistics for the materials. Once the cycle is complete, they are sent for selective collection.

Since October 2020, we had more than

**53 tons,**  
a total of  
**27 tCO<sub>2</sub>**  
in avoided emissions.

## Hazardous waste

As a priority, hazardous waste is treated through a co-processing method, which is more sustainable because it uses the waste as fuel in cement kilns instead of fossil fuel. By 2022, 92% of our hazardous waste in Brazil was disposed of in this way.

## Organic Garden

The sustainable organic gardens at the Itapevi and Ribeirão Preto Units are a practical example of circular economy projects. More than 66,300 vegetables were produced with no pesticides, and given to employees in exchange for recyclable materials brought from home. In addition, the company's restaurants were supplied with this produce. The recyclable packages received are sold for recycling, with the proceeds being used to fund the "De Mãos Dadas com a Escola" program.

**15.7 thousand**  
grown vegetables in 2022

**174 kg**  
of recyclables collected in 2022

**338 kg**  
of recyclables collected since we started using the gardens



# Environmental

Climate commitment

## De Mãos Dadas com a Escola

(Hand in Hand with the School)

Project that combines recycling incentive and educational support for children of associates and service providers. The **De Mãos Dadas com a Escola** program transfers funds obtained from the sale of recycled materials collected at the company’s facilities to the purchase of school supply kits. In 2022, more than 3,900 kits were purchased, with an investment of R\$ 837,141.36.



### Selective Collection

	2020	2021	2022
Recyclable waste sales revenue	R\$ 962,439	R\$ 1,599,639	R\$ 1,301,997
Quantity (tons)	1,948	2,029	2,153

### Results

	2020	2021	2022
Number of kits distributed	3,352	3,352	3,907
Investment in school kits	BRL 341,842	R\$ 379,299	463,947.42
Refund of books and handouts	BRL 312,623	R\$ 342,632	373,193.94
Total investment value	BRL 654,465	R\$ 721,931	837,141.36

## New reverse logistics model

Over the last 12 years, Eurofarma has kept a pioneering partnership with Grupo Pão de Açúcar to encourage the proper disposal of medicines by consumers, through collectors spread throughout the Group’s drugstores throughout Brazil. With the Proper Disposal of Drugs Program, 32 tons of waste were collected and properly disposed of, including primary packaging (which had direct contact with the chemical compound), expired drugs, and sharp materials, such as needles and vials.

Given to the success of this initiative, the company participated in conferences and public forums that helped consolidate the new reverse logistics

model, approved by the Federal Government to regulate the disposal of medicines for human use: expired or unused drugs. Logmed has been serving the pharmaceutical sector in managing program since 2021.

Through the site [www.logmed.org.br](http://www.logmed.org.br) people can search for active sites for a proper disposal of household medicines.



Read the QR Code with your phone



## Energy Efficiency

We seek to become pioneers in the complex energy issue, and we are the first Brazilian pharmaceutical company to obtain the ISO 50001:2018 certification, an international standard that sets guidelines for energy efficiency. We have several actions focused on reducing energy consumption and increasing energy efficiency.

Our strategy is also focused on raising the share of renewable sources in the energy matrix. In Itapevi, we have 7,300 photovoltaic energy panels.

## Water Efficiency

Reducing water consumption in the company’s operations is an ESG target tied to top management compensation. Operational improvements and best practices are always revisited, while new projects are implemented. In 2022, we had a 9% reduction in the water indicator (m³/1000 UP), compared to the previous year. The conscientious consumption and efficiency gains in the productive processes are fundamental to preserve this vital input to our activities.

**77,027 m³**  
of reused water





# A more Sustainable Portfolio

The challenges in ESG issues are complex; however, they drive us in what we are best at: an entrepreneurial *DNA* and the boldness to seek new alternatives. The accolades show that the market recognizes our efforts, such as the innovative methodology for the domestic decontamination of primary packaging of medicines. The +Verde seal offers patients high-quality, more sustainable products.

## +Verde Products

Developed in 2018 and a pioneer in the global market, the +Verde seal enable consumers to avoid contamination in primary drug packaging, and those that have contact with the drug, in their home environment. Additionally, they include more sustainable materials, such as cartridges made of 30% recycled material.

The method for domestic decontamination is simple and economical, and after the process, the packages – made of noble material such as PVC, PET, glass and aluminum – can be sent for selective collection, in order to be reused Eurofarma is the only pharmaceutical company to facilitate 100% of post-consumer recycling of packaging.

Each year, the initiative is expanded to include more products.

**73+ million**  
products with the +Verde seal  
have already reached consumers

**23.5 million**  
units sold in 2022

**+VERDE**



## Green Polyethylene

Since 2019, we have been replacing conventional polyethylene with green polyethylene in the primary packaging of part of our medicines. With this action, we have stopped consuming 9.4 tons of polyethylene made from fossil fuel.

**2.8**  
tons of green  
polyethylene,  
with lower carbon  
emissions in 2022.

## Sustainable investment

### First sustainable bond in Latin America

The relevance of the company's ESG initiatives has also been recognized by the financial market. In early 2022, Eurofarma obtained its first Sustainable CBD bond developed in Brazil. The bond establishes goals for the company, such as reaching a 10% marketing of +Verde products by the end of 2025. This is the first initiative of this type in Latin America.

The Sustainable CDB is part of the structure set up for green debt, which can be issued by a financial institution to foster renewable energy, sanitation, clean transportation, sustainable buildings, and pollution control, among others.







3

**Social**

Focus on transformative education



Strategic Pillars



Eurofarma Institute reaches Montes Claros

With offices in the cities of Itapevi and São Paulo, the Eurofarma Institute (IE) expanded its activities in 2022, with start of operations in Montes Claros, Minas Gerais. The town hosts the construction of the company's largest, most modern industrial complex. Following the São Paulo model, the Institute started operating in the municipality with the Preparatory Course for the Nursing Technician Course. A total of 80 vacancies were offered to young people between the ages of 18 and 29 from low income families and who have completed secondary education in a public school.



At the end of the preparatory course, the 40 students with the best scores were chosen to graduate as Nursing Technicians at Senac Montes Claros, with a full scholarship and a transportation allowance during the two-year course.

Since its inception, IE has worked non-stop to offer transformative education to promote the changes we all desire in society. The educational projects for children and young people have served more than 14,000 students in 2022. With the return to classroom activities, the year 2022 brought about new challenges, such as emotional issues and learning deficits, due to the isolation caused by the pandemic. To help students and their families, IE also relies on a social worker.

Besides the territorial expansion and beneficiary coverage, the year 2022 was marked by unprecedented initiatives, such as the Census conducted with adolescents from ages 14 to 19 years, students of the public school system, who had enrolled in or completed a course at the Institute in recent years. The purpose of the Census was to map the socioeconomic situation and expectations about the Institute, in order to enhance and improve our projects.

Based on evaluations, research and conversations with the company's leadership, the Eurofarma Institute prepared in 2022 a plan as a foundation for its actions over the next five years.

Census shows the profile of young people served by the Institute

70.5% female students

64.5% are classified as black, mixed race, and indigenous

70.1% have a mother as mainly responsible

39.9% receive government aid

99% would recommend the Institute to someone else

89.9% believe that the course they took impacted their professional life and their career

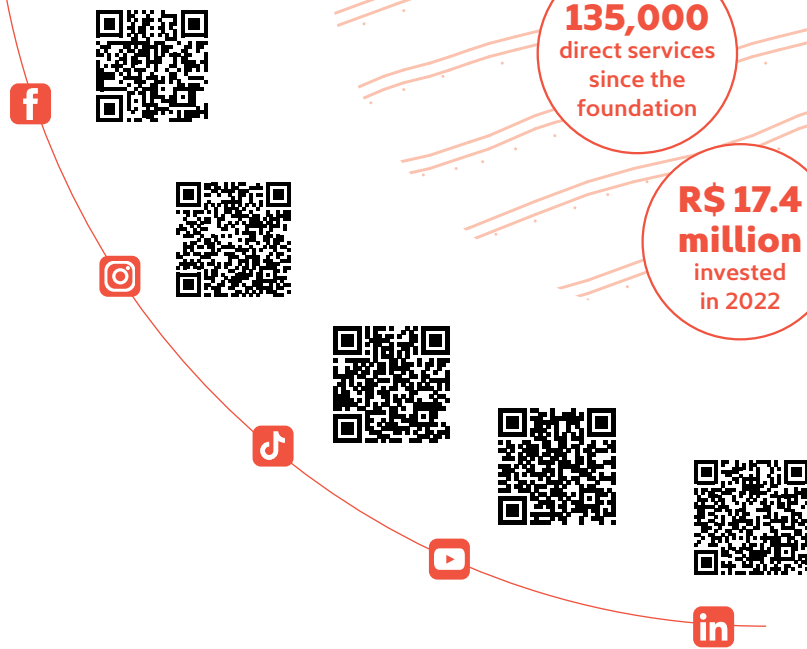
Results	2020	2021	2022
Total investments (in BRL)	11,686,830	14,318,000	17,617,400
Change over previous year	-16.4%	22.5%	23.0%
Individuals directly served	11,854	9,837*	14,100

\*In 2020 and 2021, sanitary measures in effect restricted the maximum occupancy of the Institute's facilities, and shut down partner public institutes. These factors impacted the total number of people served.

## Social

Focus on transformative education

### Eurofarma Institute on social media



### Our progress

**R\$ 142 million**  
invested in  
16 years

**135,000**  
direct services  
since the  
foundation

**14,100**  
people served  
in 2022

**R\$ 17.4 million**  
invested  
in 2022



### P.O.P. campaign (Vocational Preparation and Guidance)

The P.O.P. campaign project (Vocational Preparation and Guidance) aims to help to give meaning to the educational journey of students, aged 14 to 18, from the São Paulo public school system. Through multi-subject activities, the program focuses on the self-knowledge of youngsters, their values, desires and interests, to encourage and support the design of a conscientious life project, with a future-looking perspective that takes their qualification into account. The program was held at the Institute's headquarters, and in a compact version, at partner public schools, bringing together more than 1,200 young people.

### Partnerships



### Image Consulting

One of the pillars of the Institute's actions is to prepare students to enter the labor market. To help them on this journey, IE launched an unprecedented image consulting project. In addition to lectures by a specialist in professional image and style, participants also had access to a wide selection of clothes donated by Eurofarma executives. The class selected attires and put together proposals to improve their visual identity and prepare for interviews.



Check out the  
video of this  
initiative

### Scholarship

Eurofarma Institute has launched a new program that aims at enrolling students from low-income families into private schools for them to have access to a better quality education and build their future. After passing the selection process, 105 young people were awarded fully subsidized scholarships to complete the three years of secondary schools in the south area of São Paulo. During this period, students will receive full support from the Eurofarma Institute to ensure their development and academic success.

### Partner schools

Colégio Certus (Interlagos)  
Colégio São Luiz de Gonzaga (Campo Limpo)  
Associação Crescer Sempre (Paraisópolis)



## Social

Focus on transformative education

### Eurofarma Institute Courses

#### Eurofarma Nursing Center

Eurofarma Institute's first educational project aims at promoting the training of Nursing Technicians. Aimed at low-income youth who have studied in public schools, the two-and-a-half-year course is fully funded by IE, and boasts a technical partnership with the Zerbini Foundation – Hospital das Clínicas, of the Albert Einstein Technical School of the Brazilian Israeli Society and SENAC.

One of the project's main indicators is employability of young people after completing the technical course. Since 2005, a total of 565 professionals have been trained. Currently, 9 out of 10 students graduated from our institute are working in the health area, most of them in major hospitals, attesting to the quality of training and attaining the goal of social inclusion.

*Pamela, a  
Eurofarma  
Institute alumna*

**"The Nursing Technical Course at the Eurofarma Institute was an incentive for me not to give up on my dreams. I had to learn to deal with my emotions and put my best foot forward. I've learned that no matter how difficult the circumstances, it's important to always have a positive attitude."**

*Emanuelle Garcia, student at the Eurofarma Nursing Center in Montes Claros/MG*

**"I am thankful to the Eurofarma Institute for making available this scholarship that is changing my life. I couldn't believe I could actually have access to this course that I had so longed for. Especially in a renowned institution like Albert Einstein. I know this is just the beginning of a great professional career. Thank you!"**

*Caroline de Jesus Costa – Class 20 – Albert Einstein*



### De Olho no Enem (High School Exam preparation)

Preparing young people nationwide for the National High School Exam and College Admission Exams.

#### Results De Olho no Enem (Looking to the National High School Exam) Project

Students who took the preparatory course at IE

169

2020

251

2022

231

2021

### Global Generics Initiative of the Year & Biosimilars Awards

The Eurofarma Nursing Center was chosen as initiative of the year in the Corporate Social Responsibility category of the international Global Generics award & Biosimilar Awards. The 9<sup>th</sup> edition of the awards – sponsored by Pharma Intelligence – was held in Frankfurt, Germany.



### Matéria-Prima Project

Created to offer after-school tutoring for children between 7 and 14 years old from public schools in São Paulo and Itapevi, Matéria-Prima has expanded its service capacity by 30% in the São Paulo unit. Thus, more than 80 children joined the

project, which aims to complement their education during an eight-year journey, providing the beneficiaries with pedagogical and social support throughout elementary school.



### Assessed Learning - Milestone Zero

The students at Matéria-Prima go through a learning evaluation that aims to measure the development of skills and competencies learned in the classroom. In 2022, IE developed this activity in partnership with Avaliativa, a startup chosen by Eurofarma's Synopsis program. The evaluation is done in three phases throughout the year, with a focus on Portuguese Language and Math and, for the first time ever, also covers student behavioral issues and social-emotional skills. The analysis of the reports leads to more efficient actions and interventions in the program's educational proposals.

**"Eurofarma Institute's Preparatory course was fundamental for me to land my dream job at USP. I improved, got better in Writing and Math, which are key subjects in the tests. The teachers' explanations, exercises and strategies were most important. The preparatory course staff and teachers are essential in supporting young people to reach their goals."**

*Kamila dos Santos Freitas, alumnus of the Preparatory Course, accepted at the University of São Paulo to study Petroleum Engineering*

Matéria-Prima Results	2020	2021	2022
São Paulo			
Permanent students	250	250	328
Agenda aberta and Recreio nas Férias	4,200	4,390	6,544
Itapevi			
Permanent students	240	240	240

### Matéria-Prima Transition

Youngsters who turn 14 and end their journey at Matéria-Prima São Paulo and Itapevi have the choice to enroll in the job market preparation courses offered by the Institute. In the 2022–2023 transition, 52 graduates are expected to continue their training and land their first job. In an attempt to encourage preparation and job placement, the Institute connects trainees with the selection processes for young apprentices at Eurofarma.

### Health agenda

The health agenda is an initiative of the Eurofarma Institute that aims to offer young people from the age of 14 education about issues related to the prevention of STIs (Sexually Transmitted Infections) and unplanned pregnancy, through a dynamic and educational game. In 2022, over 1,300 young people from four public schools participated in the project.

**"I am grateful for the beautiful educational and healthcare efforts carried out by Matéria-Prima. I would like to say a huge thank you, also on behalf of everyone in my family."**

*Trainee: Matheus Oliveira Cruz, 9 years old.  
Mother: Cristiane Aparecida de Oliveira*

### Other projects

#### Teacher training

With the purpose of strengthening public education, the training courses offered by the Eurofarma Institute support the development of teaching staff. The activities are carried out in partnership with the Municipal Departments of Education of Itapevi and São Paulo (Santo Amaro Regional office), and include theory and practice. The topics are chosen based on the desires and needs of the teachers. In 2022, online meetings, including a seminar gathered 473 participants.

#### Dental Office

In July 2022, the Institute opened dental care services at the Itapevi unit of the Matéria-Prima project. The initiative already existed in the São Paulo unit, but was extended to serve children and youngsters from the two units. In 2022, 695 consultations were provided, benefiting 473 children and adolescents.





# Community Actions/Volunteering

**140**  
online meeting

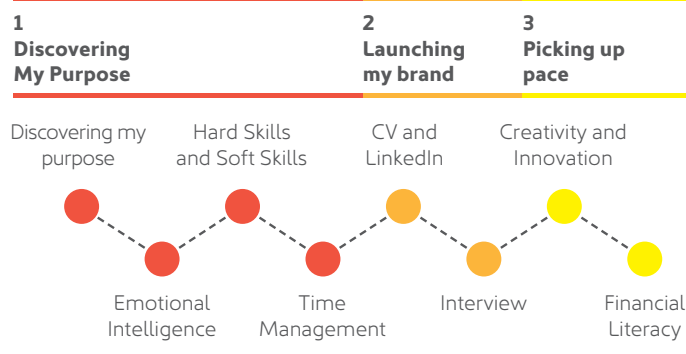
**over 150**  
mentorship hours

**9.5**  
is the average score for the level of engagement with mentors by the students

## Mentorship Program

In partnership with the Joule Institute and the Corporate Social Responsibility department, the Institute held an unprecedented online mentoring program with 20 volunteers from the company with 20 young people served by the Institute. The eight-week Mentorship program was carried out with the participation of Eurofarma executives and applied the three-stage Joule methodology. The results reported by the young people after completing the course included improved self-knowledge, safety and confidence, career plan development, and job opportunities, including within the company.

## Methodology



**"It was nice to learn about the challenges and doubts brought by Thiffany and help her with the luggage we have already collected to date, in an exchange of experiences that has been positive for both."**

*Claudia Dall'Acqua, mentor*

**"I had a different perspective about my professional life and the mentorship opened up my view. It showed me a career I can pursue and that is related to the two colleges I wanted to attend."**

*Thiffany Samara Rodrigues Anastacia, mentee*

**"It was an opportunity to revisit certain personal conceptions and attitudes towards my co-workers and my children. We have reflected also on how we can impact other people's lives by devoting a little of our time, knowledge and experience. It's astonishing how many talented, motivated, and intelligent people just need an opportunity to get off the ground in life."**

*Wesley Marucci Pontes, mentor*



## Eye Care Task Force

The Ampliando Horizontes eye health campaign maps the quality of vision of children and adolescents aged between 4 and 14 years from public schools in Itapevi and Eurofarma Institute units, in order to detect possible deficiencies that may impinge on school performance. People diagnosed with eye conditions are referred to doctors for exams, and if necessary, they receive free corrective glasses. Since the project was launched in 2017, over 45,000 students have undergone screening and more than 7,000 prescription glasses have been donated.

Eye Care Task Force	2020	2021	2022
Public schools and Eurofarma Institute units	14	14	14
Number of children mapped	2,785	11,196	7,268
Number of glasses made	308	574	947
Volunteer contributors to the project	*	*	13

*\*In 2022, we resumed with the participation of associates as volunteers*



## Humanitarian Aid

Since the start of the pandemic, we have disbursed more than R\$ 89 million for humanitarian aid, including financial resources to add hospital beds and retain healthcare professionals, support treatment for cancer patients, donate medicines to healthcare institutions throughout Brazil, in addition to donations of food baskets and PPE. In 2022, the amount earmarked for humanitarian actions was in the excess of R\$ 17 million, focusing mainly on food and medicine donations.

## Social

Focus on transformative education

### Drug Donation Program

The purpose of the program is to help broaden access to medicines. Paying full taxes, we donate medicines to non-governmental organizations and healthcare institutions that serve low-income communities. In 2022, more than 300,000 units were donated to 24 institutions, totaling over R\$ 7 million.

In international operations, donations totaled R\$ 3.1 million with 196,000 units distributed to 77 organizations in Latin America.

### More actions and programs

#### Support for social projects

Since 2014, more than R\$ 22 million has been invested in social projects led by NGOs and other non-profit institutions, with more than R\$ 2 million in 2022 alone, through the use of incentive laws, including FUMCAD and Fundo do Idoso (*information on projects and investments at the end of this booklet*).

\*\*In 2022 we did not contribute funds to PRONON and PRONAS because there was no active government programs using tax benefits.

#### Donation of assets

19 recycling institutions and co-ops received 2,100 items donated by the company, including equipment, furniture and other assets. Asset donation allows these institutions to make their own use of the items or turn them into financial resources to partially fund their activities.

### Corrente do Bem

Through the appointment and participation of volunteer associates, we offer financial support to NGOs and philanthropic institutions in Brazil and other Latin American countries. In 2022, we selected six Brazilian institutions and an additional four projects in countries in the region.

A total of 44 projects were submitted to the program for analysis and voting. Eurofarma's Corporate Responsibility Committee members voted to choose the winners.

### Winter Clothing Campaign

In 2022, more than 1,200 pieces of clothing were collected and later donated to 7 institutions in Brazil. Other Latin American countries that participated in this initiative in 2022 were Uruguay, Ecuador, Chile, Argentina and Peru.

### Volunteering for associates' children

After 2 years of pandemic, we resumed the program. This year the proposal was to connect the initiative with the Natal Solidário program. After the collection of gifts for the Natal Solidário campaign – Christmas letters in our units – 12 young people helped out with checking the names on the gifts, sorting and identification. The task lasted around 6 hours and about 700 attendees were organized by the volunteers.

The purpose of this initiative is to raise awareness and encourage volunteering in social causes, to be exposed to other realities and new opportunities and experiences.

### Natal Solidário

As a way of encouraging the spirit of solidarity, Eurofarma's Christmas campaign is directed to internal, administrative, and production associates. In 2022, our associates sponsored 813 letters and the company covered the split to respond to 2,500 letters written by children from various communities of municipalities around our operations.

We also donated 2,000 toys to the Natal Acolher charity, organized by the Itapevi Social Solidarity Fund.

### McHappy Day

We have partnered with the Ronald McDonald Institute for 19 years. Since then, we have been one big supporter of the McHappy Day campaign. In 2022 alone, we purchased more than 40,000 tickets that benefited GRAACC and TUCCA hospitals, for a total investment in the excess of R\$ 729,000. The tickets were distributed to associates not in leadership positions, Eurofarma Institute students and in the public school system, and service providers.

## Human Milk Bank

### Pioneering social initiative to help save lives

Created in 2019, Lactare is the first private human milk bank in Brazil, aimed to promote breastfeeding and help save lives. Since then, it has expanded its reach among donor mothers and babies hospitalized in neonatal Intensive Care Units (ICU) of several public hospitals in the regions of Itapevi and greater São Paulo. In 2022, Lactare obtained the ISO 9001 NBR certification that attests to the quality of the management system.

A member of rBLH – Brazilian Network of Milk Banks –, Lactare's distinguishing feature is the collection of breast milk in the donors' homes, in addition to providing assistance to mothers. Based at Eurofarma's Itapevi facilities, the bank has extended its hours of operation to meet the growing demand. A new vehicle was also purchased to expand the collections and reach the homes of even more donors. Besides Itapevi,

lactating women from other nearby cities, such as Alumínio, Araçariguama, Mairinque, and São Roque are already being served. The milk collected is processed and stored at the bank's headquarters, until it is donated to public hospitals' ICUs.







	Indicator		
	Volume of milk captured	Number of babies benefited	Average number of registered donors
2020	1,037,369 ml	378	100
2021	1,921,661 ml	744	160
2022	2,953,928 ml	1,043	200
Total	6,042,313 ml	2,322	5,261

## Suppliers

### Pioneering program in the value chain

In partnership with the Ethos Institute, we manage a pioneering program in the pharmaceutical industry to foster sustainability in the value chain. Assessments are made based on indicators and best practices of the company's suppliers for the awareness and implementation of a methodology that helps adopt action plans and enhancement implementation. This is a continuous effort that has evolved after the Code of Supplier Ethics was published back in 2011. In 2022, five workshops on ESG were held. In all, there were 10 hours of training and in-person meetings with 128 people, representing 21 companies.



## Sports & Culture

Since 2006, over R\$ 51 million has been invested in sports and culture projects throughout Brazil. In 2022, we allocated R\$ 6.6 million to 19 projects, through incentive law transfers (see project details at the end of this booklet). In return for the support, we received more than 6,800 tickets for cultural and sporting events, which were used in networking and social inclusion actions. Sports and culture initiatives are co-managed and promoted by the Corporate Social Responsibility & Events departments and the Cultural and Sports Sponsorships committee. In sports, we have been sponsoring our own team, Eurofarma RC, for 16 years in the main category of Brazilian auto racing, Stock Car. In 2022, R\$ 13.5 million were disbursed from our own funds. These projects include notably those carried out through tax incentives: Pequena Sereia, Peter Pan, Diálogo no Escuro, Museu do Futebol, Super Liga de Vôlei Feminina e Masculina, e Jogo das Estrelas.

### Stock Car

The Eurofarma-RC team was the team champion of the Stock Car 2022 edition, the top category in Brazilian motor racing, and driver Daniel Serra ranked second. The fans supported the team, with more than 3,000 associates and their guests attending the last stage. The company collected 1.6 tons of food, which was later donated to three non-profit organizations.





4

## Governance

Transparent management  
and public commitments



## Governance

Transparent management and public commitments

### Strategic Pillars



### 50-year aspirations: On our 100-year journey

"Acting in healthcare and with a global presence, we will become one of the largest pharmaceutical companies worldwide. Recognized for our ESG practices, we will be one of the most sought-after companies to work for. True to our purpose of promoting access and quality of life, we aim to consolidate ourselves into the future with the development of new treatments and a legacy of innovation."



### Purpose

Making health accessible so that everyone can live longer and better

### Our causes

- Innovation in Health
- Health Education
- Mental health

### Mission

To promote access to health and quality of life with treatments at a fair price and profitable operations that ensure the company's sustainable growth and the sharing of the value generated with employees and society

## Management & Transparency

### The success of a historic cycle

The year 2022 has become a milestone in our history. Our 50<sup>th</sup> anniversary was extolled with achievements and progress that will help us conquer a whole new market scope, not only in Latin America, but also in other locations. The five-year journey of our Vision 2022 has been completed, reaching key strategic goals and targets. Our efforts are now focused on Vision 2027, which will bring new ambitions and challenges, keeping us on a growth path to expand our global reach.

In the coming years we will also be more closely aligned with the company's digital transformation, and with the goal of growing, with the recent acquisition in the United States, as well as our purpose of exploring new markets, segments and business models. This is all aligned with our Values and with the solid purpose of retaining our leadership role in environmental and social practices, for sustainable growth, the wealth of which will be also shared with society.



Since early 2022, the firm has been registered as a publicly-held company with the Brazilian Securities and Exchange Commission (CVM), the next logical step in our expansion route. Even without the public offering of stock, we are subject to compliance with obligations and regulations of the Stock Exchange and the CVM. During the year, we launched a number of initiatives to get closer to the market and made new channels available for interested parties who wish to access our information, e.g. the Investor Relations Portal. Quarterly reports audited by an independent firm are published in this channel.

Also as a way to enhance our governance, we expanded the credit alternatives, by establishing an agreement in an unprecedented partnership with IFC, a member of the World Bank Group, for a US\$ 150 million (around R\$ 775 million) loan, to be used to partially fund two different strategic projects: the company's new plant in Montes Claros (MG) and the Covid-19 vaccine production project at the Itapevi (SP) industrial complex.



## Governance

Transparent management and public commitments

### Shared decisions

Governance is based on a management system with strategic decisions taken and shared in internal committees, with representatives from different areas. In 2022, there was significant progress in the maturity of our governance, boosted by the transition into a publicly-held company. We now have a Board of Directors, composed of independent members, and new committees that provide advise to senior management: Audit, Compliance, People and ESG.



### Completion of Vision 2022

The cycle of our Vision 2022 was completed last December with the fulfillment of the goals related to each of the five strategic dimensions and the 13 macro-objectives published, which involved the entire organization between the period 2017–2022, we managed to reach 90% of our corporate goals.

#### Multidisciplinary | Committees



#### Vice-Presidency of Human Resources

- Diversity
- Covid-19

#### VP of Sustainability and New Business

- Water
- Environmental
- Conservation of Natural Resources
- Communication
- Crisis
- ESG
- Expansion
- Cultural and Sports Sponsorships

#### VP of Innovation

- Continuous Improvement and Cost Reduction
- Product and Process Changes
- New Products
- Patents
- Prices
- Innovative Products

#### VP of Operations

- Operational Governance
- Inventory
- Continuous Improvement
- Changes
- Quality
- Supply-Covid

#### VP of Financial Administration

- Fiscal Committee
- Investment Committee

## VISION 2017-2022

Check out our achievements!

### Recognition



#### Strategic Objective

	Result	Strengths Developed
<b>Reference publications in sustainability and innovation</b>	✓ Five-time champion Guia Exame Sustentabilidade and cites in the publications Melhores e Maiores, Dinheiro and Valor Inovação	<ul style="list-style-type: none"> <li>• New sustainable projects: +Verde seal product</li> <li>• Commitment to having 100% of energy used from renewable sources by 2024</li> </ul>
<b>FDA and EMA international certifications</b>	✓ 19 years among the best companies in Brazil	<ul style="list-style-type: none"> <li>• GPTW recognition also in Latin America</li> <li>• Creation of the +Diverso Program</li> </ul>

### Expansion

#### Strategic Objective

	Result	Strengths Developed
<b>Presence in 100% of Latin American countries</b>	✓ 100%	<ul style="list-style-type: none"> <li>• One of the largest companies in Latin America in the industry</li> </ul>
<b>FDA and EMA International Certifications</b>	✓ FDA in 2022	<ul style="list-style-type: none"> <li>• Potential access to new international markets</li> </ul>
<b>30% of sales from international operations</b>	✗ 18.1%	<ul style="list-style-type: none"> <li>• Strengthening the international platform with growth potential</li> <li>• Tapping into the North American market accelerates the consolidation of international operations</li> </ul>



## Governance

Transparent management and public commitments

### Competitiveness

#### Strategic Objective

	Result	Strengths Developed
<b>Increasing gross margin</b>	✓ 68.1% dez/22 x 67.9% dez/17	<ul style="list-style-type: none"> <li>Construction in Montes Claros</li> <li>Efficiency gains throughout the industrial park - BR and LatAm</li> </ul>
<b>Profits steady at 25%</b>	✓ 23.4%	<ul style="list-style-type: none"> <li>Investment capacity including new acquisitions and product innovation to obtain larger margins</li> <li>Brazil with an above-target margin and international operations with a significant year-on-year increase</li> </ul>
<b>Service levels in Brazil and Latin America at around 97%</b>	✗ 84.5%	<ul style="list-style-type: none"> <li>Investment in manufacturing capacity and regional platform modernization, with equipment, processes and integrated flows to meet current and future demand</li> </ul>

### Leadership

#### Strategic Objective

	Result	Strengths Developed
<b>Leader in Prescription Drugs in Brazil</b>	✓ 1 <sup>st</sup> place	<ul style="list-style-type: none"> <li>Trained and capillary Sales Force</li> </ul>
<b>2<sup>nd</sup> place in Generic Drugs sales in Brazil</b>	✓ 2 <sup>nd</sup> place	<ul style="list-style-type: none"> <li>LatAm generic drugs platform</li> </ul>
<b>To be among the three largest companies in market share with local capital in Latin America</b>	✓ 1 <sup>st</sup> place	<ul style="list-style-type: none"> <li>Expanding knowledge, relationship with healthcare professionals and consumers' experience with our brands</li> </ul>

### Innovation

#### Strategic Objective

	Result	Strengths Developed
<b>Top 3 in portfolio renewal</b>	✓ 1 <sup>st</sup> place in market share of BR releases	<ul style="list-style-type: none"> <li>Leader in portfolio renewal</li> <li>200+ products launched in 5 years</li> </ul>
<b>10% of protected portfolio</b>	✗ 5.07%	<ul style="list-style-type: none"> <li>Construction and launch of Eurolab</li> <li>Acceleration of investments in R&amp;D</li> <li>Enhanced innovation structure and partnerships with international pharmaceuticals</li> </ul>

## Vision 2027

As we complete Vision 2022, we take our operations to the next level. With our leadership position in Brazil and by consolidating our presence among the three largest companies in the region with Latin American capital, we reinforce our focus on growing, and invest in several pillars that will help us to keep a double-digit expansion in the next cycle. In addition to further consolidating our international units, we moved forward with the launch of a large innovation center with currently more than 600 people devoted to R&D. We have created areas to keep up with market changes, such as the digital revolution and a corporate venture structure. We have completed a number of acquisitions of operations and products with a view to expanding our frontiers and tap into new pharmaceutical segments. Vision 2027 brings many challenges for the next five-year cycle, and a long-term vision reflected in our aspirations for the next 50 years.

On our 100-year journey: Get ready for the Eurofarma we are building!



**Leaders in Latin America, we are moving forward in the United States and other locations. With sustainable growth, we will grow organically and through innovative products, acquisitions and technology solutions in healthcare. True to our purpose of access and quality of life, we will be recognized for our culture, people management and ESG practices.**

Corporate Vision 2027

## Governance

Transparent management and public commitments

### Macro-objectives & Goals



#### Results

- Focus on growth with sustainable profitability
- Ensure the return on strategic investments
- Optimizing operational efficiency and costs



#### ESG

- Leading innovation in environmental practices
- Strengthening of governance practices
- Progress in diversity and inclusion programs



#### Internationalization

- Leaders in Latin America
- Expanding our presence in the U.S.
- Exploring other markets and business models



#### Innovation

- Raising the share of net sales of exclusive products and push the development of disruptive products
- Developing health technology solutions and open innovation
- Enhancing digital transformation



#### People and Culture

- Globalizing the organizational structure
- Attracting, developing and retaining the best talent
- Consolidating the "Eurofarma Way"

As part of the celebrations of our 50<sup>th</sup> anniversary, we set up a brand committee composed of leaders from various areas. This committee conducted a lengthy communication study to refresh Eurofarma's visual identity, translating the company's culture, vision, purpose, and causes into symbols and concepts. Thus, we approved the modernization of our brand in 2022, and the new slogan "sua vida move a nossa" (your life moves ours).

The new brand connects the company's history with its future and adds simple elements and features to a welcoming and modern language that reflects the company's current times.



Some 16 years ago, we voluntarily published the Balance Sheet and the Annual Sustainability Report, and we became the first Brazilian pharmaceutical company to follow the GRI (Global Reporting Initiative) standards, a global benchmark. With transparent financial statements, the Balance Sheet and the Report boasts the seal of independent audit.

## Transparent communication

Keeping a transparent, fluid communication with all audiences we interact with is one of our main goals. We work continuously to improve our communication and offer efficient interaction channels. The acts as a disseminator agent of relevant contents, with a didactic approach, mainly on cross-cutting themes that underpin the Corporation's DNA: ESG, Innovation and People.



### Further progress 2022 Data

**97%**  
corporate  
communication

**11.1  
million**  
visitor area of  
Eurofarma sites

**13.5  
million**  
access area to  
Eurofarma sites

**871  
thousand**  
followers on  
LinkedIn

**R\$ 32.9 milhões**  
spontaneous media return

**43.3  
thousand**  
views on  
Facebook



## Governance

Transparent management and public commitments

# Diversity

## Program +DIVERSO

The preparation of our Diversity Program was based on an in-company diversity census conducted in 2020 together with one of the most renowned consultancy firms in the market. +Diverso is one of our programs that translates our formal commitment to work on the development of a more just, egalitarian and inclusive society.

The program operates on four priority pillars that include Affinity Groups: LGBTQIA+, People with Disabilities, Gender and Race – there are plans underway for the topic of “ageism”, with inclusion projects and initiatives already underway, to be incorporated into the +Diverso program. Affinity groups bring together 34 associates who meet periodically to exchange ideas and put forward action plans. Each group has two executives as sponsors, and the Diversity committee – under the Human Resources team – is in charge of the overall management of the program and the approval of proposals.



### Important progress:

While the market still debates the need for equal pay for men and women who fulfill the same role, this difference has never existed among us. Equal compensation has been a practice of the company since it was established. Attuned to other important demands for women, we also pioneered programs to support maternity and we have a balance of women and men in the company's top management. In recognition of our best practices, the company is ranked by the GPTW as one of the best companies to work for – including women in Central America and the Caribbean, Chile, Colombia and Peru.



# Risk Management

It is important for Eurofarma to maintain a transparent, ethical and decentralized governance system. The structure prioritizes exchange of information and opinions, in an effort to outline strategic planning and decision-making. Several stakeholders are involved in these processes, including suppliers, customers, Transparency and compliance with ethical standards are part of all decision making, guaranteed by the Internal Audit and Risk Management structure. Technology is also present in the organizational structure through software, which fosters agility and control, such as those used in audits, risks, knowledge and contract management.

The company boasts a solid risk management plan, in which priorities are determined according to the impact and relevance of the topics. Natural disasters and accidents are addressed by Committee and are provided for in crisis protocols, the content of which serves as a reference for the training of all teams.

The new facility to be inaugurated in Montes Claros/MG features – since its conception – different solutions to mitigate the most diverse risks inherent to drug production. The very initiative to build a new factory to meet growing demand – in addition to expanding production capacity – is part of a Risk Management Plan. Ultimately, it allows “mirrored” lines and processes to be transferred rapidly, if necessary. The future employees of the new plant will receive risk management training, among others.



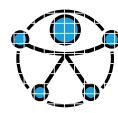
**MIRE**  
MOVIMENTO DE INCLUSÃO RACIAL EUROFARMA



**Plural**  
LGBTQIA+



**EuroElas**  
GÊNERO



**PertenSER**  
PESSOAS COM DEFICIÊNCIA

In the last year we have made strides on several areas of +Diverso, with a focus on:

- Corporate R&D goals for all leadership
- Increase of women in the sales force
- Virtual tour program with 100% PwDs sales force
- Training through lectures and immersions for greater knowledge and awareness of internal teams about the challenges and best practices in R&D- Hiring trans people
- Celebratory events for +Diverso actions
- Creation of LGBTQIA+ affinity groups, People with Disabilities, Gender and Race

## Governance

Transparent management and public commitments



Water, energy and atmospheric emissions are core guidelines in the Group's manufacturing parks. The largest park, in Itapevi/SP, has a Effluent Treatment Station and Energy Management System (guidelines to gain independence, cut expenses and increase energy efficiency to supply production lines), in addition to a huge rooftop photovoltaic park on top of the buildings. Waste management also gets ample attention and receives investments for the treatment of hazardous waste, recycling, and reuse of common waste.

Eurofarma's top management is aware that the training of professionals to hold new positions and succession plans is fundamental to sustain the company's operational capacity, and thus, keeps this action up to date, with the support of executives, shareholders and the Board.

Upholding ESG objectives in Strategic Planning, synergy between the areas, and constant investments in technology enables the company to make progress in risk management and innovative projects. In the IT area, the Data Center ensures rapid migration, ensuring continued activities under adverse circumstances.

As regards suppliers and customers, there is a partnership in the planning of transportation by alternative routes in an attempt to reduce emissions and costs.

The internal audit area, in charge of prevention and detection of risks, evaluates compliance with processes, performs periodic inspection cycles in all company areas to monitor activities, detect opportunities and monitor action plans. By using incentive mechanisms for strict compliance with legislation, internal and external regulations, protection against misconduct, preservation and creation of economic value, it is aligned with ethical principles and good corporate governance practices to guide the behavior of associates and suppliers.



### Independent Ombudsman Channel

Associates, suppliers, customers and other stakeholders have at their disposal an independent and confidential Ombudsman Channel to report events and behaviors that are inconsistent with the Code of Conduct and Ethics, as well as other types of complaints. The channel is managed by an independent company, which ensures data confidentiality and protects the identity of whistleblowers if so desired. The analysis and investigation process is conducted by the Corporate Integrity area, which reports to the Ethics Committee, directly under the Presidency.

## Expansion & Growth

Thirteen years after we launched our daring internationalization project, we end the year 2022 having achieved a great dream: entering the North American pharmaceutical market, the largest in the world. This was achieved through the acquisition of Medimetriks Pharmaceuticals, Inc., established in 2008 and with operations in the area of dermatology that Eurofarma established its first operating unit in the U.S. The platform – albeit still small – develops, acquires and markets prescription skin care brands. This was the first company acquired outside of Latin America, where we already have a 100% coverage.

In addition to opening up a new territory and a highly regulated market, we have directed our efforts towards expanding our operations in the OTC segment as well. The momentum for achieving this goal came from the acquisition of the assets of Canonne Laboratory, owner of the Valda brand, the most sold non-drug product in pharmacies in Brazil.

Valda tablets were created in France in 1902, and reached the Brazilian market in 1914, through independent importers. Renowned and with great brand recall, Valda holds an important market share through a continuous improvement program and by diversifying products to expand its portfolio.



The company's largest, most advanced industrial park will be inaugurated soon in Montes Claros, Minas Gerais.

The plant is currently one of the largest privately-funded projects of the country. The new facility will meet the growing demand over the coming years and the production of our ambitious pipeline that will translate into product launches.

After celebrating our 50<sup>th</sup> anniversary and completing our Vision 2022, a new cycle begins on our path to the next 100 years, based on a good yield thanks to the robust strategic planning and responsible management with which we set our course.

Vision 2027 shows that we are well aware of our great revolution, i.e. digital transformation. This Vision is an important step in our mission for the next 50 years – to become one of the largest pharmaceutical companies worldwide, a benchmark in ESG practices and with a legacy of innovation in treatments. Our reach is now global, and we know where we want to go.





# 5

## Acknowledgments

# Acknowledgments

## GREAT PLACE TO WORK (GPTW)

### GPTW Central America and the Caribbean

2<sup>nd</sup> place in Best Place to Work – Women,  
4<sup>th</sup> Place in the multinational category of  
the general award

### GPTW São Paulo

5<sup>th</sup> among large companies/metropolitan region  
GPTW Brazil – Health 6<sup>th</sup> in the ranking

### GPTW Brazil – Health

6<sup>th</sup> in the ranking

### GPTW Brazil

40<sup>th</sup> overall among companies with 1,000  
to 9,999 employees

### GPTW Peru

4<sup>th</sup> in the overall award, 12<sup>th</sup> among Best Places  
to Work – Women, 16<sup>th</sup> in Best Places to Work  
– Diversity and Inclusion awards (1<sup>st</sup> time in the  
ranking)

### GPTW Colombia

12<sup>th</sup> in the national award and also in the  
Best Places to Work – Women award, 20<sup>th</sup> in  
the category Companies from 301 to 1,500  
employees, as the only pharmaceutical company

### GPTW Chile

9<sup>th</sup> in the national awards, 15<sup>th</sup> in the Best Places  
to Work – Women awards

### GPTW Latin America

16<sup>th</sup> in the multinational category

### GPTW Industry 2022

10<sup>th</sup> place in the large size category

### GPTW Mexico

Among the best to work for in the 2022–2023 period

### Exame’s Melhores e Maiores

1<sup>st</sup> in the Pharma and Beauty category

### Exame’s Best ESG 2022

Among the top 5 in the Pharmaceutical and  
Beauty segment

### Dinheiro’s Melhores

1<sup>st</sup> in several categories: Health and Well-being,  
Financial Sustainability, Human Resources,  
Innovation and Quality, Corporate Governance.  
Special distinction in Management, Innovation  
and Quality, 2<sup>nd</sup> place in Corporate Social  
Responsibility

### Época Negócios 360°

1<sup>st</sup> in Sustainability, 2<sup>nd</sup> in Innovation and Future  
Vision, 4<sup>th</sup> in People, 43<sup>rd</sup> overall among 420  
participants

### Merco Responsabilidad ESG

4<sup>th</sup> in the pharmaceutical category and 87<sup>th</sup> in  
the ranking of leaders with Maurizio Billi

### Valor Inovação

Co-leader in the segment and 42<sup>nd</sup> in the  
overall ranking

### Valor Carreiras – The best in People Management

3<sup>rd</sup> in the category Companies from 3,000 to  
7,000 employees

### Estadão Empresas Mais Award

1<sup>st</sup> among pharmaceutical companies

### Estadão Marcas Mais

One of the leading health brands in consumer  
preference



### Best WorkPlaces Award 2022

Top 5 in the Hospitals and Pharmaceuticals  
category

### Top 100 Open Corps Ranking

1<sup>st</sup> in Health and Well-being

### Diversity and Inclusion in Companies Research – Ethos

3<sup>rd</sup> place

### 26<sup>th</sup> Sindusfarma Quality Award

1<sup>st</sup> in the Drug Storage and Distribution category

### 46<sup>th</sup> Lupa de Ouro

Best ESG Project with Lactare, Best Central  
Nervous System Prescription Product with  
Prysma and Business Performance for  
Generic Drugs

### Global Generics Award & Biosimilars Award

Leader in Corporate Social Responsibility –  
Initiative of the year with the Eurofarma Institute  
Nursing Center project







# 6

## Transparent Management

Accountability of 2022 investments

Investments 2022



Investment	REAL acm 2022
Humanitarian aid	R\$ 17,994,667
Social Responsibility	R\$ 7,338,798
Lactare	R\$ 3,052,552
Total Social Investment	R\$ 28,386,017

Corporate Social Responsibility

Investment and Services	2020	2021	2022
Investment in Corporate Social Responsibility (CSR)	13,112,061	15,871,082	19,854,910
Percentage increase in CSR investment	- 14.8%	21%	25%
Total investment in the Eurofarma Institute	11,686,830	14,318,000	17,617,400
Increased investment in Eurofarma Institute vs. previous year	- 16.4%	22.5%	23%
Total served in projects (regular + specific)	11,854	9,837	14,100

Use of incentive laws. Institutions and projects supported

Events and Sponsorships

Project	LEI	Valor Aporte
Wicked	LIC	R\$ 700,000.00
Peter Pan	LIC	R\$ 500,000.00
Beetle Juice	LIC	R\$ 500,000.00
Elas Brilham	LIC	R\$ 700,000.00
Circo Reder	LIC	R\$ 400,000.00
SPCD	LIC	R\$ 220,000.00
Young Frankenstein	LIC	R\$ 500,000.00
Elis, the musical	LIC	R\$ 300,000.00
A Night on Broadway	LIC	R\$ 417,726.00
Avengers Station	LIC	R\$ 300,000.00
PAW Patrol	LIC	R\$ 125,000.00
Enzo Fittipaldi	LIE	R\$ 765,682.00
Montes Claros Volleyball	LIE	R\$ 400,000.00

Social initiatives

Chain of Good

No.	Institution	Valor
1	Institute for those who need it	R\$ 4,340
4	Varginha Vida Viva Volunteer Association	R\$ 4,340
3	Amigos Grupo do Bem Association	R\$ 4,340
4	Ponta do Pé Autism Association	R\$ 4,340
5	Educational Hobby	R\$ 4,340
6	Pequeno Luca Institute	R\$ 4,340

McHappy Day

GRAACC			
Year	Number of Tickets	Unit Value of Tickets	Total
2022	40,000	R\$ 18.00	R\$ 720,000.00
TUCCA			
Year	Number of Tickets	Unit Value of Tickets	Total
2022	529	R\$ 18.00	R\$ 9,522.00
	40,529		R\$ 729,522.00



# Transparent Management

Accountability of 2022 investments

## Institutions – Winter Clothing Campaign

Social Development and Citizenship Secretariat
Social Solidarity Fund of the State of São Paulo
Lar Padre Euclides
ABB – Bethel Charitable Association
FUVAE – Varginhense Foundation for Assistance to the Exceptional
Solidarity League
São Miguel Arcanjo Parish - Fr. Júlio Lancelotti

## Support for Social Projects – Incentive Laws

No.	Law	Institution	Project	Value allocated to projects
1	Municipal Fund for the Rights of the Elderly	Regional Medical School Foundation of São José do Rio Preto	Adopt a Bed - Comprehensive Care for the Elderly	R\$ 500,000.00
2	Municipal Fund for the Rights of the Elderly	São José do Rio Preto Regional Medical School Foundation	Viva + Oncogeriatrics	R\$ 665,682.00
3	Municipal Fund for Children and Adolescents	Pequeno Príncipe Hospital	Comprehensive	R\$ 1,165,682.00
Total				R\$ 2,331,364.00



## Donations to Social Organizations

Institution	Aporte Anual
Jardim Autódromo Community Center	R\$ 28,824.00
Support Group for Adolescents and Children with Cancer GRAACC (McHappt Day)	R\$ 720,000.00
Ethos Institute - Associative contribution	R\$ 12,000.00
Ingo Hoffmann Institute	R\$ 86,400.00
Association for Children and Adolescents with Cancer – TUCCA	R\$ 9,522.00
United Nations Development Program	R\$ 39,052.50
SAS Brazil	R\$ 298,334.13
Total investments	R\$ 1,194,132.63

## Winter Clothing Campaign



Total pieces:  
**1,210**



Blankets:  
**730**



Socks:  
**480**

## ENVIRONMENTAL WORKSHEETS

### Environment

Environmental investments	2020	2021	2022
Investments into the company's production/operations	R\$ 15.5 millions	R\$ 21 million	BRL 32.6 million
Investment in external programs and/projects	R\$ 104,000	No investment made	No investment made
Total environmental investments	R\$ 15.6 million	R\$ 21 million	BRL 32.6 million

# Transparent Management

Accountability of 2022 investments



## Water Efficiency

### Water capture by source (megaliter)

Results	2020	2021	2022
Groundwater	216	204	185
Third party supply	265	252	263
<b>Total</b>	<b>481</b>	<b>456</b>	<b>448</b>

### Water consumption (megaliters)

Results	2020	2021	2022
Water consumption (megaliters)	454	435	431
Indicator m <sup>3</sup> /1000 up	1.29	1.26	1.15

### Reused water (megaliters)

Water Management at Eurofarma Group	2020	2021	2022
Total reused water volume – in megaliters	54.48	75.5	77.7
Reused water (%)	31	48	49
Disposal by destination (%)	69	52	51
Water donation (megaliters)	8.9	7.4	7.8

## Energy Efficiency

### Power Consumption

Results	2020	2021	2022
Annual consumption - Gj	291,280	298,739	322,206
Gj/1,000 up	0.80	0.87	0.86
Number of panels	7,294	7,294	7,924
Generation – kwp	2,218	2,218	2,218

*Eurolab was launched in 2020, which contributed to a slight increase in the energy performance indicator.*

### Non-renewable energy sources (%)

Results		2019	2020	2021	2022
Direct (EN3)	Natural gas	34.1%	37.9%	42.0%	47.2%
	Oil by-products	0.2%	0.4%	0.4%	0.4%
Indirect (EN4)	Power (utility)	35.6%	32.6%	29.0%	2.2%
<b>Subtotal</b>		<b>70%</b>	<b>71%</b>	<b>71%</b>	<b>49.8%</b>

### Renewable energy sources (%)

Results		2019	2020	2021	2022
Indirect (EN4)	Power (utility)	29.5%	28%	28.0%	49.7%
	Photovoltaic energy	0.7%	1%	1.0%	0.5%
Direct (EN3)	Biodiesel	0.0	0.1%	0.0%	0.0%
<b>Subtotal</b>		<b>30%</b>	<b>29%</b>	<b>29%</b>	<b>50.2%</b>

## Waste Management

### Non-hazardous waste (tons)

Results	2020	2021	2022
Composting	407.7	365.9	298.7
Reuse/Recovery	0.0	0.0	2.3
Recycling	2,514.7	2,634.8	5,145.0
Environmental recovery	245.4	186.2	185.3
Waste for final disposal (landfill)	709	749.1	433.0
<b>Total</b>	<b>3,876.8</b>	<b>3,936.0</b>	<b>6,065.1</b>



# Transparent Management

Accountability of 2022 investments



## Hazardous waste (tons)

Results	2020	2021	2022
Composting	0.0	0	0
Reuse/recovery	60.1	44.1	40.3
Recycling	0.0	0.0	0.0
Environmental recovery	1,399.6	1,171.1	1,328.0
Waste sent for final disposal (incineration - mass burning)	71.4	66.3	113.3
Landfill			0.26
<b>Total</b>	<b>1,531.1</b>	<b>1,281.5</b>	<b>1,481.9</b>

## Waste not sent for final disposal (recyclable - tons)

Results	2020	2021	2022
Paper	1,148.1	1,230.7	1,365.0
Plastic	416.7	400.4	479.9
Glass	69.6	85.6	66.9
Metal	238.3	241.8	207.4
Rubble	697.5	714.1	3,026.0
Wood	245.4	186.2	185.3
Composting	407.7	365.9	298.7
Other (electronic scrap, oil, batteries, lightbulbs)	4.5	5.8	5.0
<b>Total</b>	<b>3,227.8</b>	<b>3,230.5</b>	<b>5,634.16</b>

## Climate Change

### Protected areas

Results	2020	2021	2022
Itapevi protected area (m²)	57,298	57,299	57,299
Montes Claros protected area (m²)	49,300	49,300	51,500
Area under recovery in Mogi das Cruzes (m²)	328,000	-*	-
<b>Total (m²)</b>	<b>434,598</b>	<b>106,599</b>	<b>108,799</b>

\*In 2021 we closed Cetesb's Environmental Recovery Commitment Term in Mogi das Cruzes.

### Emissions Management

	2020	2021	2022
Emission Sources	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
<b>Scope 1</b>	<b>14,529.47</b>	<b>16,920.95</b>	<b>18,802.00</b>
Stationary combustion	8,261.23	10,271.48	10,029.00
Mobile combustion	2,080.00	2,396.49	2,415.00
Effluents	3.26	1.78	2.00
Fugitive emissions	4,183.16	4,222.71	6,354
Solid waste	1.82	28.49	2.00
<b>Scope 2</b>	<b>4,994.20</b>	<b>10,224.10</b>	<b>3,696.00</b>
Power	4,994.20	10,224.10	3,696.00
<b>Scope 3</b>	<b>5,594.55</b>	<b>5,026.85</b>	<b>2,249.47</b>
Commuting to work	3,839.88	3,078.44	1,235.47
Solid waste generated in operations	1,699.31	1,576.08	732.00
Air travel	55.36	372.33	282
<b>Total</b>	<b>25,118.22</b>	<b>32,171.90</b>	<b>24,747.87</b>





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