

You have left your mark on our history



Grupo Eurofarma

50
years

Contents



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In this report, the Eurofarma Group shares with its stakeholders information on its operating context in 2021, the main challenges faced, and the results achieved by the company in the economic-financial, operational, social, environmental, and governance fields. This exercise of transparency and accountability, conducted voluntarily by the company since 2006, is the subject of a continuous improvement process.

The data gathered here cover the period from January 1 to December 31, 2021 and refer to the entire Group (Momenta, Magabi and the International Operations). The financial information and the balance sheet include data on Supera Rx, a joint venture with the Cristália laboratory.

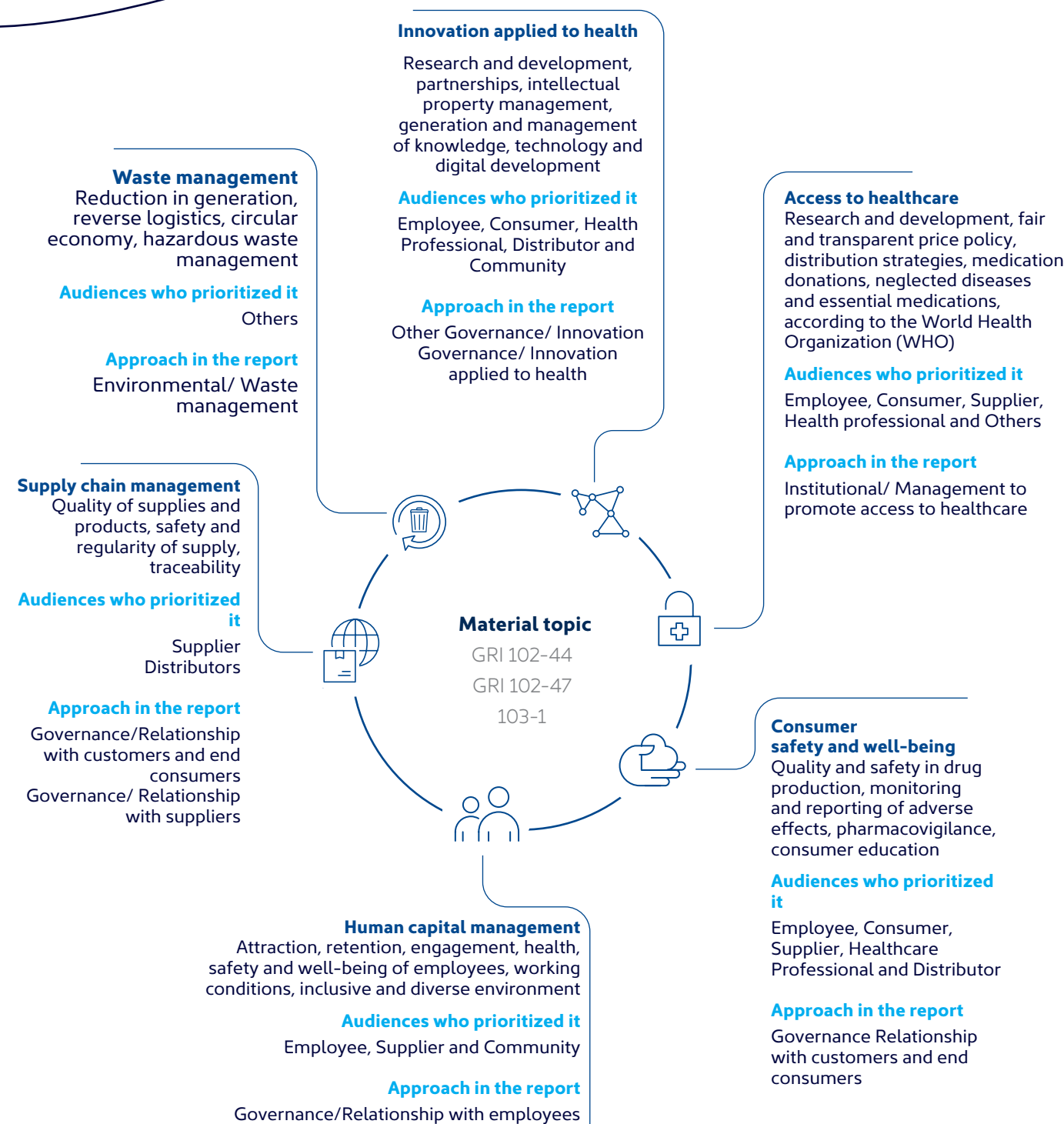
The information was compiled following the GRI (Global Reporting Initiative) Standards for Sustainability Reporting, the SASB (Sustainability Accounting Standard Board) indicators for the pharmaceutical and biotechnology sector, and, in the case of the financial indicators, the national and international accounting standards.

Material topics

The selection of the contents covered was guided by the materiality definition process, which is performed every two years by the company. The most recent edition took place between late 2021 and early 2022 and considered, externally, studies, research, benchmarkings and industry trends; and internally, institutional drivers, commitments, risks, opportunities and Eurofarma's vision of the future.

The company's different stakeholders participated in the process, such as employees; suppliers; business partners; distributors, points of sale, pharmacies; consumers; health professionals; researchers, universities, research institutions; social entities served, community; financial institutions; and the media. The consultation was performed by means of online survey questionnaires (Portuguese, English and Spanish versions) sent as mailings selected by the various areas of the company.

The prioritization stage of the topics involved members of the Executive Committee. The results, listed below, served as the basis for the report.



Online query

510 participants (155 employees, 111 suppliers, 84 consumers, 84 healthcare professionals, 22 distributors, 15 social entities served/community and 38 representatives of other audiences consulted)

Prioritization with senior management

26 members of the Executive Committee

To make it easier for the reader to find them quickly, the GRI and SASB indicators are highlighted throughout the text and gathered in a summary starting on page 50.

For more information, suggestions or comments about the report, please contact the Corporate Communications department (comunicacao@eurofarma.com).



message from the president

It's time to be thankful for this journey GRI 102-14

In April we will celebrate our 50-year anniversary and 2021 wraps up this chapter in a way that we never dared to imagine. Our roots date back to 1972, when an Italian immigrant dreamed of creating a pharmaceutical company in Brazil from used machines. By providing services to other industries, he invented outsourcing. Since then, the road has been paved by many acquisitions, diversified operations, entry into Generics, and internationalization. Entrepreneurship, ever present in our history, has transformed us into a multinational enterprise, a path that no other Brazilian pharmaceutical company has forged.

Covering 100% of Latin America, we got our structure right and have a solid platform for growth. With a positive and growing EBITDA margin, the international division accounted for 16% of our sales. We entered the Mexican market, set up a not yet operational joint venture in the United States, and moved forward with greenfield operations in Mozambique and Angola.

We continue to struggle with the pandemic, this century's major challenge, and celebrate the arrival of vaccines, vital to saving lives. We offer solidarity to those who have lost loved ones, and at the same time thank those who have allowed us to work non-stop. This is especially true for our industrial team, which broke production records to keep the market supplied.

Our humanitarian aid efforts totaled BRL 71 million in donations of medicines, hiring of health professionals, and hundreds of thousands of staple food kits. The initiative continues into 2022. The Eurofarma Institute, focused on education, has resumed its on-site activities. With more than 10.000 individuals served, this work fills us with pride.

Just like everyone else, we have sought ways to

overcome adversity in the past two years. We did this by innovating and foreseeing scenarios. Thus, we achieved important agreements, such as the production of the vaccine under the Pfizer/Biontech consortium.

With results exceeding expectations, we ended the year generating wealth and guaranteeing a record profit sharing distribution. Our net revenue reached BRL 7.1 billion (BRL 8.3 billion gross) and EBITDA of BRL 1.7 billion, an evolution of 23% and 30%, respectively. We maintained a AAA rating for the third year running, a comfortable cash position, and a net debt to EBITDA ratio of 1x. Our low leverage and solid capital structure allow us to raise debt with equity to support expansion plans, growing investments in innovation, and merger and acquisition transactions.

In Brazil, the time we keep inventories in the chain is much shorter than the industry average. It is 48 days in the main distributors and sales return in 68 days. These indicators reinforce our culture of healthy inventories and focus on demand generation.

With more than 8.000 employees, our results are directly tied to the team's enormous commitment, which enables the professionals to grow with the company. There is nothing more valuable to the entrepreneur. Therefore, growth is as important as maintaining high levels of internal satisfaction! Ninety-five percent of the employees are proud to work for us and we have been listed in rankings of the best companies, such as GPTW, for 18 years, including other countries. This index is what best translates our philosophy.

Society, in constant evolution, challenges us to identify its demands in order to seek solutions, broaden horizons and opportunities. For everyone! Equity and inclusion are goals of the +Diverso

program. With four action fronts, we highlight the direct involvement and participation of employees in affinity groups.

Equality is a non-negotiable value at Eurofarma. Here, women are the majority in the vice-presidency positions, represent 50% of the Executive Committee and internal leaderships. We are fair in always compensating men and women in the same position equally. Aware of new challenges, on this and other fronts, it is important to value our principles that have guided our practices and were fundamental for wage equity, an example of the distortion still present in many companies.

Inserted into our practices and aligned with our strategic planning, we have had a Sustainability Master Plan with Environmental, Social, and Governance (ESG) targets and indicators for more than 12 years. This pioneering spirit has allowed us to lead important advances in the industry. We have achieved unprecedented energy efficiency certification, invested in disruptive solutions for waste treatment, and launched drugs with the +Verde seal, which incorporate environmental practices. In 2021, we were the first Brazilian pharmaceutical company to commit to neutralizing 100% of direct CO₂ emissions.

With historical growth of 16% per year in the last 15 years, our work is getting bigger and more complex. In the period, we had company integrations, hundreds of products launched, and thousands of SKUs incorporated. Present in 20 countries, we have 10 manufacturing plants and a multitude of projects. Our vocation to grow is reflected in our ambition to explore new geographies, improve governance, provide innovative medicine, and participate in the healthtech movement.

Through Neuron, the company's corporate venture, we have equity participation in eight health-related startups. Eurolab, our innovation center, employs more than 500 professionals and orchestrates over 240

projects, 40% of which are in incremental and radical innovation. We have also submitted for registration of our first international patent for an innovative molecule, the result of a partnership with the scientific community. In the year, we invested almost BRL 400 million in research and development.

Our industry is highly dependent on innovation, and we are proud to lead the ranking of new products in Brazil, with market share of more than 8%. The extraordinary result is the sum of research and development efforts and commercial excellence. There are more than 3.000 representatives focused on promoting our medicines. The team's high productivity allowed us to grow well above the market and gain leadership of the prescription market in Brazil. One of our greatest achievements!

Our year was crowned by defining the purpose and priority causes: mental health, health innovation, and health education. Reflections of the pandemic and, more recently, of a war, cause an even more challenging scenario for mental health. We have many actions to face this silent problem and, anchored in our purpose and way of being, we are ready for the future. No matter what lies ahead, we know who we are, our DNA, and what makes us tick: making healthcare accessible so that everyone can live longer and better.

So I can only thank our employees for this journey. Let's keep dreaming together and working to go even further. Let's get it done and learn while doing it. Our way. Towards the next 50 years.

Maurizio Billi
CEO

introduction

An industry in deep transformation

The Brazilian pharmaceutical market is on a major transformation journey. In 2021, 64% of the drugs marketed only in Brazil came from nationally-owned pharmaceutical companies, demonstrating the maturation and relevance of the industry in the country, which is increasingly focusing on innovation.

Eurofarma is at the forefront, having invested more than BRL 155 million in Eurolab, a 21.000 m² innovation center with six laboratories, very high-tech equipment for analyzing molecules, and 550 professionals dedicated to the research and development of medicines with incremental and radical innovation, fulfilling its purpose of making health accessible so that everyone can live better.

Currently, 40% of Eurofarma's revenue comes from drugs developed in the last five years. Of the 240 projects in the pipeline, 40% involve incremental or radical innovation. Eurofarma has already created more than 1.000 molecules, 350 of which have already been patented, and clinical studies are expected to begin in the next two years. In 2021 alone, BRL 363 million was invested in research and development.

The emergence of new medical treatments

and, recently, the covid-19 pandemic have increased the demand for drugs worldwide. In 2021, the pharmaceutical industry had a sales growth of 4% over the previous year. It is expected to grow 9.5% on average until 2025. Across all of Latin America, the expected expansion is 12%, which should be the highest growth among the regions in the world, whose average projected rate is 4.8% (Iqvia data). The representativeness of the Brazilian market in Latin America is 34.90%. Eurofarma's share of sales throughout Latin America is 2.92%, with

an important path open for growth.

There are many challenges for the industry, from the uncertainties in the global macroeconomic scenario, strengthened by the war conflict in Europe in early 2022, to the pandemic situation that still lingers around the world, as well as the economic and political scenario throughout Latin America. However, Eurofarma has shown resilience in the face of adversity throughout its journey. Over the past 15 years, the

company has experienced an average growth of 16%. In 2021, Eurofarma was the pharmaceutical with the highest prescription evolution among the three largest competitors, at 19.3%. Its pioneering spirit on the social and environmental fronts is recognized and awarded in the sector, and its governance continually sets higher standards, in tune with the demands of society and of its time.

VISION 2022

The five-year cycle of Vision 2022 is nearing completion, while steps are being taken for the future journey that will be reflected in Vision 2027.

Competitiveness

- Increasing gross margin
- Service levels in Brazil and Latin America at around 97%
- Minimum 25% consolidated return

Leadership

- Be among the 3 biggest companies backed by local capital in Latin America
- Leadership in Brazil's prescription drug market
- 2nd place in Generic drug sales in Brazil

Innovation

- Top 3 in portfolio renewal
- 10% of the portfolio protected

Recognition

- Reference publications in sustainability and innovation
- Be among the best companies to work for

Expansion

- FDA and EMA international certifications
- Presence in 100% of Latin American countries
- 30% of sales from international operations

vision 2022 achievements

GRI 102-7

Major achievements of 2021 for Vision 2022 goals



Leadership

- 3rd place among Latin American regional capital companies
- Prescription leader in Brazil, with 8.9% market share
- 2nd in Generic sales in Brazil, with 13.1% market share



Competitiveness

- EBITDA increase of 30%
- Margem Ebitda de 23.5%
- Increasing gross margin of 66%
- Service level of 94.6%



Expansion

- 16% share of international sales
- 100% coverage in Latin America
- 213 new registrations in 2021



Recognition

- 18 years among the best companies to work for
- Reference in Sustainability: featured in the Época 360°, Estadão Empresas Mais and Melhores da Dinheiro rankings
- Reference in Innovation: honorable mention at the Valor Inovação awards
- Ethos Benchmarking Group



Innovation

- 100 research centers in cooperation
- 456 projects in the pipeline
- Top corporation in Brazilian portfolio renewal, with launch market share of 8%



Época Negócios 360º

Eurofarma is the top-ranked pharmaceutical company in the Pharmaceutical and Cosmetics Industry category of the Época Negócios 360º ranking, and #2 overall! Carried out by Época Negócios magazine in partnership with Fundação Dom Cabral, the business excellence survey is considered one of the most comprehensive in all of Brazil.

Exame Melhores e Maiores

Winner of the Pharma and Beauty category, Eurofarma was elected for the second time as the reference company in Exame magazine's awards. The ranking recognizes companies that have made historic achievements in Brazil, analyzing their financial statements, market trends and the need for post-pandemic reinvention, based on best social, environmental and governance practices.

As Melhores da Dinheiro

Ranked first in the category "Pharmaceutical, Hygiene and Cleaning", the company has gained prominence in the Innovation and Quality dimension among all companies in 31 economic sectors, also ranking first in three other dimensions: Social Responsibility, Innovation and Quality, and Human Resources in its category.

Valor Inovação

Ranked second in the "Pharmaceutical and Life Sciences" category in the Valor Inovação ranking, published by the newspaper Valor Econômico, in partnership with the consulting firm Strategy & PwC.

recognition

Estadão Empresas Mais

Ranked first in Sustainability among pharmaceutical companies. It stands out in the categories "Most Efficient" and "Innovation in Health", achieving the 2nd and 3rd positions, respectively. The organizers consider economic criteria and the performance of each company, awarding the ones that have the best management and results in Brazil.

Global Generics & Biosimilars Awards

Ranked first as the Company of the Year, Americas, in the 8th edition of the Pharma Intelligence Global Generics & Biosimilars Awards for its project in e-commerce with price comparison. This is the third consecutive time that the company has won this recognition.

Estadão Marcas Mais

For the second year in a row, the Estadão Marcas Mais survey features Eurofarma as one of the most engaging pharmaceutical companies that have won consumers' preference.

Valor Carreira

Ranked 4th among The Best in People Management of the Valor Carreira award, in the category of "Companies with 3.001 to 7.000 employees", being the best pharmaceutical company on the list. The award recognized companies that stood out for providing an environment in which employee experience is the primary mechanism for conducting business in a successful and sustainable way, integrating each individual into their organizational culture.



GPTW Latin America

One of the Best Workplaces in Latin America 2021 according to GPTW (Great Place To Work), ranking 17th in the multinational category and being the only pharmaceutical company with Brazilian capital to make the list. GPTW Latin America is aimed at companies that are awarded locally in the countries where they operate.

GPTW Central America & Caribbean

Eurofarma was recognized as one of the Best Workplaces, in the multinational category, by GPTW (Great Place To Work) for Central America & Caribbean, ranking 15th among multinational companies.

GPTW Brazil

Best pharmaceutical company among the Best Workplaces in Brazil, ranking 12th in the large companies category. This is the 18th time Eurofarma has ranked among the best and the 8th consecutive time according to Great Place to Work®.

GPTW Chile

Eurofarma was named one of the Best Workplaces in Chile, in the category of 251-1000 employees, by GPTW (Great Place To Work). The company ranked 12th as it made its debut on the list.

GPTW Colombia

Eurofarma was recognized as one of the 2021 Best Workplaces in Colombia, in the category of up to 500 employees, by GPTW (Great Place to Work). The company also received the Great Culture to Innovate Colombia 2021 certificate, which recognizes the companies that most invest in and support innovation.

GPTW Industry Brazil

Eurofarma, which has been among the best companies to work for in Brazil for 18 years, was featured once again in the GPTW™ Best Workplaces List – Industry 2021, published by Great Place to Work®. The company ranked 3rd in the large scale category.

GPTW for Women Central America & Caribbean

Eurofarma Central America was recognized again as one of the Best Workplaces for Women, in the multinational category for Central America & Caribbean. The company came in 22nd in the ranking, which was compiled for the first time in the region.

GPTW for Women Chile

Eurofarma Chile was recognized as one of the Best Companies for Women to Work for, by GPTW Chile, being listed #3 in the ranking.

GPTW for Women Peru

Eurofarma was recognized as one of the Best Workplaces for Women by GPTW Peru (Great Place To Work), being listed #5 on the ranking.

Best WorkPlaces

Eurofarma was recognized for its investment in the well-being and growth of its employees. Organized by the InfoJobs website, the award honors the 50 best-rated companies on the portal. The company was highlighted in the "Hospitals and Pharmaceuticals" category and was also featured on the "Top 10 Brands" ranking.

Mesc

In 2021, for the second year in a row, the company receives the seal of Best Customer Satisfaction Companies in Brazil, in the Pharmaceutical Industry category. This is the second year that the company has received the certification, which analyzes the best practices in customer service management and customer satisfaction, and which achieves averages over 70%.

Pharma Quality

The company was awarded in the Generic and OTC categories. The award was promoted by the Santa Cruz Group, a conglomerate that operates Santa Cruz and Panpharma. The criteria used for the ranking were Product Horizontalization, Supply Level and Lead Time Level.

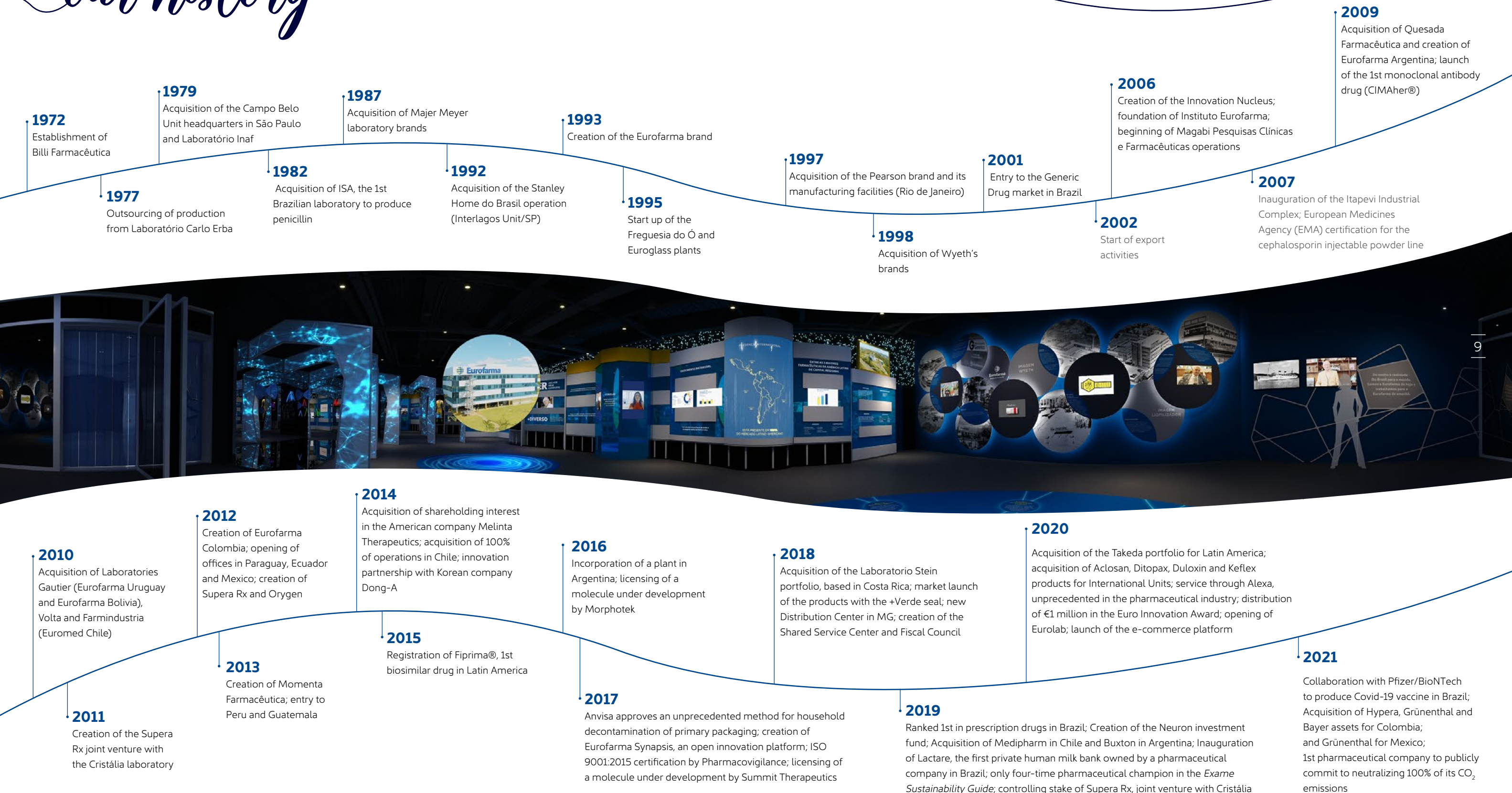
Sindusfarma Safety at Work

Ranked in two categories of the 11th Excellence in Health and Safety At Work Management Award (GST), promoted by Sindusfarma: Safety at Work Projects (251 to 500 employees) and Sales Force Projects (over 1.001 employees).

Top Open Corps

Best pharmaceutical company of the Top 100 Open Corps for the second year running, also standing out in the Health and Wellness ranking by taking third. The survey shows the leading companies in open innovation.

our history



Eurofarma Group Profile

Who We Are

GRI 102-6

Founded in 1972, the Eurofarma Group is the first multinational pharmaceutical company with 100% Brazilian capital. The company operates in the healthcare sector, developing research, producing and commercializing innovative products and services to improve people's quality of life and promote access to healthcare. Headquartered in Brazil, the Eurofarma Group has own operations in 20 countries and covers 100% of Latin America.

Focused on generating shared value, it operates in the areas of Prescription, Non-Prescription, OTC and Generic Drugs, Hospital and Oncology. The company offers more than 700 products, over 2.000 SKUs, and serves 42 medical specialties. It covers 141 therapeutic classes, 100 of them in Brazil alone, which represent 70% of the prescriptions in the entire market.

Eurofarma Group

- **Eurofarma Parent Company:**
Eurofarma Parent Company
Eurofarma Laboratórios S.A.
- **Eurofarma Consolidated:**
Eurofarma Laboratórios S.A.
Momenta Farmacêutica
Magabi Pesquisas
Supera Rx
International Units (Central America, Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Mexico and Mozambique)

Production Structure

GRI 102-4 | GRI 102-6 | GRI 102-7

In addition its headquarters in Itapevi (SP) and administrative office in the Brooklin district in São Paulo (SP), the Eurofarma Group has three manufacturing plants in Brazil, two distribution centers, and two research and development centers, in Brazil and in Argentina. The company has seven industrial parks in six other Latin American countries. The Group employs more than 8.100 employees, 3.100 in the sales force and, in 2021, had net sales of BRL 7.1 billion, up 23% over the previous year.

Brazil

Head Office

- 1 Itapevi Complex (Itapevi/SP)

Administrative Office

- 1 Brooklyn Unit (São Paulo/SP)

Research and Development Center

- 1 Eurolab (Itapevi/SP)

Manufacturing Units

- 1 **Itapevi (SP)**
Production of solids and semi-solids, liquids, oncologics, lyophilized and hormonal products, as well as packaging.
- 2 **São Paulo (SP)**
Production of penicillins, cephalosporins and carbapenems.
- 3 **Ribeirão Preto (SP)**
Production of large volume parenteral solutions.

Distribution Centers

- 1 Itapevi (SP)
- 4 Varginha (MG)

Latin America

- 1 **Argentina**
Production of solids, semi-solids, and liquids.
- 2 **Chile (Cerrillos)**
Production of solids, semi-solids, liquids, and ophthalmic
- 3 **Chile (Pudahuel)**
Production of solids and liquids
- 4 **Colombia**
Production of solids, semi-solids, liquids and granules
- 5 **Peru**
Productino of solids, semi-solids and liquids
- 6 **Uruguay**
Production of solids and liquids
- 7 **Guatemala**
Productino of solids, semi-solids and liquids



our way of creating shared value

GRI 103-2

Eurofarma Group's value creation process based on its resources, the impacts generated by its activities, and its relationships with all stakeholders.

Our capital



Financial resources

- Investment in Research & Development of drugs; clinical studies; scientific partnerships with universities
- Investments in manufacturing plants; modernization and expansion in Latin America
- Logistics investments in distribution centers; fleet renewal with more efficient vehicles;
- Investments in international expansion: acquisitions and entry into new markets
- Environmental investments in products with the +Verde seal, recyclable packaging; neutralization of direct CO₂ emissions, waste management, water reuse and renewable energy sources
- Social investments in the Eurofarma Institute; Lactare Milk Bank; Sports and Culture
- Investments in biotechs and open innovation



Operational resources

- 3 plants in Brazil and 7 plants in Latin America
- New manufacturing park under construction in Montes Claros (MG)
- Headquartered in Brazil and 18 international offices
- 2 Distribution Centers in Brazil (Itapevi/SP and Varginha/MG)
- 2 Research & Development Centers (Brazil and Argentina)
- Shareholding in international companies focused on the development of new medicines



Human and intellectual resources

- Own employees allocated in offices, plants, research centers and universities; with one of the largest sales forces in Latin America;
- Mentoring in startups accelerated by internal innovation programs
- Open innovation partnerships with universities and research centers
- Partnerships with academia to discover new molecules
- Market intelligence and big data
- Structured and monitored management processes
- Pharmacovigilance
- Support for scientists of the company and universities



our way of creating valor compartilhado

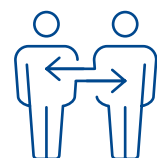
GRI 103-2

Our capital



Environment

- Water
- Energy
- Waste
- Organic gardens in manufacturing plants
- Neutralization of CO₂ emissions
- Partnerships for conserving green areas
- +Verde products
- Ecological trail in the Atlantic Forest area



Relationships

- Shareholders
- Regulatory Agencies
- Research Centers
- Certifying Bodies
- Customers
- Employees
- Communities: Eurofarma Institute
- End consumers
- Companies
- Suppliers
- Governments
- Press
- Health Institutions/Hospitals
- Financial institutions
- NGOs
- Unions and Class Associations
- Universities

In addition to being present as:

- Benchmarking of the Ethos Institute
- Signatory to the UN Global Compact

Our deliveries in 2021

GRI 102-7



Financial indicators

- BRL 8.3 billion in gross revenue, up 23%
- Net revenue of 7.1 billion, up 23%
- Average annual growth of 16% in 15 years
- BRL 1.7 billion EBITDA with growth of 30%
- BRL 364 million in M&A transactions
- Acquisition of Hypera, Grünenthal and Bayer assets for Colombia; and of Grünenthal for Mexico
- 3 consecutive years with AAA Rating by Fitch Ratings
- Healthy leverage level of 1x
- Value Added Distribution of BRL 4.5 billion (39% employees; 33% government; 28% other)
- 48 days is the average for retail stock in major distributors (Brazil)
- Average time to receive sales: 68 days



Operational indicators

- 405 million drug units produced
- BRL 636 million invested in operational excellence (property, plant and equipment and intangible assets)
- Highest prescription evolution among major competitors
- Leadership in market share of new products
- 26 patent requests filed, three of which are innovative molecules
- 456 projects in the pipeline; of these 240 are at Eurofarma, with 40% in incremental and radical innovation
- 138 product launches – 55 Brazil and 83 in international operations
- BRL 363 million invested in research and development

our way of creating valor compartilhado

GRI 103-2

Our deliveries in 2021

GRI 102-7



Human resources

- 18 anos entre as melhores empresas para trabalhar
- 95% of employees are proud of working at Eurofarma
- 70% of leadership vacancies filled by internal use
- 3% voluntary turnover
- BRL 200.5 million distributed to employees in profit sharing
- Launch of the +Diverso program, which promotes equity and inclusion
- 550 professionals dedicated to research and development at Eurolab

Natural resources

- BRL 21 million invested in the environment, an increase of 34%
- First Brazilian pharmaceutical company to publicly commit to neutralizing 100% of direct CO₂ emissions
- 68.081 m³ of water reused and 7.385 m³ of water donated to partners
- 14% reduction in hazardous waste generation
- 366 tons of waste sent for composting
- 29% renewable source share in the energy matrix
- 107.000 m² of conserved areas
- 12.3 million units of products with the +Verde seal sold
- 2.770 tCO₂e were not emitted due to the evolution of environmental projects



Social indicators

- BRL 78.6 million invested in education, sports, culture, social and health, with own and incentive-based resources
- BRL 39.5 million in humanitarian aid; BRL 71 million since the beginning of the pandemic
- 500.000 medicines donated to Haiti earthquake victims
- 10.000 direct services performed annually by the Eurofarma Institute in the last 5 years
- 94% is the consumer satisfaction index
- 98% positivity of the company's image in the Press
- 710.000 followers on LinkedIn
- 5.9 million hits to the Eurofarma site, with more than 4.9 million visitors



management to promote access to health

With 50 years dedicated to healthcare, in 2021, Eurofarma publicly expressed its purpose: **to make health accessible so that everyone can live longer and better.** This intention is reflected in all strategies and in the way of management. Eurofarma was the first pharmaceutical company to provide an online tool in Brazil for price comparison and purchase of medicines. The initiative won international recognition and is being expanded to other countries. The e-commerce platform includes generic, prescription, prescription-free and OTC drugs.

In innovation, the company's major focus and one of the main research and development projects is to attend to segments neglected by the pharmaceutical industry, in which there are unmet

treatment needs, such as antibiotics, metabolism and obesity, central nervous system, and oncology.

Eurofarma is part of an international research and development front for neglected diseases, caused by infectious agents or parasites, and generally endemic in low-income populations. In radical innovation, attention is rightly focused on the search for anti-infective molecules, an area that has major unanswered demands throughout the southern hemisphere.

The development of new anti-infective and oncological drugs is also the focus of a partnership with the Center for Medicinal Chemistry for Open Innovation of the University of Campinas (Embrapii Cqmed/Unicamp). Open research follows the line

of the international Structural Genomics Consortium (SGC) model, a non-profit public-private partnership that develops basic study and supports the discovery of new drugs in a model that does not produce patents and grants unrestricted access to its results. Eurofarma has established collaboration with Embrapii Cqmed/Unicamp for a project focused on the discovery and development of new medicines for the treatment of tegumentary and visceral leishmaniasis, a disease in which Brazil is one of the largest endemic areas in the world.

To get where we need to go

The company's distribution strategies are supported by the capillarity of its large sales force, one of the largest in Latin America, with 3.100 employees dedicated to medical visits, including the

most remote places on the continent. The free samples given to professionals on these occasions are extremely important to initiate treatment and adhere to medical prescriptions, allowing the patient to get organized, in addition to reflecting in a lower disbursement for the follow-up and completion of treatment.

Launched in 2021, the #EuroJunto project has made it possible to further expand the capillarity of the sales team, with the creation of a platform for virtual medical visits throughout Brazil, including regions that are difficult to access. In the first six months, the team managed to reach and register more than 1.400 health professionals in several states, with operations focused on providing continuous access to news and studies that help them in the diagnosis and treatment of patients.

The total number of visits to doctors and health professionals was 7.6 million in 2021, both in-person and online, with an average of more than 630.000 visits per month.

Access to health-related information for the lay public is also fundamental. Eurofarma has advanced the use of artificial intelligence with the implementation of E-Bulas, in the pilot phase. The program contemplates using Alexa, Amazon's virtual assistant, to access information from the company's drug package inserts, making the information more accessible by enabling users to ask the device questions. In 2021, it was also possible to be even closer to consumers, customers, physicians, and other stakeholders through different channels.

On social media, for example, we achieved record engagement, doubling on Facebook, tripling on Instagram, and reaching more than 700.000 followers on LinkedIn. Besides a global page, we have 12 local sites to present the company, news, relevant articles, and product catalog, among others, with more than 4.9 million visitors.

INSTITUTIONAL

Drug donations

Eurofarma's Drug Donation program is one of the most structured in the market, and it also meets the objective of helping to expand access to medicines among the more vulnerable. With the full payment of taxes, the company donates products with an expiration date of eight months or less to non-governmental organizations and health entities that work with low-income populations.

Institutions that meet the program's requirements gain access to a web platform to check available medicines and request donations. In 2021, an application went live to make the processes even easier. In 2021, the company donated more than 1 million units that benefited 74 institutions in Brazil alone, with an invoice value of BRL 24 million. In international operations, donations totaled BRL 680.000 with 40.799 units distributed to 18 organizations in Latin America.

Urgent needs

In 2021, one of the priority fronts for Eurofarma

was aid in combating the pandemic throughout Latin America. From this effort, the partnership with Pfizer and Germany's BioNTech was born to manufacture the Covid-19 vaccine. Through this project, the company will receive the semi-finished product from the United States and will finish manufacturing the doses. When it reaches full operational capacity, Eurofarma's annual production should exceed 100 million doses.

The manufacture of the vaccine in Brazil will contribute to the public health context, allowing the country to reduce its dependence on imported immunizers and to meet the vaccination schedules that may be defined by the Ministry of Health. Production of the vaccines should begin in 2022, and the partnership with Pfizer will allow Eurofarma to make a relevant contribution to help combat the effects of the biggest global health crisis in the last 100 years.

Attentive to its solid values and without deviating from its purpose of making health accessible so that everyone can live longer and better, Eurofarma has defined three major causes for action: Innovation in Health, Health Education and Mental Health. These are demands from society to which it can and should contribute. It is part of the company's beliefs, evolution, and principle of giving back to society a portion of what it receives.



Our Purpose

Making health accessible so that everyone can live longer and better

Our causes

- Health Education
- Innovation in Health
- Mental health

Mission

Promote access to health and quality of life with treatments at a fair price and profitable operations, which ensures the sustainable growth of the company and the sharing of value generated with employees and society.

Vision

We will be one of the three largest pharmaceutical companies with regional capital in Latin America, leaders in prescription drugs in Brazil and a benchmark in Innovation and Sustainability. With increasing profitability and 10% of the portfolio protected, 30% of sales will come from international operations.

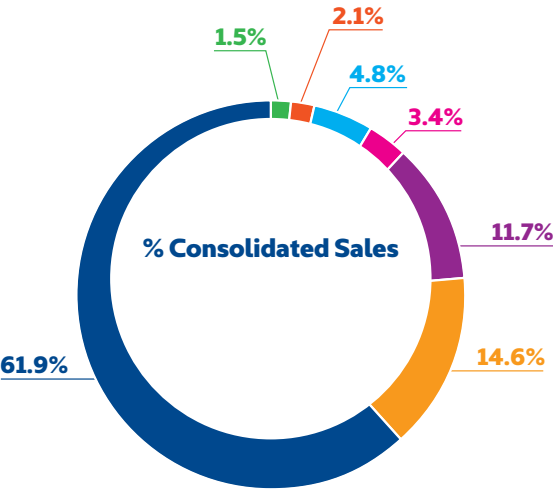
Values

- Agility
- Commitment
- Sustainable Development
- Focus on Health
- Ethics
- Entrepreneurship
- Reinvestment
- Equality
- Respect
- Results

Areas of expertise

GRI 102-7; GRI 102-2

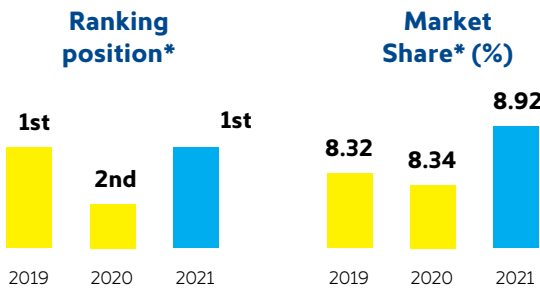
- Prescription Drugs
- Generic Drugs
- Hospital
- Outsourcing and Exports
- Bidding
- Oncology
- OTC



Prescription Drugs

In 2021, the Unit accounted for 62% of revenues, representing a sales boost of 19% compared to 2020, with BRL 4.4 billion in revenues. The number of units sold totaled 116 million.

In 2021, the pandemic and the need for social distancing continued to directly impact the performance of acute care products, such as antibiotics and pain medications. This affected the entire market – the company as well, since these products make up a significant share of the portfolio. In the first half of the year, isolation measures also affected the number of medical visits. With the advance of vaccination, the second half was marked by the resumption of a more homogeneous growth of the therapeutic classes. The unit ended the year with more than 7 million medical visits in Brazil and abroad.



Source: Close-up – Base Dec/2021
*Considers Brazil Corporation (Eurofarma, Momenta and Supera Rx). Past years may be altered due to methodologies defined by the sector's main auditing firm.

Top Performance

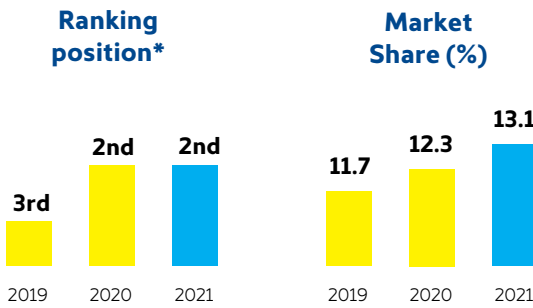
Tamisa | Versa | Pondera

Releases

Eurofarma: Venlaxin 60 cap; Feminis NF; Piemonte sachet; Piemonte 60 tab; Ebastel 60 tab; Betatrinta IF - 6 ampoules; Fortice; Attenze; Mtor; Bup XL; Rivaxa; Turno 10mg; Paco 48 tab; Esc ODT
Momenta: Mobale; Ezonia; Medato; Bemove; Olsar
Supera: Cibex; Asea; Multi-Bi; Triplo A; Biquiz; Dhivas; Ápice; Hezo; Alpes XL

Generic Drugs

The Unit ended 2021 with revenues of BRL 1 billion, a growth of 13.2% over the previous year, with 134.9 million units sold. Eurofarma advanced in the Generics Drug ranking, now occupying 2nd place among the largest laboratories in the segment, with a 13% share of sales. The Unit grew above the market, at 29.4%, while the sector registered growth of 21.53%. The average monthly visits to points of sale were 25.000, totaling 310.386 in 2021.



*Source: IQVIA – Base Dec/2021 in REAIS PPP | Eurofarma Laboratórios, Brazil. Past years may be altered due to methodologies defined by the sector's main auditing firm.

Top Performance

olmesartan | quetiapine | desvenlafaxine

Releases

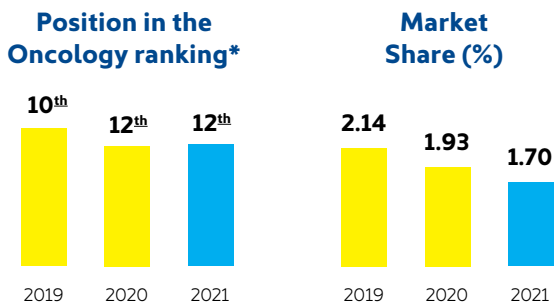
Generics: montelukast 30 sachets; levetiracetam 30 tab 250mg; levetiracetam 30 tab 750mg; betam val.+genta+tolnaf+clioq cream and ointment 20g; ethinylestradiol + drospirenone 3+0.03mg 21 tab and 63 tab; montelukast sod 4mg, 5mg and 10mg 60 tab; methylphenidate chlor 10mg 30 and 60 tab; desloratadine 5mg 30 coated tab; valsartan 80, 160 and 320 mg 30 tab; ethinylestradiol + desogestrel 20mcg 63 tab; zolpidem hemitartrate 10mg 30 tab; bupropion hydrochloride 150 and 300mg 30 and 60 tab prolonged release; rivaroxaban 10, 15 and 20mg 30 tab.

OTC: Snif Jet 0.9% 100ml; Moviment C Can 300g; Mild Mint and Refreshing Mint Mouthwash 250 ml; Perlatte 10 and 60 tab.



Oncology

Eurofarma holds the largest number of molecules for cancer drugs in Brazil (28 molecules). Also because of the impact of Covid-19, there was a reduction in the diagnosis and screening of cancer diseases in 2021, which has delayed the start of treatment for many patients. The situation has impacted the Unit's results, as resources and efforts are being used to fight the pandemic. Given this scenario, there was a 6.4% reduction in sales compared to 2020, even with a 5.4% increase in units sold.



*Source: IQVIA – Base Dec/2021 in REAIS PPP | Eurofarma Laboratórios, Brazil. Past years may be altered due to methodologies defined by the sector's main auditing firm.

Top Performance

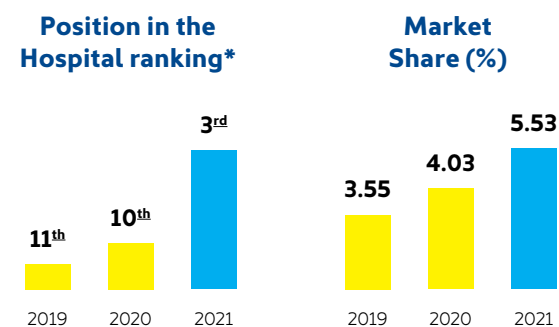
Doceuno | calcium folinate | oxaliplatin

Launch

Proexty (exemestane)

Hospital

The pandemic continued to cause major impacts in 2021, especially for the hospital market. If on the one hand the company was impacted by a shortage of inputs, increased demand, and the need for quick solutions to minimize the lack of medicine in hospitals, on the other hand, it was possible to count on an excellent performance in all areas, which allowed for a 66% growth in sales compared to 2020 and a leap in the hospital ranking. A total of 8 million units were sold, a 36% increase over the previous year, mainly in anesthetics, antibiotics, and anticoagulants. The customer list totaled 1664 active hospitals, as well as 102 distributors, representing an evolution of almost 11% in the total number of purchasing establishments. The team made 62.029 visits in 2021.



*Source: IQVIA – Base Dec/2021 in REAIS PPP | Eurofarma Laboratórios, Brazil. Past years may be altered due to methodologies defined by the sector's main auditing firm.

Top Performance

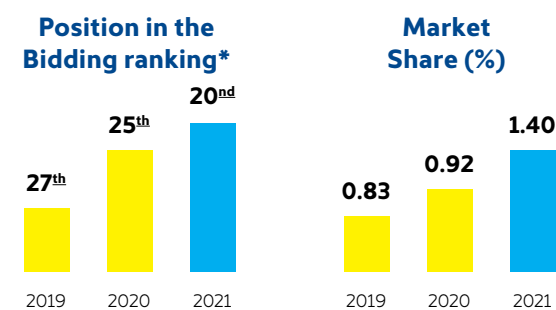
Versa | Heptar | piperacillin + tazobactam

Releases

Remifentanyl; Tricit (citrate)

Bidding

With a 61.8% growth in sales, the Unit ended 2021 with revenues of BRL 287 million and sales of 7.4 million units, 14.6% higher than in the previous year. Together with other areas, the Unit delivered many products intended to fight COVID-19, in addition to items for continuous use.



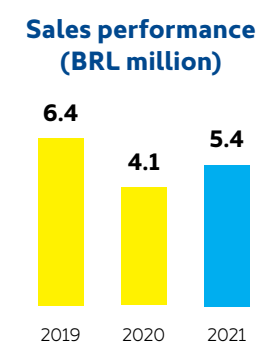
*Source: IQVIA – Base Dec/2021 in REAIS PPP | Eurofarma Laboratórios, Brazil. Past years may be altered due to methodologies defined by the sector's main auditing firm.

Top Performance

rocuronium bromide | Carbolitium | piperacillin + tazobactam

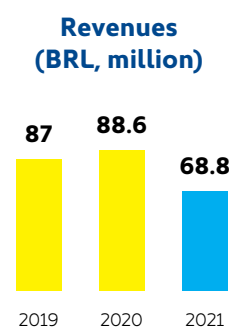
Exports

The Exports Unit expanded the portfolio of exported products to countries where it already operates, such as Paraguay, Uganda, Angola, and Mozambique, with over 27 new products. The pandemic, however, impacted the results, as it hindered the hiring of air and sea freight, in addition to Anvisa's blocking the export relevant products for export.

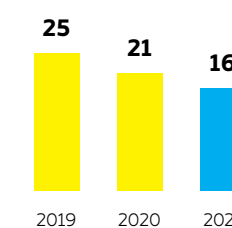


Outsourcing

For the second year in a row, the Unit won the Sindusfarma Production Outsourcing Award. With 12.900 units sold in 2021, it served a total of 16 contracting laboratories.



Total contracting laboratories



Our brands, Subsidiaries and Joint Ventures

GRI 102-7



Magabi Pesquisas

Clínicas e Farmacêuticas

Acts as a study center and is responsible for analyzing samples for relative bioavailability and bioequivalence studies, which are required for Anvisa registrations.



Supera Rx

It promotes and distributes prescription drugs.



Momenta

Manufactures and sells Prescription and Non-Prescription products.



Orygen Biotecnologia

Joint venture between Eurofarma and the Biolab laboratory to develop and produce biosimilars.

We know where we want to go

To be a global company and operate in the world's main markets. This is one of the company's main goals since the beginning of its bold international expansion project in 2009. The accumulated investment in this period is approximately BRL 2.5 billion (USD 636.5 million). The strong results of this endeavor are already being harvested. International operations had revenues of BRL 1.1 billion in 2021, a growth in gross sales of 39.2% in relation to the previous year. This amount represents 16% of the Group's net sales.

Even in the face of so many social, political, and economic uncertainties, Eurofarma has advanced in this global growth project with important acquisitions. After a more than 10-month process, the purchase of Takeda's assets was completed in 2021, incorporating brands recognized by the medical profession. This was Eurofarma's largest acquisition in value. The brand features 12 drugs in all, including own and licensed, over-the-counter and prescription, which total USD 38 million in sales. Mexico accounts for more than 90% of revenue.

The company has signed an agreement to purchase Hypera Pharma's assets, recently acquired from Sanofi, for the Mexico and Colombia markets. The annual revenues for the products add up to approximately USD 15 million. The strengthening of operations in Colombia also occurred with the acquisition of six drugs from pharmaceutical company Grünenthal, with sales of approximately USD 5 million.

In the United States, Eurofarma's joint venture with Pai Pharma has signed an agreement with Endo Pharmaceuticals to acquire Cetrotorelix, a product used in assisted reproduction therapy. The product is still in the development phase and the expected annual turnover is USD 5 million.

Pearson, the Eurofarma Group company that has been in the veterinary market for over 100 years, has signed an agreement to purchase Labgard's assets. With the transaction, Pearson strengthened its portfolio focused on production animals and entered the companion animal market. With the new assets, the company estimates sales exceeding BRL 100 million and future growth above double digits.

In an agreement of great repercussion and regional importance, Eurofarma will perform manufacturing activities within Pfizer and BioNTech's Covid-19 vaccine supply chain. All doses will be distributed exclusively in Latin America.

Expansion

Present in 20 countries, with a manufacturing park in Brazil and plants in six other Latin American countries, it generated net sales of BRL 7.1 billion in 2021, growth of 23% over the previous year, and employs more than 8,100 people.

16% share of international sales

100% coverage in Latin America

213 new records

Share in consolidated sales: **Brasil: 84%** Other countries: **16%**

Ebitda increase of **30%**

Ebitda margin of **23,5%**

Increasing gross margin of **66%**

Service level of **94,6%**

Ebitda:
1,663,054

In thousands of BRL
R\$ miles





Environmental

Engagement with major causes

Although the subject has gained great relevance more recently, the ESG theme is nothing new at Eurofarma. The path to sustainability at the company has been consistently forged for more than a decade, since the Sustainability Plan was established in 2008. It was born with solid goals and metrics that were later endorsed by renowned institutions (UN, Ethos Institute). ESG concepts are part of the backbone of the Eurofarma Group, and the company has been increasingly raising the standards. Environmental and social criteria permeate the company's governance, strategy, and management, and are part of the decision-making processes. In 2021 alone, BRL 21 million were earmarked for environmental investments, 34% more than in the previous year.

Eurofarma is the only pharmaceutical company to be awarded four times by the Exame Sustainability Guide, and the company won other important recognitions by yearbooks and Brazilian publications such as Época 360°, Melhores da Dinheiro, and Estadão Empresas Mais.

Climate change, product development with the adoption of more sustainable elements and materials, focus on recycling, conscious consumption, and contribution to strengthen relationships and promote equity remain priorities. The company strongly believes that sustainable development is the path that will lead to the desired future, in search of business perpetuity and to add increasing value to society.

Formal commitments to society

GRI 102-12 | GRI 103-3

The business strategies are aligned with two global initiatives of the United Nations (UN), of which the company is a signatory. 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 2021, Eurofarma renewed its signature and its public commitment to the 10 principles.

The second guideline is the 2030 agenda, which defines the 17 Sustainable Development Goals (SDGs). In 2019, the Corporate Social Responsibility Committee cast SDGs 3, 4, 8 and 12 as priorities. In 2021, SDG 13 – actions against global climate change – was incorporated into the priority strategy. Eurofarma is the first Brazilian pharmaceutical company to make a public commitment to neutralize 100% of its direct CO₂ emissions.

Every two years, the Ethos Social Responsibility indicators are applied to sustainable development actions and projects. These assessments are benchmarks of best practices in the market. The results guide the decisions of the Corporate Responsibility Committee to establish action plans. Since 2012, the company has been part of the Ethos Institute benchmarking group, and is one of the 10 companies with the best performance in the evaluation scores. In 2021, the overall performance was 8.5.



Emissions management

GRI 305-1 | GRI 305-2 | GRI 305-3

Pioneering spirit in neutralizing CO₂ emissions

In 2021, Eurofarma once again strengthened its position as a pioneering company in the adoption of sustainable initiatives by becoming the first Brazilian pharmaceutical company to publicly assume a commitment to neutralize 100% of direct CO₂ emissions. By purchasing carbon credits, the company helps to balance the level of greenhouse gas emissions in the atmosphere, through the financing of social and environmental projects and the adoption of actions to reduce emissions.

Two Brazilian projects are benefiting from the neutralization of CO₂ through the purchase of carbon credits: Fazenda Fortaleza Ituxi – REDD+ in Lábrea (AM) and Cikel Brazilian Amazon – REDD in Paragominas (PA). Besides contributing to protect forests and reduce deforestation in the Amazon region, the initiatives support local social development.

Advances in emissions issues

- Neutralization of direct emissions compared to 2020, which represent 58% of total emissions through support for the protection of the Amazon.
- A total of 2.770 tons of carbon equivalent avoided due to the implementation of improved environmental initiatives.
- Study to quantify the environmental gains of the projects. One of the highlights was in relation to the Home Office policy, which since its institution in 2020 has collaborated with the reduction of 2.192 tCO₂e, being 1.730 tCO₂e in 2021.
- In total, the environmental projects avoided the emissions of 2.770 tCO₂e in 2021.

Greenhouse gas emission inventory

Since 2008, the company follows the GHG Protocol methodology to report its inventory of greenhouse gas (GHG) emissions. With the mapping of emission sources made possible by this inventory, it is possible to produce more refined policies and strategies for the reduction of emissions.

GRI Emissions	2019		2020		2021	
	tCO ₂ e	Biogenic	tCO ₂ e	Biogenic	tCO ₂ e	Biogenic
Scope 1 – GRI 305-1	12.594.00		14.529.47	5.427.68	16.920.95	7.103.64
Stationary Combustion	8.827.00		8.261.23	16.54	10.271.48	11.87
Mobile Combustion	3.764.00		2.080.00	5.411.15	2.396.49	7.091.77
Fugitive Emissions			4.183.16		4.222.71	
Solid Waste			1.82		28.49	
Effluents			3.26		1.78	
Scope 2 – GRI 305-2	4.611.00		4.994.20	-	10.224.10	-
Electricity (purchase choice)	4.611.00		4.994.20		10.224.10	
Scope 3 – GRI 305-3	6.146.00		5.594.55	409.42	5.026.85	364.04
Commuting from home to work			3.839.88	409.42	3.078.44	364.04
Business trips			55.36		372.33	
Solid Waste Generated in Operations	6.146.00		1.699.31		1.576.08	
Total Emissions	23.351.00		25.118.22	5.837.10	32.171.89	7.467.68

*Increase of the scope 2 emission factor compared to 2020, due to the hydroelectric crisis in Brazil, which increased carbon emissions from burning fossil fuels used in thermoelectric power plants.



Water and effluent management

GRI 303-1 | GRI 303-3 | GRI 303-4

Conscious consumption and investments for reuse

Water is an absolutely vital input in the pharmaceutical industry's processes, and a natural resource that demands great attention in the world for its conscious use. In 2021, the Water Committee was created to assist in the strategies and actions for the reduction of consumption in the company, with indicator monitoring. The ESG target related to the drop in consumption is linked to the variable remuneration of senior management.

Among the adopted actions are the replacement of drinking water by water reuse and recirculation in several utility processes, which contributed to savings of approximately 18.000 m³ of water. Total

consumption in 2021 was 434.518 m³, 4% less than 2020.

For years, the company has had reuse systems in the Itapevi (SP) and Ribeirão Preto (SP) Units, which undergo constant improvement processes and the adoption of new technologies, such as reverse osmosis filtration. Since 2012, a public-private partnership has been maintained for the donation of the surplus of the reuse water to the municipalities of Itapevi and Jandira.

In 2021, a new reverse osmosis operation at the Effluent Treatment Station in Itapevi started sending excellent quality reuse water to supply the cooling towers, marking the beginning of water reuse in the production process as well.

Water Management at Eurofarma Group	2019	2020	2021
Total reused water volume – in megaliters	72.9	54.4	75.5
Percentage of reused water	37%	31%	48%
% Total water discharge – in megaliters	63	69	66
Water consumption – in megaliters	483.5	453.9	434.5
Water donation (public and private partners) – in megaliters	7.2	8.9	7.4
Withdrawal by source GRI 303-3			
Groundwater – in megaliters	286	216	204
Public supply – in megaliters	223	265	252

Energy management

GRI 302-1 | GRI 302-3



Focus on renewable sources

The company's pioneering DNA also stands out in the complex energy issue. Eurofarma is the first Brazilian pharmaceutical company to achieve ISO 50.001:2018 certification, an international standard that establishes guidelines for efficiency in the energy area. The strategy focuses on increasing the contribution of renewable sources in the energy matrix. There are 7.294 photovoltaic panels in operation at the Itapevi Complex. Renewable sources represent 29% of the company's energy matrix.



Energy Management at Eurofarma Group	2019	2020	2021
Power consumption – GJ/year GRI 302-1	293.407	291.280	298.739
GJ/1.000 up	0.8	0.8	0.9
Number of panels	1.844	7.294	7.294
Generation – kwp	625	2.218	2.218

Energy matrix GRI 302-1	2019	2020	2021
Non-renewable sources (GJ)			
Natural Gas (m³)	34.1%	37.9%	42.1%
Oil by-products	0.2%	0.4%	0.4%
Power (utility)	35.6%	32.6%	28.8%
Non-renewable sources (in GJ)			
Power (utility)	29.5%	28%	27.9%
Photovoltaic energy	0.7%	1%	0.8%
Biodiesel	0.0%	0.1%	0.0%

*The premise of the National Energy Balance of renewable energy present in the 2020 energy consumption, on the Brazilian Energy Matrix, was considered for calculation.

Waste management

GRI 102-1 | GRI 103-2 | GRI 103-3 | GRI 306-2 | GRI 306-3
GRI 306-4 | GRI 306-5

Correct disposal and recovery of waste

As a priority, hazardous waste is treated in the company by the co-processing method, which is more sustainable because it uses the waste as fuel in cement kilns instead of fossil fuel. By 2021, 95% of the hazardous waste had this disposal, and the reduction in hazardous waste generation was 14% in the performance indicator.

Composting of waste

In 2021, a new solution came online at the company to compost 100% of the organic waste from the restaurants at the Itapevi and Freguesia do Ó Units. The Bioconverter equipment is a biodigester that performs the aerobic digestion of food scraps, transforming them into liquid effluent that can be disposed of in sanitary sewage without any impact on the environment. The Bioconverter operation started in November 2020 as a pilot project at the Itapevi Unit. Following the positive results, it was expanded to the Freguesia do Ó Unit. At the Itapevi Unit, the processing capacity is 23 tons of organic waste per month, and at the Freguesia do Ó Unit this volume is 4.5 tons.

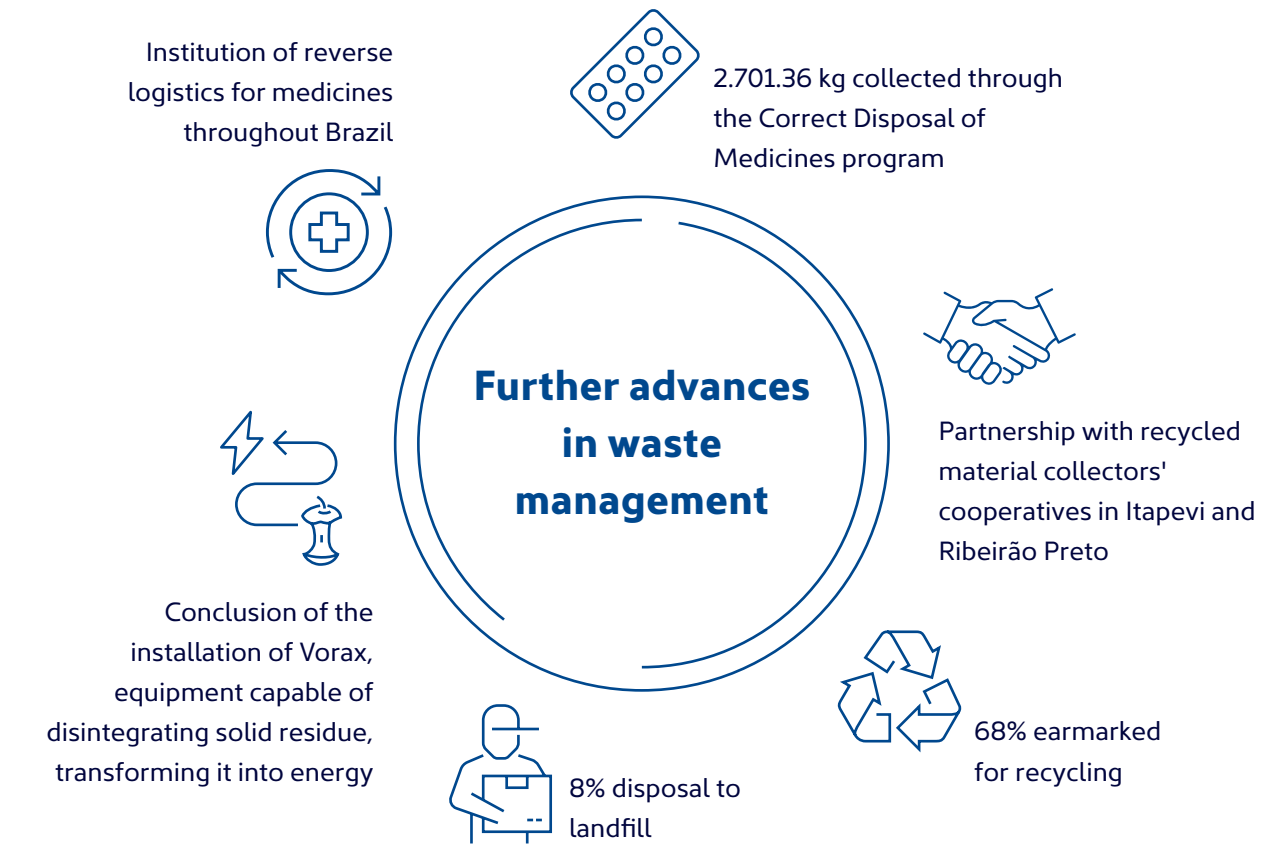
The initiative also helped eliminate the transport of external waste for composting, avoiding the emission of 13.35 tCO₂e in 2021.

Recovery of waste

The pandemic caused a shortage of raw materials on the market for the production of cardboard boxes. Faced with this challenge, the company innovated with a reverse logistics solution that gave value and a longer life to the boxes. After tests validated by the quality area, the boxes received from supplier Orbis, containing the medicine cartridges, are reused three times and, after this cycle, sent for selective recycling.

Since October 2020, more than 28.8 tons of cardboard have been reused and avoided emissions total 27.79 tCO₂e.





Disposal of non-hazardous waste – in tons GRI 306-3, 306-4, 306-5	2019	2020	2021	Types of waste
Composting	512.7	407.7	365.9	Organic waste
Reuse/recovery	0.6	0.0	0.0	Cooking oil
Recycling	2.532.0	2.514.7	2.634.8	Paper, plastic, cardboard, glass, metal, blister and recyclable debris
Environmental recovery	334.8	245.4	186.2	Wood
Landfill	565.3	709.0	749.1	Non-Recyclable, sludge, prunings and debris
Total	3.945.4	3.876.8	3.936.0	

*Construction waste (debris) and prunings are not counted in the waste indicators, because they are not generated by the pharmaceutical industrial process.

**Through internal measurement, the average weight of 67 kg per container of non-recyclable waste was approved and established, with a storage capacity of 1.2 m³. Thus, the number of containers collected per month is multiplied by 67 kg, obtaining the total weight sent to the landfill.

Disposal of hazardous waste – in tons GRI 306-3, 306-4, 306-5	2019	2020	2021	Types of waste
Reuse/ Recovery	58.7	60.1	44.1	Light bulbs, batteries, lubricating oil, plastic canisters and iron drums, electronic scrap
Environmental recovery	1.047.7	1.399.6	1.171.1	Industrial waste + Tax recovery waste
Incineration (mass burning)	47.0	71.4	66.3	Industrial waste + Tax recovery waste + Waste collected by the city government
Total	1.153.4	1.531.1	1.281.5	

Waste disposal [306-3, 306-4, 306-5]	Recovery/recycling	Final disposal	Total (t)
Hazardous	3.000.7	935.3	3.936.0
Non-hazardous	44.1	1.237.4	1.281.5

Recyclable waste – in tons	2019	2020	2021
Paper	1.208.4	1.148.1	1.230.7
Plastic	394.3	416.7	400.4
Glass	72.4	69.6	85.6
Metal	249.6	238.3	241.8
Debris	840.3	697.5	714.1
Wood	334.80	245.4	186.2
Composting	512.7	407.7	365.9
Other (electronic scrap, oil, batteries, lightbulbs)	-	4.5	5.8
Total	3.432.5	3.227.9	3.230.5

*Construction waste (debris) and prunings are not counted in the waste indicators, because they are not direct waste from drug manufacturing.





Relationship with society and communities

Eurofarma Institute

Transformative education

To promote socioeconomic inclusion and sustainable development through transformative education. The Eurofarma Institute (IE) was born under this daring mission 15 years ago. The effort put in over this time, however, is up to the task. Education is the most effective tool to catalyze change in society, and the IE has always been in tune with its time, attentive to contributing to the demands of its communities.

While celebrating the symbolic age of 15, it is possible to see the consistent growth. The educational granary was the Technical Nursing Course and, in sequence, complimentary classes for children, the Matéria-Prima [Raw Material] project. New preparation and training courses have been included over the years, ranging from training for public school teachers to professional courses focused on income generation, such as Elderly Caregiver and Electrician's Assistant. The 60+ public gained craft workshops based on recycling and integration and socialization actions.

The IE has reinvented itself again with the pandemic in the last two years. Distance learning courses began to be offered, expanding the reach of educational projects to all of Brazil.

Today, there are three educational headquarters, located in São Paulo and in Itapevi. The spaces promote welcoming, care, education, and awakening of potentialities. With a determined team, great partners, and dynamism, the IE is prepared for the challenges of the coming years. Over 15 years, BRL 125 million have been invested in the Institute, which has provided more than 116.000 direct services since it was founded.

Eurofarma Institute	2019	2020	2021
Total investments (in BRL)	13.986.000	11.686.830	14.318.000
Change over previous year	10.2%	-16.4%	22.5%
Individuals directly served	16.284	11.854	9.837

*In 2021, sanitary measures were in effect that restricted the maximum occupancy of the Institute's spaces. In addition, the partner public schools were closed or subject to mobility restrictions. These factors impacted the total number of people served by the Institute during the year.

Promover a inclusão socioeconômica e o desenvolvimento sustentável por meio da educação transformadora



Main courses

Eurofarma Nursing Center

It is intrinsically linked to the company's purpose and causes, to strengthen health education. One of the highlights of this pioneering project is the very high employability rate of the students: in the last three years, 93% of the graduates were able to work in the healthcare field within 1 year after finishing the course. Among the main employers are the largest hospitals in Brazil, such as Santa Casa, Incor HC, Sírio Libanês, Albert Einstein, and Hospital Municipal Moyses Deutsch.

Matéria-Prima Project

Created to offer after-school tutoring to children between 7 and 14 years of age from public schools in São Paulo and Itapevi, Matéria-Prima has also reinvented itself in the last two years. To continue ensuring learning, part of the activities were adapted to a remote format in 2021. The students undergo a learning assessment in Portuguese Language and Mathematics at the beginning and at the end of the year.


De Olho no Enem [Looking to the National High School Exam] Project

It prepares young people from all over Brazil for the National High School Exam. In 2021, to accommodate more students who might not be available when the online course was scheduled, a class was offered in an asynchronous, non-real time format.




2021 was the year to mark a presence in new social networks

 [tiktok.com/@institutoeurofarma](https://www.tiktok.com/@institutoeurofarma)

 [linkedin.com/company/instituto-eurofarma](https://www.linkedin.com/company/instituto-eurofarma)

 [facebook.com/institutoeurofarma](https://www.facebook.com/institutoeurofarma)

 [instagram.com/institutoeurofarma](https://www.instagram.com/institutoeurofarma)

 [Youtube/youtube.com/c/InstitutoEurofarma](https://www.youtube.com/c/InstitutoEurofarma)

Humanitarian aid

Contributions for urgent and essential needs

Since the beginning of the pandemic, Eurofarma has already allocated more than BRL 71 million for humanitarian aid, considering financial resources to expand hospital beds, hire health professionals, maintenance of oncology patient treatment and more than 1.1 million units of medicines for health institutions throughout Brazil, in addition to donations of staple food baskets, including 18.000 units for indigenous communities, and PPE.

In 2021 alone, the amount allocated to humanitarian actions reached BRL 39.5 million. In a special action, the company distributed more than 16.000 staple food baskets to the employees of the Brooklin, Itapevi, Ribeirão and Momenta Units, so that they could take these baskets to their communities and families.

The sales force began the Prato Cheio de Solidariedade (Full Plate of Solidarity) initiative, which distributed more than 41.000 staple food baskets to more than 400 institutions throughout Brazil, indicated by the doctors visited by our sales reps.

Aid to Haiti

The company donated more than 500.000 units of various medicines to thousands of victims of the earthquake that affected Haiti in August.

Human Milk Bank Lactare

Encouraging breastfeeding to save lives

Brazil's first private milk bank, Lactare, was born in 2019 as a social initiative to promote breastfeeding. The milk is destined for the babies in the Neonatal ICUs at Hospital Geral de Itapevi and Hospital Geral de Carapicuíba. In 2021, 2.600 liters of breast milk were collected and processed, which helped save the lives of more than 1.200 babies.

Lactare has also signed a partnership with the company PBSF (Protecting Brains & Saving Futures) for the donation of brain monitoring equipment, with a monthly investment of BRL 60.000, which are benefiting Hospital Regional de Cotia (HRC) and Hospital Maternidade Interlagos (HMI).

Linked to the rBLH – Brazilian Milk Bank Network, Lactare's differential is the collection of breast milk at the homes of donor mothers who live within a radius of up to 50 km from downtown Itapevi, in addition to providing assistance to the mothers.





Actions for the community

Eye Care Task Force

The Mutirão Oftalmológico Ampliando Horizontes [Broadening Horizons Eye Care Task Force] made a record mapping in 2021, with 10.706 children and adolescents between 4 and 14 years of age from Itapevi public schools and units of the Eurofarma Institute being evaluated. Of this total, 2.360 were sent for eye exams with doctors and 574 received free corrective glasses. Since the project began in 2017, more than 33.600 students have had appointments and more than 6.200 glasses have been donated. The goal of Mutirão is to identify possible deficiencies that impact the school performance of children and adolescents.



Support for social projects

Since 2014, more than BRL 19.5 million have been invested in social projects by NGOs and institutions, with BRL 5.5 million in 2021 alone, using social incentive laws, such as Pronon, Pronas, CONDECA/FIA/FUMCAD, and Fundo do Idoso (*information about the projects and investments at the end of this Booklet*).

Sports and culture

Structured support for sports and culture

In 2021, Eurofarma made the largest financial contribution to cultural projects in its history. More than BRL 6 million have been allocated to 12 projects through the transfer of incentive law funds. Over BRL 45 million have been invested since 2006. In addition to the record sum, the company has expanded its portfolio of sponsored projects with the inclusion of exhibitions and dance shows.

In the sports area, it has been investing in Stock Car racing for more than 15 years, sponsoring the Eurofarma team, as well as supporting projects with funds from incentive laws. The Eurofarma team won the vice-championship of the 2021 Stock Car season, with driver Daniel Serra. The team's fans involved more than 2.200 employees, who collected 1.2 tons of food for donations during the stages.

In 2021, more than BRL 11.8 million were invested from own resources and BRL 1.5 million through tax incentives. The management and promotion of initiatives related to sports and national culture are shared by the areas of Corporate Responsibility & Events and the Cultural and Sports Sponsorships committee.



BRL 37.6 million

invested in education, sports, culture, social and health, with own and incentive resources.



Governance



Governance structure

Governance in constant improvement

GRI 102-18

The continuous improvement of its governance is a premise for Eurofarma, anchored by a transparent and ethical system. The structure prioritizes the exchange of information and opinions, in order to outline strategic planning and decision-making. These processes include various stakeholders, such as suppliers, independent advisors, and external auditors. The company has a Fiscal Council and an Advisory Board made up of independent members, executives who are leaders in their areas of operation and who are involved in the Group's main decisions and strategic guidance.

Eurofarma has decentralized management, supported by dozens of advisory committees. Multidisciplinary committees are an important tool to manage and integrate teams towards the execution of strategic actions. In addition to employees from different areas, committees also include senior management in regular meetings for discussions and decision-making. New committees were formed in 2021: Water Committee and Expansion Committee, as well as the expansion of the Corporate Social Responsibility Committee with new members from the international units, representing the other Latin American countries.

With a structured governance and engaged employees, the company has the agility to adapt to changing scenarios and to face unfavorable political-economic reflexes. This enabled the company to

register historically high revenue in 2021, even in a year of adverse situations, with BRL 8.3 billion in gross revenue, a growth of 23% compared to 2020. This is the same margin as the evolution of net revenue, which closed at BRL 7.1 billion. EBITDA registered a growth of 30%.

In the last 15 years, the Eurofarma Group registered an average annual growth of 16%, with performance above that of the industry (21.30%), which closed 2021 with 14.21% evolution.

In 2021, Eurofarma was the laboratory with the highest prescription evolution among the three largest competitors, at 19.3%. The average receipt period of sales to customers is 68 days, and the average retail inventory at major distributors is 48 days.

For 3 consecutive years, Fitch has maintained Eurofarma's AAA rating, demonstrating the market's confidence in the company's sustainable development. The governance structure will continue to evolve supported by robust strategic planning, financial responsibility, risk management, a compliance system, equity, accountability, and transparent communication.

Structure

GRI 102-18

Despite being a privately held corporation, the Eurofarma Group follows strict corporate governance standards based on good market practices for decision-making processes and in the application of control mechanisms, guided by structured policies.

The Code of Ethics and Conduct is regularly updated and disseminated through training efforts for all

employees across the 20 countries where we the company operates. The Code establishes procedures and relationships between shareholders, officers, employees, healthcare professionals, suppliers and consumers. Therefore, 100% of employees and outsourced workers are subject to anti-corruption training and policies.

GRI 102-16 | GRI 205-2

Governance System

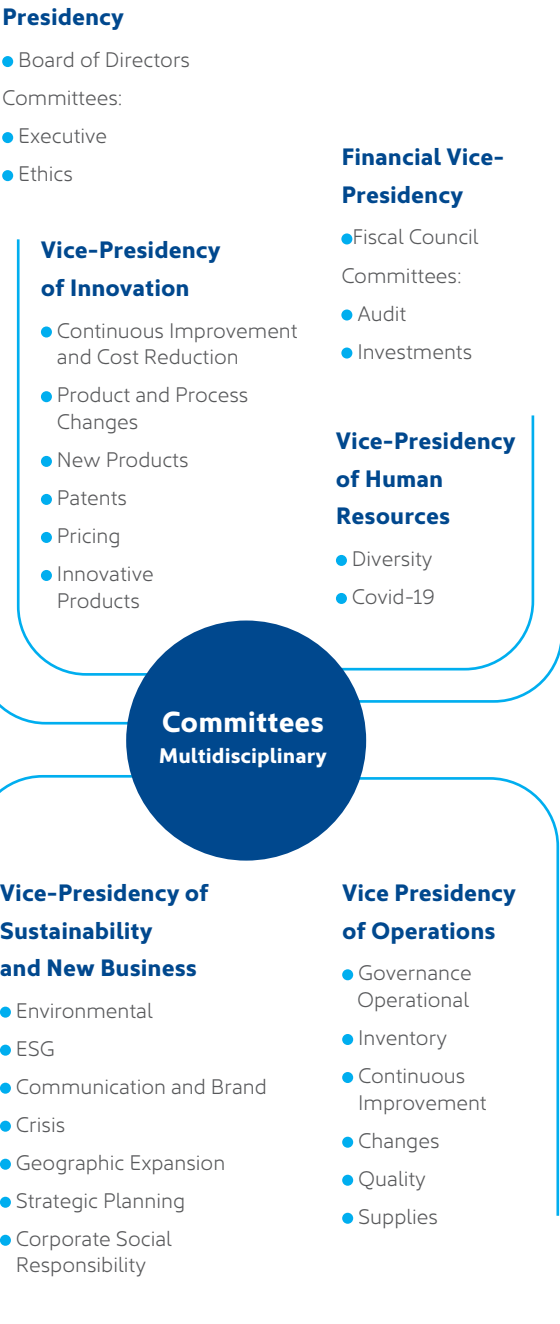
The Corporate Governance system continues to be improved, with the creation in 2020 of the ESG Committee, and the company's commitment to neutralize its direct emissions, in support of the initiatives to protect the Amazon. To meet the urgent demands of society due to the pandemic, the Covid Committee was also created to provide humanitarian aid and a task force to purchase supplies and avoid shortages of medicines. The Internal Audit Committees and the Legal and Corporate Integrity Division were also created.

Advisory Board

Established 10 years ago, the board consists of specialists from different areas, with business experience and independent performance. Opportunities and challenges in the pharmaceutical market are discussed and evaluated in monthly meetings between the members of the Board of Directors, the Executive Committee and shareholders.

Board of Auditors

The board monitors administrative decisions and has become yet another relevant tool to generate knowledge and improve control mechanisms.



Risk management

Transparency and compliance with ethical standards accompany all decision making, guaranteed by the Internal Audit and Risk Management structure. Technology is present in the organizational structure by means of software that contributes to agility and control, such as that used in audits, risks, knowledge and contract management. In partnership with Deloitte, the company finalized its risk management report in 2021, defining the priorities according to the impact and materiality of the topics, and developed them into goals for the entire senior leadership.

Natural disasters and accidents are usually addressed by the Committee and provided for in the Crisis Manual, whose content serves as a reference for training all the teams. In 2007, the company was put to the test after a fire impacted its Distribution Center in Tamboré/SP, destroying the company's entire stock of finished products. One month after the occurrence, the resumption of acceptable levels of inventory and demand fulfillment were announced, a fast recovery that was only possible due to an integrated emergency action management, partnerships with the entire supply chain, planning and increasing production in all plants, and cooperation from business partners, suppliers, and customers.

Adversity showcased the level of professionalism and commitment, required dedication and contribution from everyone, and demonstrated the ability to overcome adversity with clear guidance, a robust plan, and disciplined implementation from all teams. Due to the critical nature of the topic, the resumption strategy was led directly by the Presidency, which helped to incorporate new processes and to elaborate the content that served as the basis for the revision of the first Crisis Manual.

Water, energy, and pollution are key issues in the Group's industrial parks. The largest of them, in Itapevi/SP, has an Effluent Treatment Station and an Energy Management System – guidelines to gain independence, reduce expenses, and increase energy efficiency to supply the production lines – in addition to a huge photovoltaic park on the roof of the buildings. Waste management receives investments for the treatment of hazardous waste, recycling and reuse of common waste to achieve the "Zero Landfill" goal. The recent deployment of the Vorax equipment – still in the testing phase – corroborates the search for innovative solutions and modernization in waste treatment.

The new plant, to be inaugurated in Montes Claros/MG in 2022, has already contemplated, since its idealization, different solutions to mitigate a wide variety of risks inherent to the production of medicines. The very initiative of building a new plant to meet a growing demand, in addition to expanding production capacity, is part of a risk management plan. After all, it allows "mirrored" lines and processes to be quickly transferred if necessary. The future employees of the new plant will receive risk management training, among others.

Eurofarma's senior management is aware that the training of professionals for succession is extremely important for maintaining the company's operational capacity and keeps this action up to date, under the watchful eye of shareholders and the Board.

The fact that it maintains ESG objectives in its Strategic Planning, synergy between the areas, and constant investments in technology enables the company to advance in risk management and innovative projects. In the IT area, the

Datacenter ensures fast migration, guaranteeing the maintenance of activities in adverse circumstances. As for suppliers and distributors, there is partnership in the planning of transportation by alternative routes to reduce emissions and costs.

The internal audit area, responsible for preventing and detecting risks and evaluating process compliance, conducts audit cycles in all areas of the company to verify activities, detect opportunities, and monitor action plans. By using incentive mechanisms for strict compliance with the laws, internal and external standards, protection against misconduct, preservation and generation of economic value, it is in line with ethical principles and good corporate governance practices to guide the behavior of employees and suppliers.



Code of Ethics and Independent Ombudsman

GRI 103-2 | GRI 102-16 | GRI 205-3

Eurofarma has several instruments to guide ethical management on all its business fronts, such as the Code of Ethics and Conduct, the Anti-Corruption Policy, and the Independent Ombudsman Channel. The Code of Ethics undergoes frequent updates and is disseminated through training every two years for all employees in the 20 countries in which the company operates. The Code establishes procedures and relationships between shareholders, officers, employees, healthcare professionals, suppliers and consumers. In 2021, employees provided the Code Adherence and Conflict Declaration by electronic signature.



Independent Ombudsman Channel

Employees, suppliers and other stakeholders have at their disposal an independent and confidential Ombudsman Channel to report events and behaviors that violate the Code of Conduct and Ethics, as well as other complaints. The channel is managed by an independent company, which guarantees data confidentiality and preserves 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 linked to the Presidency.

In 2021, a toll-free number was created for free calls to the International Ombudsman Channel and the management of the channel was integrated into Power BI, a business intelligence platform.

Ombudsman

Global

www.contatoseguro.com.br/grupoeurofarma

0800

[Click here](#) to see the contact information for each country.

Ombudsman Data GRI 205-3

No. of events	321
No. of applicable events	231
No. of non-applicable events	90
No. of cases of violation of the code	14
No. of dismissals due to violation of the Code of Ethics and Conduct	15
No. of contract terminations due to violations of the Code and/or Applicable Policies	0

Transparent, close and digital communication

Keeping transparent and fluid communication with all the stakeholders it interacts with is one of the company's main goals. Focused on the internal public, one example was the reformulation of the Intranet to connect the 8.100 employees distributed across 20 countries in Latin America and allow access to the company's information at any time and place. Eurofarma's culture and values are also disseminated through this channel, strengthening the brand and engaging employees and the leadership so that they become catalysts for what the company wishes to communicate to the external public as well.



Consumers, customers, doctors, and other audiences also receive great attention. In 2021, it was possible to remain closer through different channels. On social media, the company achieved record engagement, doubling on Facebook, tripling on Instagram, and reaching more than 700.000 followers on LinkedIn. In addition to the global Internet page, there are 12 local sites to present the company, news, relevant articles, product catalog, and other data.

Eurofarma understands the importance of being a transformation agent and of disseminating relevant and didactic content on ESG (Environmental, Social, and Governance) issues, the company's pillars, on all available channels. In 2021, the company was recognized as the pharmaceutical company that best positions itself on ESG issues, according to the Zeeng Consulting firm.

Highlights



5.9 million hits to the website, with more than 4.9 million visitors



710.000 followers on LinkedIn



27 million views on Facebook

BRL 65.7 million return in spontaneous media and 98% positivity of the company's image in the press

Eurofarma in Social Media

@eurofarma

@eurofarma

@eurofarma

@eurofarmalab

Relationship with organized civil society

GRI 102-13

Eurofarma participates in associations as a way of actively contributing to discussions and decisions that may involve the market and the pharmaceutical industry. Some associations in which the company is active:

- Abiad – Brazilian Association of the Food Industry for Special Purposes and Congeners
- Abifina – Brazilian Fine Chemicals, Biotechnology and Specialty Industries Association
- Abiquifi – Brazilian Association of the Pharmaceutical Industry and Pharmaceutical Inputs
- ABPI – Brazilian Intellectual Property Association
- Abrasp – Brazilian Association of Parenteral Solution Producers
- Brazilian Academy of Pharmaceutical Sciences
- AfroChamber – Afro-Brazilian Chamber of Commerce
- Alanac – Association of National Pharmaceutical Laboratories
- Amcham – American Chamber of Commerce
- Arab-Brazilian Chamber of Commerce
- Mercosur Asean Chamber of Commerce
- Cebrachile
- Farma Brazil Group
- ProGenerics – Brazilian Association of Generic Drug Industries
- Sindusfarma – Pharmaceutical Industry Union in the State of São Paulo

innovation as a central strategy

GRI 103-1 | GRI 102-16 | GRI 102-17
GRI 205-2 | GRI 205-3

Innovation in the present to transform the future

Innovation does not only translate into research for new medicines, it permeates all areas of the company. It's in the company's DNA and is the cornerstone of its organizational culture. The very foundation of the company, 50 years ago, is the fruit of vanguardism. Many bold and pioneering initiatives can be accounted for in this half-century journey. Eurofarma is now looking to the future by wagering on artificial intelligence, big data, open innovation, and mainly on the qualification of its employees and on the dissemination of the intrapreneurship culture in order to face the new world that is on the way, with disruptive technologies and business models.

The commitment to innovation is formally defined in the strategic planning and Vision 2022, and is reflected in an innovation ecosystem, both internal and external, unprecedented among nationally-owned pharmaceutical industries. The strategic importance of innovation is constantly reinforced among employees at all

hierarchical levels.

The incentives for intrapreneurship are clear and are supported by formal policies on the matter. The creation of new business models, improvement of internal systems, and encouragement and formation of partnerships that foster the production of science in Brazil are among the actions encouraged.

One of the examples of actions structured to foster intrapreneurship is Clic. This is a platform created to receive ideas for suggestions and improvements, which can be submitted by all employees in the 20 countries where the company operates. The suggestions implemented, which have ranged from specific process improvements to an action to reduce the company's water consumption, for example, are rewarded with full scholarships. In 2021, 55 employees were awarded for 25 Clic ideas implemented, which brought financial return of BRL 2.2 million to the company, in addition to gains in productivity and sustainability.

Innovation platform

Neuron Ventures

Neuron Venture, with a thesis of BRL 45 million, is our corporate venture fund focused on investing in healthtechs, with the potential to transform the health sector, adding not only capital, but also sectorial knowledge. The year 2021 was marked by investment in Digitally Native Vertical Brands, native digital startups. The goal is to find companies that have synergy with the business, such as Ocean Drop, in which BRL 4 million were invested. It is a brand that is bringing innovation and customization to the vitamin and supplement market, linked to biodiversity and with a sustainable vision.

The most recent support is at The Mens, which aims to centralize health and beauty care for the male public, promoting the connection between doctors and patients directly on the brand's platform through telemedicine.

Eurofarma Synapsis

The 4th edition of the pioneer program in the pharmaceutical sector for accelerating startups included nine projects in the Industrial, Commercial, Information Technology, Legal, and Regulatory areas in 2021. Since its creation, 55 companies have been accelerated, of which 38 have already conducted pilot projects and 20 have signed a contract with the company.

To promote the topic in the company's internal environment, the Synapsis Talks, a chat between employees and CEOs of startups, is a dedicated moment to discuss current issues such as blockchain, big data, information security, and agile methodology. More than 1.000 employees participated in the eight events.



Industry 4.0

Eurofarma occupies a prominent position in the national pharmaceutical market within the Industry 4.0 concept, with pioneering automation projects and the introduction of state-of-the-art technologies. The company is the first pharmaceutical company in South America to implement MES (Manufacturing Execution Systems), an automated production execution management system that allows the transfer of printed documentation to electronic media.

A pilot project introduced the use of drones (Drone/RFID Shipping) to monitor the stock. The drones scan the aisles to read the identification codes and confirm the information made at the stock entrance, enabling the immediate analysis of any divergence.

Information Technology

Eurofarma was highlighted in the 2021 edition of the 100+ Innovative Companies in IT Use awards, in the Pharmaceutical Industry category. The company took 2nd place with the "Cyber Resilience" case, a project that sought to structure the cybersecurity processes, policies, practices, and tools in the company. The award is organized by IT Mídia in partnership with PwC, and gathers and evaluates IT projects that generate impacts on the business of companies in Brazil.



Advances

- Deployment of an artificial intelligence system to perform production sequencing.
- Artificial intelligence extension for use in Alexa (Amazon) to read package inserts out loud.
- Expansion of e-commerce to Latin American operations.
- Start of #Eurojunto, an inclusive digital visitation project for doctors and nutritionists, with 100% participation by professionals with disabilities.
- Launch of EuroAprende, a distance learning platform for medical residents, with courses also aimed at Oncology residents.

Innovation applied to health

GRI 103-1 | GRI 103-2 | GRI 103-3

Future charted by innovative medicines

Innovative drug development and radical innovation are perennial company goals. In 2021, BRL 363 million was allocated for Research and Development of new drugs alone. This amount corresponds to 5.1% of net sales, and is 46% higher than the investments of the previous year. In all, there are 456 projects in the pipeline. Currently, **XX%** of the revenue comes from drugs created in recent years.

The plan to expand the Research and Development area was put into effect in 2021, with the hiring and training of professionals to work on research projects. This expansion is already reflected in areas such as a 103% increase in the number of products in stability. Eurofarma maintained its leadership in market share of new products throughout last year. There were 138 launches in all, 55 in Brazil and 83 in international operations.

The company has more than 40 active partners for licenses and clones, and currently 12% of revenue comes from these partnerships. Among the highlights for 2021 is the licensing of Exparel, a nanotechnology-based anesthetic, for Latin America. Two contracts were also signed for medicines in the areas of central nervous system and gastroenterology.



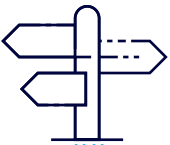
When it comes to patents, the company has started the process for the registration of its first international patent for an innovative molecule, the result of our partnership with the academic scientific community. There were 26 patent applications filed in 2021, including three innovative molecules. The change in the Industrial Property Law (LPI) generated a change in the pharmaceutical patent term, generating a need to restructure the projects.

The innovative product development chain is based on a well-established governance process, which includes a technical-financial evaluation for inclusion of the project in the development pipeline. Once the project starts, an annual goal is defined, that is, the deliverable that should be accomplished by the project in that period. Monitoring is performed in bimonthly executive meetings, held with the participation of senior management. Project monitoring is based on "Stage &

Gates", a project management method that evaluates the initiative based on five distinct stages, separated by decision milestones. The projects' progress, deadlines, and the maintenance of financial viability are discussed in committee.

The governance process also foresees a monthly technical-executive forum to discuss and align the different stages of the innovation chain, contemplating annual goals, risk mitigation, and alignment of technical-regulatory strategies, with the objective of maximizing the success of the projects in the development pipeline.

The results of all innovation actions are tracked in the company's strategic planning by means of performance indicators that are monitored and reported periodically: corporate ranking, market share in launches, protected portfolio, portfolio renewal, registration efficiency, and launch time.



Strategic pillars for health innovation

Similar & Generic Drugs
Focus on launching generic firsts

Incremental innovational
Development of differentiated products, focusing on unmet market needs

Radical innovation through partnerships
Licenses and co-development with global biotechnology companies for unprecedented molecules in Latin America

Own radical innovation
Focus on pharmaceutical innovation and development of proprietary molecules



Innovative Delabaxi

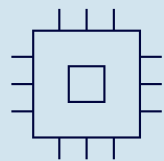
Eurofarma received approval to launch Delabaxi® (delafloxacin), an innovative antibiotic for use in the treatment of acute skin and skin structure infections.

The drug is the result of a partnership with the American MelintaTherapeutics, and is the first launch outside the United States.

Radical innovation

Over the past six years, more than BRL 1.5 billion has been contributed to research for radical innovation, 23% of that amount in 2021 alone. This is the company's bet for its perennality and to make a difference. Radical innovation is a long-term journey, yet Eurofarma has built a structure unmatched in Latin America to achieve its goals. Eurolab has completed its first year of operation, today hosting the work of 14 new drug discovery projects. Currently, the company has more than 1.000 novel and proprietary molecules, 700 of which belong to two projects in more advanced stages.

The biological analysis laboratory is responsible for the enzymatic tests of part of the exploratory and advanced radical innovation projects. A total of 55.000 trials were performed in 2021. It follows a consulting partnership with the company IQVIA for indication prioritization among three potential therapeutic areas (neuropathic pain, inflammation, and depression).



Further progress

- 3 projects with the National Institute of Science and Technology (INCT) in Pharmaceutical Innovation (InoFar) based at UFRJ: neuropathic pain, mood disorders, and Leishmaniasis
- 2 projects with Cqmed/Unicamp: gonorrhea and leishmaniasis
- 9 internal projects: exploratory in the area of antibiotics, neuropathic pain, inflammation and migraines

Inside
Eurolab



- With investments of BRL 155 million, it is one of the most advanced research and development centers on the continent
- 21.000 m², 6 laboratories and 120 pieces of high-tech equipment for the analysis of molecules
- 550 scientists and professionals dedicated to the development of new products
- It brings together the entire cycle of drug creation and radical innovation: R&D, analyses and studies
- It has a mini-factory capable of producing medicines from the studies

Academia and industry go hand in hand

At the forefront of fostering innovation in the Brazilian academic environment, Eurofarma continues investing in partnerships to strengthen the relationship between industry and academia. The EmergeLabs program, which brings together entrepreneurial scientists linked to universities, allowed the creation of a partnership between Eurofarma and BioLinker, a company formed by scientists from the University of São Paulo (USP). The initiative is focused on the development of biochemical assays for innovation projects.

New agreements with the National Telecommunications Institute (Inatel) and the Federal University of Rio de Janeiro (UFRJ) have also been signed for 2021. The initiative foresees the distribution of scientific initiation scholarships to the students of these institutions in the area of health-related technology. The students awarded the grants will be trained by Eurofarma and encouraged to seek ideas and solutions focused on innovation in health.

With UFRJ and the Laboratory for Evaluation and Synthesis of Bioactive Substances (LASSBio), Eurofarma also maintains a solid technical-scientific partnership aimed at the research and development of innovative drugs and the absorption and transfer of technology.

For three years, together with Regenera, a startup incubated at the Federal University of Rio Grande do Sul (UFRS), Eurofarma has maintained a project to explore the Blue Amazon in the area of antimicrobials. The main goal is to explore molecules from the seabed that are still relatively unknown.

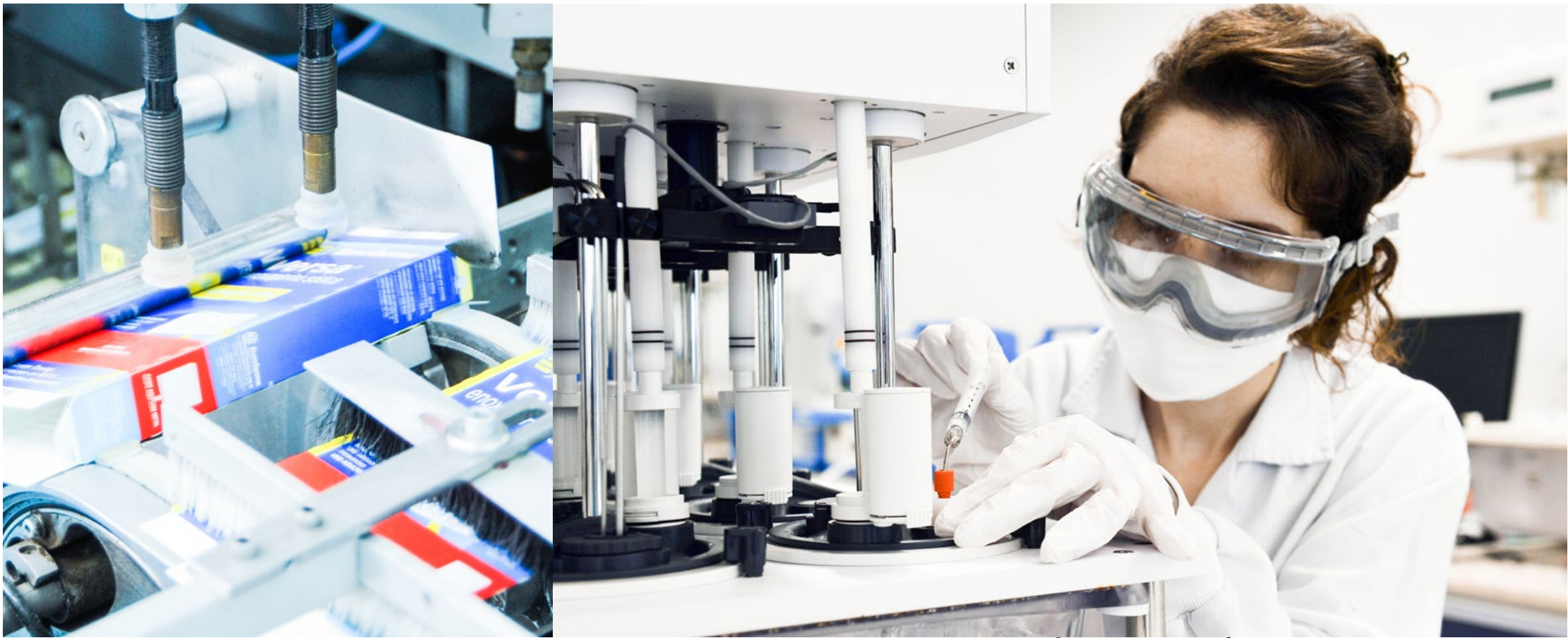
Technical efficiency
to promote access to
health care

GRI 103-2 | GRI 103-3

Eurofarma remains the pharmaceutical company that registers and launches its products fastest in Brazil, being recognized in the market for the quality of the dossiers submitted to the regulatory agencies. In 2021, 73% of the dossiers submitted to Anvisa were in CTD format (*Common Technical Documentation*), internationally accepted in highly regulated markets, by institutions such as the FDA (Food and Drug Administration) and the EMA (European Medicines Agency). This format will become mandatory by Anvisa in 2023 and Eurofarma is ahead of the curve in this adaptation. The goal for 2022 is that 100% of these documents will adopt this format.

Since the implementation of the Covid Supply Committee to ensure the supply of its portfolio products in light of the pandemic, Eurofarma has maintained the leadership of post-registration actions in this fight. In 2021, there were 48 products with approved post-registration.

	Brazil	International Operations
Dossiers submitted	44	360
Registrations	46	167



Highlights in registrations

- 213 novos registrations
- Submission of two innovative products:
Amato XR (topiramate XR) and benzylpenicillin potassium for pediatric use
- Anvisa approval:
Evogliptin (Suganon), radical innovation for the treatment of diabetes
Heptar, Heparin of bovine origin ready for use
Covid-oriented products: remifentanyl, dexamethasone, Heptar, rivaroxaban, sugamadex.
Fortice product (food supplement consisting of collagen type II + NEM) that helps the joint function
Mtor product – a food supplement consisting of calcium hydroxymethylbutyrate that helps fight sarcopenia.

Relationship with suppliers

GRI 103-1 | GRI 103-2 | GRI 103-3 | GRI 102-9 | GRI 416-1

Supply chain
management

As part of the premises established by the company and also in compliance with Good Manufacturing Practices, the company's supply chain management is produced through an established Supplier Qualification program. This program begins with a risk analysis of the material/service and the supplier. From this analysis, the evaluation strategy to be used in each case is defined. Periodic evaluations of applicable legal documents and quality-related certificates are performed, as well as periodic audits in online and in-person formats. The performance monitoring of these suppliers is also part of this

program, with the objective to maintain quality, always aiming at the health of consumers and patients of Eurofarma's products.

In 2021, as part of the program, 163 suppliers were evaluated and another 116 had their performances monitored, ensuring the commitment to supply chain verification and management. Eurofarma has a Supplier's Code of Ethics, which underwent a systematic revision in 2021 and is available on the website.

Changes occurring in suppliers or in the supply chain are assessed by the Supplier Qualification team and actions are taken following a multidisciplinary risk assessment involving other areas, such as Regulatory Affairs and Research & Development.

GOVERNANCE

The process of selection, substitution, or even exclusion of suppliers suffered pandemic-related impacts, since several suppliers have their factories established abroad, in countries like China and India. With the objective of maintaining the company's portfolio, with direct impact on the health of patients who depend on these drugs, the Covid Supply Committee continues to function, dedicated to discussing the supply chain and taking quick action regarding the lack of raw materials.

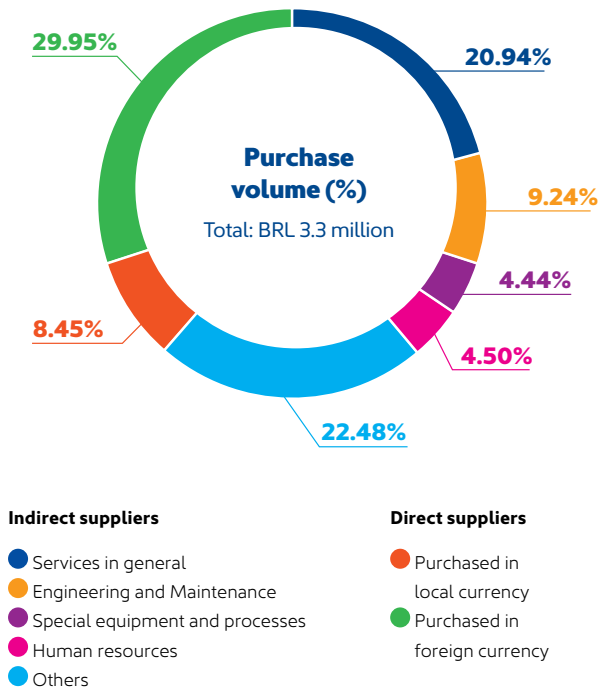
Supply chain

It is made up of indirect and direct inputs. The representation of indirect inputs is 61.6%, distributed in equipment, services, maintenance, and other categories related to acquisitions that are not of direct use in the manufacturing of medicines, in addition to acquisitions related to the construction of the new manufacturing plant in Montes Claros (MG).

The other 38.4% are acquisitions related to inputs acquired for direct use, finished products and outsourcing, being considered direct use the raw materials (active ingredients and excipients), packaging and accessories.

In the case of direct inputs, 78% are acquired in foreign currency (U.S. dollars and euros), even if they are manufactured in Brazil, due to the dependence on imported commodities or components that make up the product. The other 22% are acquired in local currency (Brazilian reais).

Imports from India, one of the largest producers of active pharmaceutical ingredients in the world, amount to 35%. A variable between 10% and 20% are inputs from China and Italy. In addition to the inputs and indirect materials, Eurofarma also acquires a large amount of finished products through partnerships with other important laboratories and manufacturers in the market.



Total suppliers
4.827

Partnership with Ethos Institute for sustainability in the value chain

In partnership with Ethos Institute, Eurofarma maintains a pioneer program in the pharmaceutical industry for sustainability in the value chain. In 2021, the company held five thematic workshops for the targeted Action Plans, according to the dimensions: Materiality Matrix; Management (Governance); Risk Management (ESG Management); Social Aspects; Environmental Aspects; Circular Economy and Ethos Indicator Methodology. The meetings totaled 12 hours of training and brought together 55 companies.

relationship with customers and end consumers

GRI 103-1 | GRI 103-2 | GRI 103-3

Consumer safety and well-being

Eurofarma's group of customers is formed by pharmacies, distributors, and end customers, which are the physicians and their patients. The entire decision-making process related to the development of a drug undergoes the evaluation and validation of the medical community, either through scientific boards, research, or relationship actions, such as participation in medical congresses and scientific meetings. The boards have more than 150 physicians that work in medical and potential scientific assessments for new therapies. In 2021, 16 boards were held.

The relationship with patients is mainly conducted by means of clinical studies, and also through Eurofarma's Call Center. In 2021, a monthly average of 36.000 contacts from consumers, healthcare professionals, and commercial customers was recorded.

Connected Latin America

Eurofarma constantly invests in improvements to customer relationships. In 2021, one of the new projects implemented in this area was the unification of call service for the whole of Latin America. The expansion of the reach was made possible by the use of a communication technology from which customers have access to a QR code and make the call via data, and no longer via telephone.

Another innovation in relation to communication and customer services was the diversification of the formats in which the package inserts for over-the-counter drugs are provided. In addition to PDF, html, and other files, the E-bulas project has enabled these documents to also be offered as audio files, made available through Amazon's virtual assistant, Alexa.

Customer satisfaction index

Consumers	95%
Healthcare professionals	90%
Commercial customers	82%

Customer service channels

toll-free hotline; email; contact us; chat; WhatsApp

Product quality and safety

GRI 103-2 | GRI 416-1 | GRI 417-1 | SASB HC-BP 260a.1

Eurofarma maintains a system to identify each material from the moment it is received, through all the production stages until the final product is delivered. Each product manufactured is assigned a unique batch number. Every finished product is packaged in a way that displays the batch number, corresponding code, manufacturing date (where applicable), and expiration date. The packages (100%) also contain information about the correct disposal. The company evaluates 100% of the products with respect to compliance with regulations related to package inserts and packaging.

Security measures to prevent fraud are conducted on all units manufactured. The packaging of the drugs has a symbol, coated with metallic material (reactive ink), that when scratched, like the "scratch cards", exposes the word quality and the company logo. The product also has a security seal, having an unbreakable, customized tear-off feature. In compliance with the National Medicine Control System, the company started the implantation of the traceability process, aiming to guarantee it throughout the entire chain of movement (from its origin to the final consumer). This will be finalized in 2022.

In response to requests from customers and imports, the company issued 100% of Chemical Material Safety Data Sheets (MSDS) for inputs used as basis for direct or indirect manufacturing of its portfolio. Eurofarma has a database of the inputs used in its operations.

Certifications

Argentina

- Anmat (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica)
- Anvisa (National Health Surveillance Agency)
- Invima (Instituto Nacional de Vigilancia de Medicamentos y Alimentos)

Brazil

- Anvisa (National Health Surveillance Agency)
- Anmat – Argentina (Administración Nacional de Medicamentos, Alimentos y Tecnología.
- Digemid – Peru (Dirección General de Medicamentos).
- Invima – Colombia (Instituto Nacional de Vigilancia de Medicamentos y Alimentos)

Colombia

- Anvisa (National Health Surveillance Agency)
- Cofepris (Comisión Federal para la Protección contra Riesgos Sanitarios)
- Digemid (Dirección General de Medicamentos, Insumos y Drogas)
- Invima (Instituto Nacional de Vigilancia de Medicamentos y Alimentos)

Chile

- ISP (Instituto de Salud Pública de Chile)

Guatemala

- Ministerio de Salud Pública y Asistencia Social – Departamento de Regulación y Control de Productos Farmacéuticos y Afine

Peru

- Digemid (Dirección General de Medicamentos, Insumos y Drogas)

Uruguay

- Ministerio de Salud Pública del Uruguay



Pharmacovigilance

Eurofarma's Pharmacovigilance processes are based on the best practices established in the market, such as a global database (gold standard systems) and exclusively dedicated collaborators. In 2021, the company dedicated itself to the integration of the headquarters with all its operations, drawing up a strategic plan for Latin America.

In Brazil, the area updated its adverse event management system to comply with the RDC 406/2020 standard, enabling a more automated operation for submitting individual reports to Anvisa.

Clinical trials

In 2021, the conduct of clinical trials had to be adjusted to the restrictions brought about by the Covid-19 pandemic. To prevent the initiatives from being interrupted, the qualification visits to research centers were adapted to virtual mode. The company also adopted tools for digital signature of official clinical study documents, ensuring agility and traceability in the process of ethical and regulatory submissions of approval processes.

The company reformulated tools for indicator control and research project management in order to standardize and facilitate project continuity. Throughout 2021, 92 clinical projects were developed. Of this total, 38 projects were completed in the same year, despite the pandemic-related obstacles to participant recruitment faced by research centers.

Even with all the restrictions imposed by the health emergency scenario that marked the period, Eurofarma worked with 100 research centers and included 1,558 participants in its studies throughout the year. The company is waiting for Anvisa's approval of the clinical studies conducted, so that these projects can be taken to Brazilian research centers.

Clinical Research	
Clinical trials	92
Participants	1.558
Investments	BRL 24.9 million
Research centers	100

Investment in science in universities

GRI 103-2 | SASB HC-BP 330a.1

Only pharmaceutical company with post-doctorate program

Eurofarma is the first and, so far, only pharmaceutical company to create an internal Post-Doctorate program. The initiative, developed together with partner universities, covers the areas of Organic Chemistry, Pharmacology, Biochemistry, and Cell Biology. The Radical Innovation area ended 2021 with six post-doctoral fellows working in the company's laboratories and another three at Unicamp and the Federal University of Rio Grande do Sul. In total, the company now has more than 30 PhD professionals working on different work fronts, such as Research & Development and Pre-Clinical Development.

In addition to being the first Brazilian pharmaceutical company to have a Post-Doctorate Program, Eurofarma has maintained, since 2020, a Professionalizing Master's Program with the Biomedical Sciences Institute and the Pharmacy School of USP.

To recruit young talent, the company has an internship program in all R&D areas, ensuring the training of professionals for technical positions, supporting the area's growth. Most of the internal development opportunities in the area were filled with in-house professionals, who were already being trained to take on greater challenges.



Immersion abroad and Patent Policy

The innovation ecosystem maintained by the company is reinforced by the constant improvement of its employees, who undergo immersion programs in large international innovation centers, such as Silicon Valley, and leading universities in countries like Canada and Israel, in addition to participating in roadshows held abroad. This development support is formally structured in the Overseas Immersion Policy, and the immersion period can be two to three years. In 2021, due to the pandemic, immersion projects in Silicon Valley and foreign university labs were replaced by participation in training, conferences, and clinical studies conducted online.

Eurofarma's Patent Incentive Policy has encouraged and stimulated scientists to submit patentable projects. The nomination of inventors and financial recognition, in the form of awards, are company practices.

In 2021, there were 14 patentability opinions in the area of incremental innovation, 3 in radical innovation, and 10 in third-party patent applications, adding up to 27 in search of preliminary research, patentability of new projects, as well as risks and opportunities for the company. All these fronts are fully aligned with the Vision 2022 objectives.

The change in the Industrial Property Law (LPI) generated a change in the pharmaceutical patent term, generating a need to restructure the projects.

Relationship with employees

GRI 102-41 | GRI 103-1 | GRI 103-2 | GRI 103-3

18 years among the best companies to work for

In 2021, Eurofarma achieved its most expressive result among the Best Companies to Work For in Brazil (Great Place to Work) in the large companies category, ranking 12th. Making the ranking of the best, however, has been part of the company's trajectory for 18 years. This mark rarely seen in the market is, above all, the result of structured practices and policies to value our people, with management advised by the People Committee. In the latest GPTW result, 95% of our people are proud to work at Eurofarma.

BRL 200.5 million in profit sharing was distributed. The company remunerates its collaborators above the average of the pharmaceutical market, also as a strategy to attract and retain talents. While society discusses the issue and the necessary reparations, pay equity between men and women has always been practiced. Remuneration is defined by position. Here, women are the majority in the vice-presidency positions, representing 50% of the Executive Committee and internal leaderships.

There are several valorization and qualification programs, such as the Internal Recruitment Program that prioritizes internal selection to fill vacancies. In 2021, 70% of leadership vacancies were filled internally. This is possible because the company invests heavily in training and technical and behavioral skills. The Leaders Academy is among the outstanding programs, structured under the design thinking methodology, a tool to stimulate innovative

ideas. The Euroaprende platform was created to centralize all courses and training, from mandatory courses (such as Corporate Integrity and Workplace Safety) to leadership development tracks. It can be accessed from any electronic device, such as mobile phones and tablets.

The pandemic reformulated the way we work all over the world, and at Eurofarma it was no different, with the massive use of online tools, now fully integrated into daily corporate activities. The Home Office Policy has recently been updated and activities can now be performed remotely for up to two days a week.

In Brazil, employees have guaranteed union representation, and those working under formal employment record (Brazilian Labor Code – CLT), who are the vast majority of the company (98%), are covered by collective bargaining agreements with their unions. In international operations, employees covered by collective bargaining represent 40% of the total number of employees, since not all countries have collective bargaining agreements, as is the case of Bolivia, Colombia, Ecuador, Mexico, Peru, Paraguay, and Central America. For the countries that have these agreements – Argentina, Chile and Uruguay – 100% of the employees are covered. GRI 102-41

Some differentiated benefits

GRI 401-2

Expansion of Paternity Leave; Early departures on Fridays; Flexible Hours; Employee Guidance Program: Psychology, Legal, Financial and Social; Ultrasonography device + gynecologist (Itapevi Unit); Pharmacy/Drugstore Benefit; Physical therapy (Itapevi/Brooklin Unit); General Practitioner (Itapevi Unit); Pilates (Campo Belo and Itapevi Units); Diabetic Monitoring Program; Smoking Program; Healthcare Plan; Dental Plan/ Internal Consultations; Private Pension Plan; Lado a Lado com Você [Alongside You] Program; Monitoring of future mothers during pregnancy; Availability of Internal Day Care; Day Care Reimbursement.

Parental leave [401-3]	Men	Women
Employees entitled to the benefit	4.997	3.096
Employees who took the benefit	154	264
Employees who returned to work after leave	426	426
Rate of return	99.1%	97.4%
Employees who remained in employment 12 months after return	9	19
Retention rate	95.0%	92.3%

The return rate is calculated based on employees who returned to work having ended their leave period in 2021; those who were still on leave at the end of the year are not considered. Similarly, in calculating the retention rate, it excludes those who had not yet completed one year after returning.

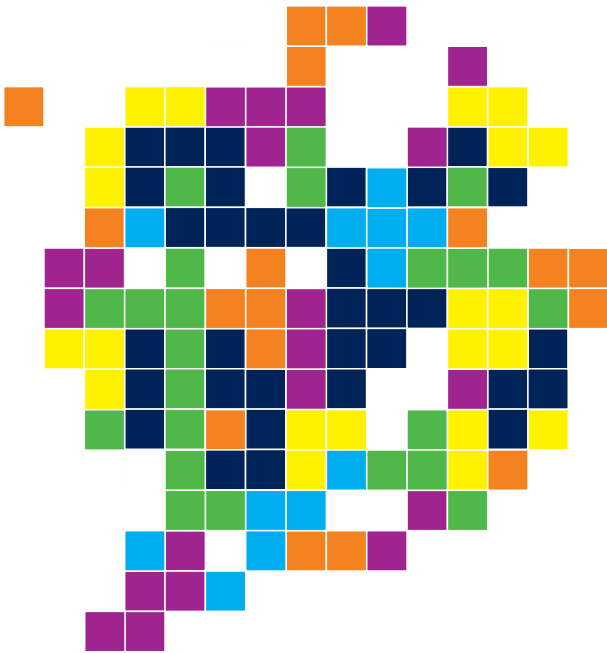


Somos +Diverso

Based on the Diversity Census answered by 79% of employees, +Diverso was born in 2020, a diversity program for all countries and with the formal commitment to move towards the desired future and the development of a fairer, more equal, and inclusive society.

+Diverso operates through four Affinity Groups: LGBTQIA+, People with Disabilities, Gender, and Race, which bring together about 150 employees in meetings to propose action plans and debate ideas. Each of the groups has two executives as sponsors, and the overall management of the program and approval of the ideas is done through the Diversity Committee.

The 1st Diversity Week was held in 2020, where the groups presented educational content about diversity and inclusion and offered lectures and webinars on the topic. In all, 1.800 people watched the live content. Eurofarma's Diversity Booklet was also launched and made available on the communication channels, with one installment dedicated to each Affinity Group.



For gender balance in all areas and positions in the company.



For greater participation and representation of black men and women in business.



So that we can be who we really are, in an environment of respect, care, and empathy.



So that people with different physical and mental conditions can develop in the organization.

Diversity [405-1]	Gender		Age group			People with disabilities
	Men	Women	Less than 30 years old	From 30 to 50 years old	Over 50 years old	
Presidency and vice-presidencies	33.3%	66.7%	0.0%	33.3%	66.7%	0.0%
Directors	55.2%	44.8%	0.0%	65.5%	34.5%	0.0%
Management	75.4%	24.6%	0.5%	82.6%	16.9%	0.0%
Coordination	53.7%	45.8%	2.8%	83.1%	14.0%	0.6%
Administrative	34.1%	57.2%	24.2%	71.5%	4.4%	8.8%
Operational	58.4%	36.0%	12.9%	68.8%	18.2%	5.8%
Sales force	73.5%	26.2%	5.5%	85.6%	8.9%	0.3%
Total employees	61.7%	38.3%	11.1%	77.6%	11.3%	3.6%

The participation of people with disabilities in the company's staff is in compliance with the applicable legislation in each country of operation. In Brazil, these professionals represent 4.5% of employees.

Diversity [405-1]	Black	Brown	White	Yellow	Indigenous	ND
Presidency and vice-presidencies	0.0%	16.7%	66.7%	16.7%	0.0%	0.0%
Directors	3.4%	0.0%	96.6%	0.0%	0.0%	0.0%
Management	0.5%	6.4%	73.9%	0.3%	0.0%	18.8%
Coordination	2.2%	6.7%	49.4%	0.3%	0.0%	41.3%
Administrative	3.0%	15.5%	62.6%	2.0%	0.1%	16.7%
Operational	9.5%	25.9%	45.3%	0.3%	0.2%	18.8%
Sales force	1.4%	14.9%	67.4%	0.3%	0.1%	16.0%
Total employees	3.9%	16.9%	60.4%	0.7%	0.1%	18.1%

ND: Information not available. Corresponds to operations where color/race/ethnicity information is not monitored: Bolivia, Central America, Chile, Colombia, Mexico, Paraguay, Peru and Uruguay.

Pay ratio of women to men [405-2]	Brazil	International operations
Presidency and vice-presidencies	87%	NA
Officers	93%	NA
Management	127%	76%
Coordination	101%	92%
Administrative	91%	97%
Operational	73%	85%
Sales force	92%	78%

NA: not applicable, as there are no presidents and vice-presidents in the international operations and no women in officer positions. At each functional level, the formula is considered: average of basic salary for women / average of basic salary for men.

#Eurojunto

Based on a digital platform, #Eurojunto was born to expand the capillarity of the company, ensuring greater proximity to health professionals who work throughout the country and, at the same time, promote social inclusion. The entire contracted team is made up of people with disabilities and the work is 100% in home office. The team receives a kit with equipment to perform the work at home and training to use the digital visitation tools to assist health professionals.



Health and safety of our people GRI 403-6

As a healthcare company, well-being and quality of life are among the central topics in people management. Employees are afforded access to non-work-related medical services, such as medical assistance, extended to family members, outpatient medical clinic with a team that provides on-site and remote support. At Eurofarma Itapevi, the group's largest production plant, there is medical assistance in Gynecology, Internal Medicine, and Family Medicine. The Brooklin, Itapevi, and Ribeirão Preto units have physical therapy and nutritional assistance.

The company has several health monitoring programs in special situations, such as pregnancy, hospitalization, people with chronic diseases, people on leave, people who want to quit smoking, and people who want to change their habits. All employees and their families are eligible for medical care via Telemedicine. Immediate service or scheduling with specialists is available. In international operations, the programs are adjusted according to each location.

Safety at work

In 2021, Eurofarma obtained a 19% reduction in the accident rate in absolute numbers, and a 16% reduction in the severity rate. The Workplace Safety team has made major improvements, such as managing global indicators, including international operations and conducting internal audits in all units to determine the level of adherence to the Health and Safety Management System.

The dedication and recent efforts have yielded awards in two categories of the Excellence in Health Management Awards by Sindusfarma.

Occupational Health and Safety	Total	Rate
Total hours worked (HHT*)	12.763.183	-
Employees	7.775	-
Work-related accidents [403-9]		
Deaths resulting from work-related accidents	0	0
Accidents with and without leave	39	0.61
Accidents with serious consequences	1	0.02
Accidents of mandatory reporting	39	0.61
Lost days Severity rate	693	10.88
Incident total (near misses)	66	-
Total high-potential work incidents	9	-
Occupational diseases [403-10]		
Deaths resulting from professional illness	0	0
Cases of mandatory reporting of professional disease	0	-

*Rates follow the formula: Total occurrences X 200.000 / HHT



Looking to the future



Our learning curve over the last two years with the global pandemic includes the real importance of knowing what your purpose is and where you want to go. Understanding what moves you and your desired destination is the foundation for moving forward in a coordinated manner, even in extremely adverse situations. These points are very clear for Eurofarma, which has been building its path to be global and diverse, relying on the best human and technological resources, and offering innovative health solutions that can make a difference in people's lives.

In the short term, investments are focused on antibiotic and drug projects in the areas of neuropathic pain, depression, and migraines, with applications for molecule patents. The company will also pursue new partnerships and license agreements for innovative medicines. A record number of dossier submissions to regulatory agencies is expected. In 2022, Covid-19 vaccine production will also begin for the Pfizer/BioNTech consortium.

Through open innovation and investments in biotech, we are establishing contact and partnerships with what is most innovative in the market. The formation of a regional team in Latin America, focused on positioning the patient at the center of the strategy, with global actions

in communication, digital, and approaching startups has already provided initial results. In line with one of the company's priority causes, which is Health Education, the continuing education projects for physicians, residents, and health professionals will also be expanded to other countries.

Recognized for our sustainable actions for decades, we will continue to advance in ESG. We recently invested in Bank Deposit Certificates, the first of its kind in Latin America. The initiative will benefit areas such as renewable energy, clean transportation, sustainable agriculture, sanitation, affordable housing, and financing for small and medium-sized enterprises, among others. BRL 1.5 billion was raised in the first round alone.

This is yet another move that Eurofarma makes to reaffirm its commitment to social and environmental causes. Sustainability is a cross-cutting theme in the company and is connected to the business. The work is guided by investments in innovative projects, human development, and to mitigate the impact of operations, aiming not only at financial returns, but also at reputation, market differentiation, and anticipation of industry demands and regulations.



Financial performance and Indicators

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Financial statements

Balance sheets on December 31, 2021 and 2020 (IN THOUSANDS OF BRAZILIAN REAIS)				
	Parent Company		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Assets				
Current				
Cash and cash equivalents	420.449	1.192.919	717.372	1.387.214
Accounts receivable from customers	991.812	765.424	1.324.613	1.136.482
Inventories	893.719	757.499	1.259.321	1.069.035
Derivative financial instruments	-	18.338	-	18.338
Current tax assets	56.205	117.767	89.053	133.583
Recoverable income tax and social contribution	5.000	13.115	13.661	28.211
Advance for future capital increase	126.782	24.917	9	9
Other accounts receivable	34.946	55.545	49.273	26.011
Total current assets	2.528.913	2.945.524	3.453.302	3.798.883
Non-Current				
Long-term realizable				
Accounts receivable from customers	4.081	79.893	331	2.179
Securities	-	-	15.271	10.043
Current tax assets	3.295	5.351	3.339	5.556
Deferred tax assets	143.621	106.400	239.534	202.418
Judicial deposits	24.351	24.241	31.125	27.994
Other accounts receivable	5.617	3.234	68	425
	180.965	219.119	289.668	248.615
Investments	2.768.916	1.625.476	4.697	609
Property, Plant and Equipment	1.131.099	641.902	1.473.350	945.210
Right-of-use leases	380.393	99.710	518.150	224.458
Intangible Assets	281.686	185.779	2.161.110	1.094.330
Total non-current assets	4.743.059	2.771.986	4.446.975	2.513.222
Total assets	7.271.972	5.717.510	7.900.277	6.312.105

Balance sheets on December 31, 2021 and 2020 (IN THOUSANDS OF BRAZILIAN REAIS)				
	Parent Company		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Liabilities				
Current				
Suppliers	314.638	160.872	433.794	311.934
Loans and financing	609.132	131.488	609.132	132.144
Debentures	1.922	-	1.922	-
Leases payable	11.511	15.508	16.263	22.774
Right-of-use lease	62.822	44.352	89.206	64.926
Salaries, provisions and social contributions	183.591	142.523	244.944	198.788
Income tax and social contribution payable	97.509	32.958	125.823	56.087
Current tax liabilities	20.892	14.534	35.625	27.229
Special installments	144	282	144	282
Employee profit sharing	148.356	124.648	200.480	161.474
Dividends payable	191.066	223.484	193.370	226.741
Anticipation of dividends from subsidiaries	201	201	201	-
Other accounts payable	165.565	159.165	244.204	214.390
Total current liabilities	1.807.349	1.050.015	2.195.108	1.416.769
Non-Current				
Loans and financing	1.256.000	1.340.500	1.256.000	1.340.500
Debentures	480.865	478.798	480.865	478.798
Leases payable	6.756	9.777	12.418	20.730
Right-of-use lease	335.583	62.323	452.090	169.739
Deferred tax liabilities	-	-	11.258	5.003
Special installments	589	1.388	589	1.388
Provision for contingencies	59.200	59.037	106.132	112.924
Accounts payable investment	46	46	49	46
Other accounts payable	-	1.000	274	1.000
Provision for capital deficiency	7.348	9.614	-	-
Total non-current liabilities	2.146.387	1.962.483	2.319.675	2.130.128
Shareholders' equity				
Share capital	895.025	855.864	895.025	855.864
Profit reserve	2.083.143	1.644.878	2.083.143	1.644.878
Equity valuation adjustments	348.666	212.868	348.666	212.868
Capital reserve	(8.598)	(8.598)	(8.598)	(8.598)
	3.318.236	2.705.012	3.318.236	2.705.012
Share of non-controlling shareholders	-	-	67.258	60.196
Total shareholders' equity	3.318.236	2.705.012	3.385.494	2.765.208
Total liabilities and shareholders' equity	7.271.972	5.717.510	7.900.277	6.312.105

Years ended December 31, 2021 and 2020 (IN THOUSANDS OF BRAZILIAN REAIS)				
	Parent Company		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Net revenue	5.386.179	4.057.827	7.067.827	5.723.191
Cost of products sold	(2.000.226)	(1.698.302)	(2.496.784)	(2.125.019)
Gross profit	3.385.953	2.359.525	4.571.043	3.598.172
Sales expenses	(1.503.166)	(1.027.137)	(2.209.992)	(1.907.336)
Administrative expenses	(566.645)	(448.918)	(889.814)	(674.450)
Impairment of accounts receivable	(2.262)	7.831	(4.881)	7.097
Other revenue	22.030	73.178	34.299	88.377
Other expenses	(45.580)	(22.361)	(48.525)	(22.565)
Result before net financial income (expenses) and taxes	1.290.330	942.118	1.452.130	1.089.295
Financial income	86.275	93.111	110.030	105.113
Financial expenses	(196.766)	(152.314)	(236.016)	(190.624)
Financial expenses, net	(110.491)	(59.203)	(125.986)	(85.511)
Equity income	48.942	37.833	(2.328)	(2.667)
Result before income tax and social contribution	1.228.781	920.748	1.323.816	1.001.117
Current income tax and social contribution	(308.484)	(227.333)	(371.601)	(280.071)
Deferred income tax and social contribution	37.221	123.616	47.679	127.924
Net income for the year	957.518	817.031	999.894	848.970
Result assigned to				
Controlling shareholders	957.518	817.031	957.518	817.031
Non-controlling shareholders	-	-	42.376	31.939
Basic and diluted earnings per share				
Basic earnings per share	-	-	1.1151	0.9546
Diluted earnings per share	-	-	1.1151	0.9546

EBITDA RECONCILIATION – CONSOLIDATED			
In thousands of BRL	2021	2020	Var. %
Net income	999.894	848.970	18%
(+) Income Tax and Social Contribution	323.922	152.147	113%
(+) Net Financial Result	125.986	85.511	47%
(+) Depreciation and Amortization	213.252	194.203	10%
EBITDA	1.663.054	1.280.831	30%
EBITDA % Net Revenue	23.5%	22.4%	-

The Financial Statements are audited by KPMG Auditores Independentes and the full versions will be available on the Eurofarma Laboratórios S.A. website. | The explanatory notes are an integral part of the individual and consolidated financial statements. | Carmelita Bittencourt da Silva Esteves – Accountant CRC SP 194171/O-5

Assurance Letter



KPMG Assessores Ltda.
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500
kpmg.com.br

Relatório de verificação limitada dos auditores independentes

Ao Conselho de Administração e Acionistas
Eurofarma Laboratórios S.A.
São Paulo - SP

Introdução
Fomos contratados pela Eurofarma Laboratórios S.A. (“Eurofarma” ou “Companhia”) com o objetivo de aplicar procedimentos de verificação limitada sobre as informações de sustentabilidade divulgadas no Relatório de Sustentabilidade 2022 (ano-base 2021) (“Relatório”) acompanhadas a esse relatório, relativas ao exercício findo em 31 de dezembro de 2021.

Responsabilidades da administração da Eurofarma
A administração da Eurofarma é responsável pela elaboração e apresentação de forma adequada das informações de sustentabilidade divulgadas no Relatório de Sustentabilidade 2022 (ano-base 2021) em referência aos Standards para Relato de Sustentabilidade da *Global Reporting Initiative – GRI* e com os controles internos que ela determinou como necessários para permitir a elaboração dessas informações livres de distorção relevante, independentemente se causada por fraude ou erro.

Responsabilidade dos auditores independentes
Nossa responsabilidade é expressar conclusão sobre as informações divulgadas no Relatório, com base nos trabalhos de verificação limitada conduzidos em referência aos Standards para Relato de Sustentabilidade da *Global Reporting Initiative – GRI* e com a metodologia desenvolvida globalmente pela KPMG para verificação de informações sociais e ambientais divulgadas em relatórios de sustentabilidade denominada KPMG Sustainability Assurance Manual – KSAM, aplicável para dados históricos não financeiros.

Essa metodologia exige o cumprimento de requisitos éticos, incluindo os de independência, e o trabalho também é realizado para fornecer verificação limitada de que as informações divulgadas no Relatório da Eurofarma, tomadas como um todo, estão livres de distorção relevante.

KPMG Assessores Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Assessores Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



A KPMG Assessores Ltda. ("KPMG") aplica as normas brasileira e internacional sobre controle de qualidade, e consequentemente, mantém um sistema abrangente de controle de qualidade incluindo políticas e procedimentos documentados relativos ao cumprimento de normas éticas e profissionais, além dos requisitos legais e regulatórios aplicáveis. Cumprimos com o código de ética abrangente incluindo requerimentos detalhados de independência, estabelecidos com base nos princípios éticos de integridade, objetividade, competência e zelo profissional, confidencialidade e o comportamento profissional.

Um trabalho de verificação limitada conduzido em referência aos Standards para Relato de Sustentabilidade da *Global Reporting Initiative – GRI* e KPMG Sustainability Assurance Manual – KSAM consiste principalmente de indagações à administração da Eurofarma e outros profissionais da Companhia que estão envolvidos na elaboração das informações constantes no Relatório, assim como pela aplicação de procedimentos analíticos para obter evidências que nos possibilitem concluir na forma de verificação limitada sobre as informações de sustentabilidade tomadas em conjunto. Um trabalho de verificação limitada requer, também, a execução de procedimentos adicionais, quando o auditor independente toma conhecimento de assuntos que o levem a acreditar que as informações divulgadas no Relatório, tomadas em conjunto, podem apresentar distorções relevantes.

Os procedimentos selecionados basearam-se na nossa compreensão dos aspectos relativos à compilação, materialidade e apresentação das informações constantes no Relatório e de outras circunstâncias do trabalho e da nossa consideração sobre áreas e sobre os processos associados às informações materiais de sustentabilidade divulgadas no Relatório, em que distorções relevantes poderiam existir. Os procedimentos compreenderam:

- (a) planejamento dos trabalhos: consideração da materialidade dos aspectos para as atividades da Eurofarma, da relevância das informações divulgadas, do volume de informações quantitativas e qualitativas e dos sistemas operacionais e de controles internos que serviram de base para a elaboração do Relatório da Eurofarma. Esta análise definiu os indicadores a serem testados em detalhe;
- (b) entendimento e análise das informações divulgadas em relação à forma de gestão dos aspectos materiais;
- (c) análise dos processos para a elaboração do Relatório e da sua estrutura e conteúdo, em referência aos Princípios de Conteúdo e Qualidade dos Standards para Relato de Sustentabilidade da *Global Reporting Initiative – GRI* (GRI - Standards);
- (d) avaliação dos indicadores não-financeiros amostrados:
 - entendimento da metodologia de cálculos e dos procedimentos para a compilação dos indicadores por meio de entrevistas com os gestores responsáveis pela elaboração das informações;
 - aplicação de procedimentos analíticos sobre as informações quantitativas e indagações sobre as informações qualitativas e sua correlação com os indicadores divulgados no Relatório;
 - análise de evidências que suportam as informações divulgadas;

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- (e) análise da razoabilidade das justificativas das omissões de indicadores de desempenho associados a aspectos e tópicos apontados como materiais na análise de materialidade da Companhia.
- (f) confronto dos indicadores de natureza financeira com as demonstrações financeiras e/ ou registros contábeis.

Acreditamos que as informações, as evidências e os resultados obtidos em nosso trabalho são suficientes e apropriados para fundamentar nossa conclusão na forma limitada.

Alcance e limitações

Os procedimentos aplicados em um trabalho de verificação limitada são substancialmente menos extensos do que aqueles aplicados em um trabalho de verificação razoável. Consequentemente, não nos possibilitam obter segurança de que tomamos conhecimento de todos os assuntos que seriam identificados em um trabalho de verificação razoável, que tem por objetivo emitir uma opinião. Caso tivéssemos executado um trabalho de verificação razoável, poderíamos ter identificado outros assuntos e eventuais distorções que podem existir nas informações constantes no Relatório.

Os dados não financeiros estão sujeitos a mais limitações inerentes do que os dados financeiros, dada a natureza e a diversidade dos métodos utilizados para determinar, calcular ou estimar esses dados. Interpretações qualitativas de materialidade, relevância e precisão dos dados estão sujeitos a pressupostos individuais e a julgamentos. Adicionalmente, não realizamos qualquer trabalho em dados informados para os períodos anteriores, para a avaliação da adequação das suas políticas, práticas e desempenho em sustentabilidade, nem em relação a projeções futuras.

Conclusão

Com base nos procedimentos realizados, descritos neste relatório, nada chegou ao nosso conhecimento que nos leve a acreditar que as informações constantes no Relatório de Sustentabilidade 2022 (ano-base 2021) da Eurofarma, não foram compiladas, em todos os aspectos relevantes, em referência aos *Standards* para Relato de Sustentabilidade da *Global Reporting Initiative – GRI* (GRI-Standards) e com os registros e arquivos que serviram de base para a sua preparação.

São Paulo, 20 de abril de 2022

KPMG Assessores Ltda.


Sebastian Yoshizato Soares
Sócio

KPMG Assessores Ltda., uma sociedade simples brasileira, de responsabilidade limitada, e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

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FINANCIAL PERFORMANCE AND INDICATORS

Employees [102-8]	Men	Women
Full-time	4.995	3.095
Part time	2	1
Total	4.997	3.096

Total Eurofarma [102-8]	Permanent	Temporary	Total
Employees			
By region			
Argentina	248	3	251
Bolivia	35	0	35
Brazil	6.322	0	6.322
Midwest	242	0	242
Northeast	652	0	652
North	149	0	149
Southeast	4.761	0	4.761
South	518	0	518
Central America	332	3	335
Chile	343	2	345
Colombia	286	8	294
Ecuador	55	0	55
Mexico	133	2	135
Paraguay	15	0	15
Peru	206	0	206
Uruguay	118	2	120
Total employees		8.113	
Other workers			
Interns	204		
Apprentices	116		
Temporary outsourced workers	44		
Total other workers		364	
Total workforce		8.477	

Diversity [405-1]	Men	Women
Argentina	62.5%	37.5%
Bolivia	45.7%	54.3%
Brazil	65.1%	34.9%
Central America	52.1%	47.9%
Chile	43.7%	56.3%
Colombia	47.9%	52.1%
Ecuador	49.1%	50.9%
Mexico	34.6%	65.4%
Paraguay	73.3%	26.7%
Peru	51.5%	48.5%
Uruguay	52.5%	47.5%
Total	61.70%	38.30%

Here, women are the majority in the vice-presidency positions and represent 50% of the Executive Committee and internal leaderships.

Hiring and turnover [401-1] [SASB HC-BP-330a.2]	Hiring		Turnover rate
	Total	Rate	
By gender			
Men	573	11.5%	10.6%
Women	734	23.7%	12.0%
By age group			
Less than 30 years old	333	37.0%	11.6%
From 30 to 50 years old	905	14.4%	11.2%
Over 50 years old	65	7.1%	10.3%
By region			
Argentina	18	7.3%	22.2%
Bolivia	62	18.7%	14.3%
Brazil	883	14.0%	9.8%
Central America	12	34.3%	19.0%
Chile	46	13.4%	15.7%
Colombia	65	22.7%	12.6%
Ecuador	22	40.0%	9.1%
Mexico	151	113.5%	21.8%
Paraguay	8	53.3%	40.0%
Peru	34	16.5%	9.2%
Uruguay	6	5.1%	8.5%

Turnover rate by functional level [401-1] [SASB HC-BP-330a.2]	Voluntary	Involuntary	Total
Presidency, vice-presidency and boards	2.9%	4.6%	7.6%
Management	4.5%	7.4%	11.9%
Coordination	7.1%	6.5%	13.6%
Administrative	1.6%	8.7%	10.3%
Operational	1.2%	6.4%	7.6%
Sales force	2.9%	6.9%	9.8%

Weighted average of 3% voluntary turnover, under calculation of billing by country

Performance review [404-3]	
By gender	
Men	79.5%
Women	79.7%
By functional category	
Presidency	100.0%
Directors	100.0%
Management	100.0%
Coordination	100.0%
Administrative	97.6%
Operational	23.8%
Sales force	100.0%
Total	79.6%

Satisfaction Index – Internal Climate	
Central America	90%
Argentina	80%
Brazil	85%
Bolivia	94%
Chile	88%
Colombia	94%
Ecuador	98%
Mexico	82%
Paraguay	96%
Peru	98%
Uruguay	81%

Occupational Health and Safety Other workers active in a workplace controlled by the organization	Total	Rate
Total hours worked* (HHT)	2.312.862	-
Employees	963	-
Work-related accidents [403-9]		
Deaths resulting from work-related accidents	0	0
Accidents with and without leave	3	0.26
Accidents with serious consequences	0	0.00
Accidents of mandatory reporting	3	0.26
Lost days Severity rate	15	1.30
Incident total (near misses)	15	-
Total high-potential work incidents	0	-
Occupational diseases [403-10]		
Deaths resulting from professional illness	0	0
Cases of mandatory reporting of professional disease	1	-

*Rates follow the formula: Total occurrences X 200.000 / HHT

Content summary GRI

GRI 101: Foundation 2016	
GRI 102: General disclosures 2016	
Content	Page/Answer
102-1 Name of the organization	Eurofarma Laboratórios S.A.
102-2 Activities, brands, products and services	As each country and segment has its specific regulatory framework, not all formulations are authorized in all markets. The company strictly follows the determinations of the health authorities of each location, selling only authorized products. For more information about brands and products, see page 16.
102-3 Location of the organization's headquarters	Itapevi (Sao Paulo)
102-4 Location of operations	10
102-5 Ownership and legal form	Publicly Traded Corporation
102-6 Markets served	10
102-7 Scale of the organization	7, 10, 12, 13, 16, 18
102-8 – Information on employees and other workers	49
102-9 Supply chain	36
102-10 Significant changes to the organization and its supply chain	There were no significant changes beyond those inherent to the expansion process, described on pages 6, 18
102-11 Precautionary principle or approach	Eurofarma does not fully apply the Precautionary Principle, but risk management and impact reduction guide the company's strategic planning and business conduct. For more information, see page 30
102-12 External initiatives	20
102-13 Membership of associations	32
102-14 Statement from senior decision-maker	5
102-16 Values, principles, standards and norms of behavior	14, 29, 31, 32
102-18 Governance structure	29
102-40 List of stakeholder groups	3
102-41 Collective bargaining agreements	39
102-42 Identifying and selecting stakeholders	3
102-43 Approach to stakeholder engagement	The specific approach to building the report is presented on page 3. Throughout the report there is more information about the approach to the community (page 25), sectorial entities (32), suppliers (36), customers (37) and employees (40)
102-44 Key topics and concerns raised	3
102-45 Entities included in the consolidated financial statements	The report includes all Eurofarma Group companies (Momenta, Magabi and international operations). The Financial Statements, in addition to the companies mentioned, also include Supera Rx, a joint venture with Cristália laboratory

GRI 101: Foundation 2016	
GRI 102: General disclosures 2016	
Content	Page/Answer
GRI 101: Foundation 2016	
GRI 102: General disclosures 2016	
Content	Page/Answer
102-46 Definition of report content and material topic boundaries	In addition to the process of defining relevant topics, described on page 3, which involved the participation of stakeholders and the analysis of the operating context, the preparation of the report was guided by the company's commitment to transparency, clarity, and accuracy in accountability. From an editorial point of view, the information was selected and organized to ensure objectivity, comparability, and ease of understanding for a wide range of readers. The boundaries considered for each material topic are presented in this GRI content summary, in indicator 103-1
102-47 List of material topics	3
102-48 Restatements of information	None for the period
102-49 Changes in reporting	Organization was adjusted from the new list of material topics: the topics of Innovation Applied to Health, Access to Health, and Supply Chain Management gained emphasis; and the coverage of aspects related to Human Capital Management and Consumer Safety and Well-being became more focused and strategic. Even though they were not on the list prioritized by the current materiality process, the essential reports on Climate change and renewable resources, Water and energy efficiency, and Corporate integrity were kept.
102-50 Reporting period	January 1 to December 31, 2021
102-51 Date of most recent report	April 2021
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	comunicacao@eurofarma.com
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI standards: Essential option
102-55 GRI content index	50
102-56 External assurance	46

Thematic content

GRI Standard	Content	Page/Answer
Material topic: Innovation applied to health		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The topic appears on pages 3 and 34; its main impacts are among customers, consumers and on society in general, and are mainly caused by the company, which is also affected by them
GRI 103: Management approach 2016	103-2 The management approach and its components	34, 36
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	34
Does not apply	SASB HC-BP-330a.1 Talent recruitment and retention efforts for scientists and research and development personnel	35, 40
Does not apply	Other relevant indicators: investments in innovation, patent management	35, 40
Material topic: Access to healthcare		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The topic appears on pages 3 and 14; its main impacts are caused by the company and affect customers, consumers and society in general.
GRI 103: Management approach 2016	103-2 The management approach and its components	14
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	14, 36
Does not apply	Donation of medicines and samples	15
Does not apply	Other relevant indicators: clinical studies and product registration	37, 38
Material topic: Consumer safety and well-being		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The topic appears on pages 3 and 42; its main impacts are caused by the company and mainly affect consumers.
GRI 103: Management approach 2016	103-2 The management approach and its components	37, 38
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	37
GRI 416: Consumer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	All product categories undergo health and safety impact assessment and are subject to structured improvement processes at all stages of the life cycle. For more information, see pages 36, 38
GRI 416: Consumer health and safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There was no event of noncompliance with laws, standards and codes related to consumer health and safety.
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	38
Does not apply	SASB HC-BP-250a.3 Number of recalls issued, total units recalled	There were no recalls.

GRI Standard	Content	Page/Answer
Does not apply	Other relevant indicators: management of the Material Safety Data Sheets (MSDS)	38
Material topic: Human capital management		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The topic appears on pages 3 and 40. The company is simultaneously the cause and target of the impacts related to the topic, which affect employees
GRI 103: Management approach 2016	103-2 The management approach and its components	39, 40
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	39
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	49
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	39
GRI 401: Employment 2016	401-3 Parental leave	39
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	42, 49
GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health	42
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	42, 49
GRI 403: Occupational health and safety 2018	403-10 Work-related ill health	42, 49
GRI 404: Training and education	404-3 Percentage of employees receiving regular performance and career development reviews	49
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	41, 49
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	41
Does not apply	SASB HC-BP-330a.2 Voluntary and involuntary turnover rate for executives/senior managers, midlevel managers, professionals, and all others	42
Does not apply	Organizational climate	49
Material topic: Supply chain management		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The topic appears on pages 3 and 36 and its impacts occur mainly among suppliers, with reflections among consumers and the company itself.
GRI 103: Management approach 2016	103-2 The management approach and its components	39, 40
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	39

Thematic content

GRI Standard	Content	Page/Answer
Does not apply	SASB HC-BP-260a.1 Methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	38
Does not apply	Other relevant indicators: Supplier Monitoring Program, audits conducted	36
Material topic: Waste management		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The topic appears on pages 3 and 22; its impacts are caused by the company and mainly affect society.
GRI 103: Management approach 2016	103-2 The management approach and its components	22
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	20, 22
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	22, 23
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	22
GRI 306: Waste 2020	306-3 Waste generated	23
GRI 306: Waste 2020	306-4 Waste diverted from disposal	23
GRI 306: Waste 2020	306-5 Waste directed to disposal	23
Other GRI indicators monitored		
GRI 205: 2016 Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	31
GRI 302: Energy 2016	302-1 Energy consumption within the organization	22
GRI 302: Energy 2016	302-3 Energy intensity	22
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	21
GRI 303: Water and effluents 2018	303-3 Water withdrawal	21
GRI 303: Water and effluents 2018	303-4 Water discharge	21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas (GHG) emissions	21
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) greenhouse gas (GHG) emissions	21
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions	21



Eurofarma Laboratórios S.A.		2019		2020			2021			
1 - Calculation basis		Amount (BRL thousand)								
Net revenue (RL)		3.444.992		4.057.827			4.057.827			
Operating income (RO)		587.895		920.748			920.748			
Gross payroll (FPB)		992.289		968.175			968.175			
2 - Internal social indicators		Amount (thousand)	% over FPB	% over RL	Amount (thousand)	% over FPB	% over RL	Amount (thousand)	% over FPB	% over RL
Food *		39.860	4.02%	1.16%	31.166	3.22%	0.77%	51.782	3.85%	0,96 %
Compulsory social charges		258.007	26.00%	7.49%	218.592	22.58%	5.39%	315.450	23.47%	5,86%
Private pension		13.314	1.34%	0.39%	9.990	1.03%	0.25%	11.889	0.88%	0,22%
Health		59.877	6.03%	1.74%	60.430	6.24%	1.49%	89.440	6.65%	1,66%
Occupational safety and health *2		5.001	0.50%	0.15%	5.490	0.57%	0.14%	4.126	0.31%	0,08%
Education		551	0.06%	0.02%	912	0.09%	0.02%	809	0.06%	0,02%
Culture		0	0.00%	0.00%	0	0.00%	0.00%	0	0.00%	0,00%
Professional training and development		5.527	0.56%	0.16%	3.693	0.38%	0.09%	3.663	0.27%	0,07%
Daycare centers or daycare assistance		2.120	0.21%	0.06%	2.393	0.25%	0.06%	2.870	0.21%	0,05%
Profit or income sharing		70.938	7.15%	2.06%	128.440	13.27%	3.17%	148.302	11.03%	2,75%
Others *3		8.954	0.90%	0.26%	10.357	1.07%	0.26%	14.479	1.08%	0,27%
Total - Internal social indicators		464.149	47%	13%	471.463	48.70%	11.62%	642.810	47.82%	11,93%
3 - External social indicators		Amount (thousand)	% over RO	% over RL	Amount (thousand)	% over RO	% over RL	Amount (thousand)	% over RO	% over RL
Education		12.619	2.15%	0.37%	10.666	1.16%	0.26%	10.666	1.16%	0.26%
Culture		2.113	0.36%	0.06%	3.519	0.38%	0.09%	3.519	0.38%	0.09%
Health and sanitation		2.095	0.36%	0.06%	4.218	0.46%	0.10%	4.218	0.46%	0.10%
Sports		16.611	2.83%	0.48%	11.815	1.28%	0.29%	11.815	1.28%	0.29%
Fighting hunger and food security		48.050	8.17%	1.39%	6.508	0.71%	0.16%	6.508	0.71%	0.16%
Others		60.050	10.21%	1.74%	64.572	7.01%	1.59%	64.572	7.01%	1.59%
Total contributions to society		141.538	24.08%	4.11%	101.298	11.00%	2.50%	101.298	11.00%	2.50%
Taxes (excluding social charges)		463.494	78.84%	13.45%	573	0.06%	0.01%	573	0.06%	0.01%
Total - External social indicators		605.032	102.91%	17.56%	101.871	11.06%	10.52%	101.871	11.06%	10.52%
4 - Environmental indicators		Amount (thousand)	% over RO	% over RL	Amount (thousand)	% over RO	% over RL	Amount (thousand)	% over RO	% over RL
Investments into the company's production/operations		13.939	2.37%	0.40%	15.572.425	1691.28%	383.76%	15.572.425	1691.28%	383.76%
Investment in external programs and/projects		114	0.02%	0.00%	103.761	11.27%	2.56%	103.761	11.27%	2.56%
Total environmental investments		14.053	2.39%	0.41%	15.676.186	1702.55%	386.32%	15.676.186	1702.55%	386.32%
As for the establishment of "annual goals" to minimize waste, consumption in general in production/operation and to increase efficiency in the use of natural resources, the company:		(x) meets 0 to 50% of the goals () meets 76 to 100% of the goals () has no goals () meets 51 to 75% of the goals			(x) meets 0 to 50% of the goals () meets 76 to 100% of the goals () has no goals () meets 51 to 75% of the goals			(x) meets 0 to 50% of the goals () meets 76 to 100% of the goals () has no goals () meets 51 to 75% of the goals		

Eurofarma Laboratórios S.A.				2019		2020		2021	
5 - Staff indicators				2019		2020		2021	
Number of employees at the end of the period				4,754		4,972		6,462	
Number of hires in the period				547		678		1,001	
Number of outsourced employees				560		519		651	
Number of interns				84		71		116	
Number of employees over 45 years of age				927		910		1,338	
Number of women working in the company (internally)				1,234		1,359		1,694	
Number of women working in the company (externally)				293		287		609	
% of management positions held by women (internally)				50.30%		51.00%		51.00%	
% of management positions held by women (externally)				2.13%		2.00%		4.00%	
Number of black individuals working in the company				1,022		223		320	
% of management positions held by black individuals				5.09%		2.00%		2.00%	
Number of individuals with disabilities or special needs				160		155		287	
6 - Relevant information regarding the practice of corporate citizenship				2019		2020		2021	
Ratio between the highest and the lowest salary in the company				69.93		69.89		70.24	
Total number of work-related accidents				18		31		31	
The social and environmental projects developed by the company were set by:	() directors	(x) directors and managers	() all employees	() directors	(x) directors and managers	() all employees	() directors	(x) directors and managers	() all employees
Safety and health standards in the work environment were set by:	(x) directors and managers	() all employees	() all of the above + Internal Accident Prevention Commission (CIPA)	(x) directors and managers	() all employees	() all of the above + Internal Accident Prevention Commission (CIPA)	() directors and managers	(x) all employees	() all of the above + Internal Accident Prevention Commission (CIPA)
As for union freedom, the right to collective bargaining and the internal representation of workers, the company:	() does not get involved	(x) follows the ILO standards	() encourages and follows ILO recommendations	() does not get involved	(x) follows the ILO standards	() encourages and follows ILO recommendations	() does not get involved	(x) follows the ILO standards	() encourages and follows ILO recommendations
Private pension is offered to:	() directors	() directors and managers	(x) all employees	() directors	() directors and managers	(x) all employees	() directors	() directors and managers	(x) all employees
Profit or income sharing is offered to:	() directors	() directors and managers	(x) all employees	() directors	() directors and managers	(x) all employees	() directors	() directors and managers	(x) all employees
In selecting suppliers, the same ethical and and social and environmental responsibility standards adopted by the company:	() are not considered	(x) are suggested	() are required	() are not considered	(x) are suggested	() are required	() are not considered	(x) are suggested	() are required
As for the engagement of employees in volunteer work, the company:	() does not get involved	() supports it	(x) will organize and encourage it	() does not get involved	() supports it	(x) will organize and encourage it	() does not get involved	() supports it	(x) will organize and encourage it
Total number of consumer complaints and claims:	by the company: 5.132	at the Consumer Protection and Defense Autarchy (Procon) 0	in Court: 6	by the company: 5.592	at the Consumer Protection and Defense Autarchy (Procon) 0	in Court: 9	by the company: 5.592	at the Consumer Protection and Defense Autarchy (Procon) 0	in Court: 9
% of complaints and claims assisted or solved:	by the company: 96%	by the Consumer Protection and Defense Autarchy (Procon) 0%	in Court: 0%	by the company: 99.5%	by the Consumer Protection and Defense Autarchy (Procon) 0%	in Court: 0%	by the company: 100.0%	by the Consumer Protection and Defense Autarchy (Procon) 0%	in Court: 0%
Total added value to be distributed (in BRL thousand):				In 2019: 2.231.501		In 2020:		In 2021:	
Distribution of added value (DVA)				29% government 41% employees 10% shareholders 5% third parties 13% withheld		28% government 36% employees 10% shareholders 5% third parties 21% withheld		33% government 35% employees 7% shareholders 6% third parties 19% withheld	

credits

Editorial Supervision

Maria Del Pilar Muñoz

General Coordination

Silvia Marconato

Editorial

Michele Gennaro

Drafting and Editing

Eurofarma and Vieira e Train

Graphic Design and Diagramming

Azul Publicidade

Photography

Eurofarma Collection

Broadcasting

www.eurofarma.com

Contact Us

Suggestions or questions

comunicacao@eurofarma.com

