

HUMAN CONNECTIONS

MAKING HEALTH
ACCESSIBLE SO THAT
EVERYONE CAN LIVE
LONGER AND BETTER



Integrated
Annual Report
2021
Base year 2020

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10 ABOUT THE REPORT

Since 2006, we have voluntarily published our Annual Report with market, economic-financial, operational, socioenvironmental and governance information of the Eurofarma Group's companies.

This edition follows the guidelines recommended by the International Integrated Reporting Council (IIRC), making reference to the Global Reporting Initiative (GRI) - standard version, essential option. All financial indicators are calculated in accordance with national and international accounting standards.

The degree of material information has been refined every year to constantly generate business value over time and render accounts in a relevant and transparent manner to stakeholders.

The detailed data encompass companies 100% controlled by the Group (Momenta, Magabi and International Operations). The financial information and the balance sheet include data on Supera Rx, a joint venture with the Cristália laboratory.

Throughout the report, the codes of GRI indicators are outlined; and the index containing the description of each indicator is available on page 45. This document is also available in full at www.eurofarma.com.br/relatorio-anual. For more information, suggestions or comments, contact the Corporate Communication department, responsible for this Integrated Report, via email: comunicacao@eurofarma.com.

Materiality Process

GRI 102-44, GRI 102-46, GRI 102-47

The process of materiality of this report was conducted throughout the second half of 2019, via an online questionnaire with stakeholders with whom the company has close and frequent relations, such as clients and distributors, employees (administrative, commercial and production), physicians, suppliers, consumers, members of the Advisory Board, among others leaders, considering an analysis of material topics for the pharmaceutical industry worldwide.

This project is conducted every two years, with main purpose of identifying the material topics most relevant to the Eurofarma Group's future vision and sustainability (i.e. externalities related to each topic and impacted audiences). The manner with which we will address these topics is presented throughout this report, as well as in our daily discussions with stakeholders. The materiality results are presented below, and Chapter 5 details our performance regarding such topics in 2020.

Key sustainability pillars and subjects

Corporate Governance



Corporate integrity

Promotion of Health and Wellness



Quality of Life
Safe Products
Commitment to patients

Commitment to Eco-efficiency and Circularity



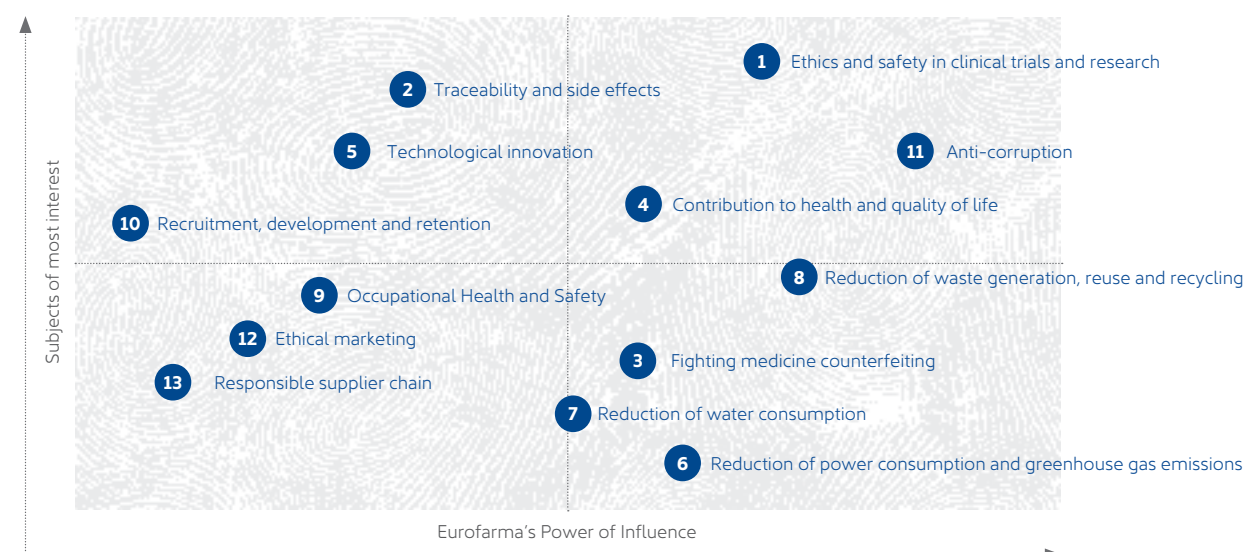
Water and power efficiency
Climate change and renewable resources
Post-consumption waste management

Talent Appreciation



Fostering Knowledge and Engagement
Fair work conditions
Health and Safety

Prioritization of subjects



24 INTRODUCTION

Vision 2022

2020 was a historic year and will be constantly revisited over time. The events derived from the global pandemic have put the resilience and soundness of companies' strategic planning to the test. Businesses were prompted to quickly move towards learning and adapting.

Under this scenario, the Eurofarma Group demonstrated the power of its team of over 7,600 employees, its financial strength, the soundness of its vision and long-term commitment. Such factors contributed, even notwithstanding so many adversities and the uncertain scenario, to find paths, establish actions and manage changes to reach the set goals, which included the maintenance of double-digit growth and a new sales record.

Over the past 15 years, the company recorded an average annual growth of 16%, well above the market performance. Such sound development has been facilitated by an increasing array of releases and, more frequently, of products and services with some degree of differentiation, through structured

international operations, which grows organically and through acquisitions, and a look to the future with new technologies, partnerships and markets.

Treading ahead of the curve ever since our establishment, we understand that the path towards continuity is built over two intertwined and fundamental concepts: Innovation and Sustainability. These concepts must be deeply ingrained throughout the entire company, as a part of the routine of every activity and employee.

Innovating towards sustainable growth means creating wealth, while generating positive impacts; promoting inclusion and striving to achieve equity by training talents and continuously searching to improve processes, projects and systems. It also means being open to different perspectives to enhance the quality of products, services; strengthen relationships with the company's entire value chain and society, in order to predict demands and map trends.

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 rising profits and 10% of the portfolio protected, 30% of sales will come from international operations.

The lessons learned from taking bold steps ever since our inception have paved the way to permanent development. Although renewal is a part of the everyday challenge, we proactively seek out disruptive innovations across different fronts.

We have evolved in our governance process, based on robust Strategic Planning, which guides and directs our leaps forward. Our Vision 2022 includes five dimensions and 13 macro-objectives, which reflect our ambition and translate our main challenges and goals.

We will carry out extensive communication efforts across the 20 countries where we operate to promote and engage employees based on the company's strategies, to learn and act according to the Eurofarma culture and disseminate our governance and performance practices.



Leadership

- To be leaders in Prescription Drugs in Brazil
- To be the second largest Generic Drug vendor in Brazil
- To be among the three largest companies in market share backed by local capital in Latin America



Innovation

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



Expansion

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



Competitiveness

- Increasing gross margin
- Profits steady at 25%
- Service levels in Brazil and Latin America at around 97%



Recognition

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



Message from Management

GRI 102-14



In an extremely difficult and sad year for everyone, we clearly perceived the value of our staff's dedication, especially those who were unable to migrate to home office and who kept our operations running. We had to adapt to new ways of working, prioritizing production activities. We committed to maintaining jobs and gave up benefits and incentives that could impact the income of our 7,600 employees.

We allocated over BRL 31 million to humanitarian aid through the donation of personal protective equipment, sanitizer gel, staple food kits, medication and additional hospital beds. We adapted the Eurofarma Institute to continue activities through distance learning, with over 11,000 services, including technical training courses and support for income generation.

As with the entire market, we experienced many difficulties in our operations, especially in the first half of the year, to obtain the necessary inputs for our production. We made many new hires to protect and keep our most vulnerable group of people at a distance, and we also dealt with a brutal currency devaluation, which had a very negative impact on the entire pharmaceutical sector.

Our net sales reached BRL 5.7 billion, up 19% from 2019, maintaining our average growth of 16% in the last 15 years. Our EBIDTA reached BRL 1.3 billion, positively impacted by non-recurring and, to a large extent, undesirable cost savings. In Brazil, our largest market, we gained market share across almost all of our Business Units and we are leaders in products released in the last 24 months, with an 8.5% share, much greater than our total market share, indicating a growth trend and an excellent future outlook.

Our inventories, held by the distribution chain, on average do not exceed 50 days, and our total sales return in less than 60 days. We maintained our AAA rating, published by the Fitch agency, and reached the end of 2020 with a net debt of 0.47 EBITDA. In a very important move for a family business, we managed to provide a good way for both minority shareholders to leave.

We maintain our belief that the only way to perpetuate the company is through innovation. We inaugurated Eurolab, one of the most modern research and development centers in Latin America.

It employs over 400 professionals dedicated to the development of new generic products, incremental and massive innovations. We entrust them with building our future.

In our long, difficult and winding internationalization process, we achieved, for the first time, a small positive result; we gained market share in all the most relevant markets and we clearly perceived that the platforms set up to receive new products in each country are in line with the goal established in our Strategic Planning to be, by 2022, one of the three largest groups in the Latin American capital region. As such, we also acquired an important product line in Mexico, which will guarantee, as of 2021, our entry to begin activities in the last market in the region that we were not present. We made the planned investments and had access to all the capital we needed to support our expansion goals. These include the new plant in Montes Claros (MG), to be inaugurated in 2022, which should double our production capacity in the next 3 years.

We created the ESG Committee, made a commitment to neutralize our direct emissions in support of initiatives to protect the Amazon, launched a strong diversity program and conducted extensive work to define our purpose and causes. For the 17th consecutive year, we are among the best companies to work for, not only in Brazil, but in several countries in the region. We still maintain an employee approval rate of over 90% and voluntary turnover of less than 2.5%.

Our entrepreneurship program and the promotion of startups advanced with the 3rd edition of Synapsis and our venture capital fund, Neuron, already includes 5 invested companies, keeping

the focus on the healthcare industry. This ecosystem allows us to learn about and anticipate trends, such as the individualization of products and services using artificial intelligence, expansion of the database and e-commerce platforms.

In an extremely challenging year, we made time connections on all fronts, especially human connections. So, to our employees, thank you very much for your major commitment, which made it possible for Eurofarma to continue with its mission and not stop. The credibility and trust relationships we have built over decades have further demonstrated their value in this period, with our large Sales Force working in an unprecedented and successful manner.

Health is what moves us and what we want for everyone.

Maurizio Billi
CEO

Milestones

The results achieved in 2020 will help us reach the goals of Vision 2022.

Innovation

129 **research centers** in cooperation
350 projects in the **pipeline**
BRL 289 million in R&D **investments**
41 active **partnerships**

Competitiveness

EBITDA increase of 41%
Increase of 5.5% in **units manufactured**
Breaking ground on the **plant** in Montes Claros (MG)
Production record with operational excellence

Leadership

3rd place among Latin American regional capital companies
2º place with **6.8 % market share** in Prescription Drugs in Brazil
3rd place with **12.4% market share** in Generic Drugs in Brazil

Expansion

14.7% share of **international sales**
100% coverage in **Latin America**
147 **new records**

Recognition

17 years among **the best companies to work for**
Ethos Benchmarking Group
Only four-time pharmaceutical champion in the **Exame Sustainability Guide**
1st place in **Época Negócios 360º** in the Pharmaceutical and Cosmetic Industry category

Performance Summary

GRI 102-7



Business

BRL 5.7 billion in net sales
Average annual growth of **16%** in 15 years
40 days is the average for retail stock to major distributors (Brazil)
Value added distribution of **BRL 3.7 billion**
43% Employees
30% Government
27% Other
434 million drug units produced
BRL 273.6 million invested in operational excellence (plant, property and equipment and intangible assets)
57 days is the average receipt period for sales made in Brazil



Society

7,600 employees
BRL 161.5 million distributed among its employees under the profit sharing program
74% of leadership vacancies filled by internal candidates in Brazil
93% of employees are proud of working at Eurofarma
95% is the result of the consumer Satisfaction Survey
+10,000 direct services performed annually by the Eurofarma Institute in the last 5 years
BRL 32,6 million invested in education, sports, culture, social and health, with own resources and those with incentives
Humanitarian Aid
BRL 31.6 million to mitigate the effects of Covid-19 on society, with the donation of staple food kits, medication, PPE, sanitizer gel, construction of ICU beds and financial support to maintain patients undergoing cancer treatment



Environment

408 tons of waste sent for composting
14.2 million units of products with the +Verde seal sold
BRL 15.7 million invested in the environment
Reduction of 7% in absolute greenhouse gas emissions
Increase of 24% in donated reused water volume
29% renewable source share in the energy matrix
434,598 thousand m² of total protected and recovered area
54 megaliters of reused water

Eurofarma Group Profile

As the first multinational pharmaceutical company with 100% Brazilian capital, the Eurofarma Group has been operating in the health industry since its establishment in 1972, promoting and marketing innovative products and services with a focus on improving people's quality of life. Aiming to generate shared value, it operates in the areas of Prescription, Non-Prescription, Generic, Hospital, Oncology and Veterinary Drugs and in the provision of production services to third parties. In Brazil alone, the company offers 433 products in over 1,000 dosage forms, serves 30 medical specialties and covers 201 therapeutic classes, accounting for 66% of the market.

Production structure

GRI 102-3 | GRI 102-4 GRI 102-6 | GRI 102-7

The Eurofarma Group has own operations in 20 countries, with an industrial park in Brazil and plants in 6 more Latin American countries. Reported net sales totaled BRL 5.7 billion in 2020 and the Group employs over 7,600 employees.



Plants and main activities

In Brazil

Head Office

- 1 Brooklin (Unit Paulo/SP)
It headquarters most of the company's corporate areas and its Executive Committee

Strategic Unit

- 1 Eurolab (Itapevi/SP)
Research & Development Center

Manufacturing Units

- 1 Itapevi (SP)
Production of solids and semi-solids, liquids, oncologics, lyophilized and hormonal products, as well as packaging
- 2 Freguesia do Ó (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)



Eurofarma Group

GRI 102-7; GRI 102-1

Eurofarma Parent Company

- Eurofarma Parent Company
- Eurofarma Laboratórios S.A.

Eurofarma Consolidated

- Eurofarma Laboratórios S.A.
- Momena Farmacêutica
- Magabi Pesquisas
- Supera RX
- International Units (Central America, Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Mexico and Mozambique)

In Latin America

- 1 Argentina
Production of solids, semi-solids, liquids
- 2 Chile Cerrillos
Production of solids and semi-solids, liquids, injectables, ophthalmic
- 3 Chile Pudahuel
Production of solids, semi-solids and liquids
- 4 Colombia
Production of solids, semi-solids, liquids, granules
- 5 Peru
Production of solids, semi-solids and liquids
- 6 Uruguai
Production of solids and liquids
- 7 Guatemala
Production of solids, semi-solids and liquids

Our History



Market Recognition

EXAME SUSTENTABILIDADE

For the fourth time, 1st place in its category –the only pharmaceutical four-time champion. The last publication was in 2019.

AS MELHORES DA ISTOÉ DINHEIRO

Runner-up in the overall ranking of the Pharmaceutical, Hygiene, and Cleaning segment. Ranked 1st in the “Social Responsibility” and 2nd in the “Financial Sustainability” categories. Ranked 3rd in “Human Resources” and “Innovation and Quality”.

VALOR INOVAÇÃO BRASIL

Runner-up among the most innovative pharmaceutical companies in the country.

VALOR 1000

Ranked 1st among Brazilian Pharmaceutical Companies and 4th in the industry in terms of net revenue.

VALOR GRANDES GRUPOS

Eurofarma was featured among the surveyed Brazilian companies, ranking as one of the three businesses with the highest revenue growth and 11th in equity profitability.

VALOR CARREIRA

The only pharmaceutical company elected in the category of 3,000 to 7,000 employees, ranking 2nd in people management.

GPTW GREAT PLACE TO WORK

Ranked 37th among the best Companies to Work for in the GPTW listing, held in partnership with Época magazine. In all, the company has ranked among the best companies to work for in Brazil for over 17 years.

Eurofarma ranked 6th in Peru and was acknowledged in the category of up to 500 employees and as the best pharmaceutical company to work for in Central America, reaching the 11th place.

50 MAIS AMADAS GLASSDOOR (LOVE MONDAYS)

Listed among the most loved companies for the fifth year in a row. Spontaneous and confidential employee reviews are considered.

ÉPOCA NEGÓCIOS 360º

Ranked 1st among pharmaceutical companies in the Pharmaceutical Industry ranking. Ranked 1st in the “Future Vision” and 2nd in the “Sustainability” categories. In the overall classification, ranked 8th among the best in a pool of over 300 companies assessed.

ESTADÃO MARCAS MAIS

Runner-up in consumer memory, Eurofarma is one of the pharmaceutical companies preferred by Brazilians in the Pharmaceutical Industry category.

EMPRESAS MAIS ESTADÃO

Runner-up among pharmaceutical companies in the award that considers the best financial results between 2016 and 2019, in addition to assessing the top-performing businesses regarding governance and innovation.

MELHORES & MAIORES

Eurofarma was the runner-up in the Pharmaceutical Industry sector and among the 1,000 largest companies.

GLOBAL GENERICS & BIOSIMILARS AWARDS

Best company of the year in the Américas. The award acknowledged the industry’s leading companies in the world in more than 14 categories.

ISPE BRAZIL AWARDS

Eurofarma is honored in the “Industry of the Year” category.

MERCO BRASIL

Best Brazilian pharmaceutical company in the sector classification, one of the best global rankings on social responsibility and corporate governance.

MESC AWARD

Ranked 8th in the Pharmaceutical Industry ranking and 94th overall; the Best Companies in Customer Satisfaction ranking identifies the 100 companies with the best practices in service management and customer satisfaction.

100+ INOVADORAS AWARD

Runner-up in the ranking organized by IT media, with the case “EVA available on the Alexa platform.” The company was also a finalist for the IT Executive of the Year Award.

HEALTH-IT 2020 AWARD

Ranked 1st among Outstanding Professionals in the Industries category, for the company’s internationalization process, with the expansion of its systems, technological infrastructure, and IT governance processes.

TOP 100 OPEN CORPS RANKING

Among the top 100 companies promoting open innovation in Brazil in 2020.

LUPA DE OURO SINDUSFARMA AWARD

A finalist in 6 of the 22 categories that assess product performance, Eurofarma ranked 2nd in the “Generics Business Performance” category.

SINDUSFARMA QUALITY AWARD

Ranked 1st in the “Production and Packaging Outsourcing” category.





MARKET CONTEXT



Sector, regulatory, and macroeconomic environment

An atypical and challenging year

On a global scale, 2020 was an ultimately atypical year, marked by unexpected social and economic challenges, triggered by the COVID-19 outbreak. Because it is a sanitary and health crisis, the pharmaceutical sector, for its essential nature, was one of the most requested to meet the demands of society, both in the supply of medicines and in the investment and speed in research to fight the new coronavirus. Eurofarma quickly adapted to the new scenario, counting on a structured task force and the support from the COVID-19 Committee, established in February 2020, to act on two priority fronts: Value Chain and People.

In addition, the company made a move to rapidly expand its humanitarian aid efforts, for which it allocated over BRL 31 million on several fronts, from the donation of medication, PPE and hygiene kits, to the expansion of ICU beds. and support to health institutions in maintaining the treatment of cancer patients. Internally, multidisciplinary teams were gathered to work on solutions to mitigate the scarcity production inputs and expand the operational capacity. Such efforts are directed to assisting professionals in public and private health institutions, as well as in providing greater comfort to patients across these very difficult times. A set of protocols was adopted to protect our teams, as well as technology tools to expand the home office policy, digitalize processes, in addition to social distancing measures and removal from work of employees of risk groups, thus maintaining operations at full throttle, with responsibility and the conviction of the importance of our activities and the core service we provide to society.

In addition to the “COVID-19 effect”, our costs were impacted by the exchange rate variation, which resulted in the depreciation of the Brazilian currency

of around 30%. Depending on imported inputs, significant hikes of raw material prices, the high demand for some items, logistical difficulties due to the temporary stoppage of certain activities and the market closures brought enormous additional challenges. The Generic Drugs segment changed its product mix and experienced a rise in demand. This exemplifies how Eurofarma was able to position itself, anticipating market needs, reviewing production plans and mitigating disruptions. Eurofarma closed 2020 ranked second among all players in the Brazilian market.

In fact, the entire sector proved once again its resilience and was less impacted by the economic crisis, which worsened over the course of the year. Sales in the Brazilian pharmaceutical retail reached BRL 116.8 billion last year, with 4.7 billion units sold, an increase of 8.35% against 2019, according to the leading auditing firm IQVIA. Adding to the institutional channel, which includes hospitals and clinics, the growth was even greater, at 11.40%. Year over year, Eurofarma recorded an even higher improvement in the same audits, at 13.93%.

Due to restrictions imposed by Anvisa, as was also the case in many other countries, exporting drugs deemed essential in the fight against the pandemic was prohibit, which, to a lesser extent, impacted the supply of our international operations with locally-produced inputs. Altogether, regulatory agencies were very agile and introduced alternatives to avoid shortages. This, however, had implications on other activities, such as deadlines for the approval of new registrations and assessment of submitted dossiers.

A future focused on our purpose

The worsening of the pandemic in Brazil in 2021 and a vaccination schedule at an uncertain pace create an environment of uncertainty. With the need for social isolation and strong pressure on the health system, economic recovery still faces serious difficulties.

Under this scenario, comprehending the direction to follow, engaging teams, being disciplined in carrying out plans and humble enough to adjust routes whenever necessary, will make a difference for the company in reaching its goals and fulfilling its Vision 2022. Overcoming adversities, maintaining investments and seeking efficiency remain in focus so as not to compromise the goals established in the medium and long terms. Grow to create and share value. Humanitarian aid actions will also be carried on, as well as projects to contribute to the fulfillment of the goals set out in the strategic plan.

After a thorough work with the internal teams, which also involved mapping the market and stakeholders’ perception on the positioning and attributes of the Eurofarma brand, its contribution and challenges, the company written out its purpose: **Making health accessible so that everyone can live longer and better.** And to support this purpose, Eurofarma will dedicate to developing three priority causes, as of 2021: Innovation in Health, Mental Health and Health Education.

By also publicly making environmental commitments, we intend to – for the first time – neutralize 100% of our direct emissions, which will also allow us to support initiatives to protect the Amazon and integrate the emissions reporting group into the CDP (Carbon Disclosure Project), one of the main entities focused on climate change, in order to mitigate the effect of emissions on the planet, showing that economic growth can be achieved while also generating a positive environmental impact.

When it comes to innovation, the Research & Development area has been working with a view to increasing patent filings, in Brazil and abroad, focused on incremental and disruptive innovation. The company continues to seek partners for agreements in target therapeutic areas. Several projects on antibiotics should come forward at Eurolab, one of the most important research centers in Latin America.

By broadening the application of open innovation, Synapsis, our program to support startups, has reached its third edition and Neuron, a corporate venture fund, is already responsible for investments on five different companies, keeping the focus on the healthcare industry.

To health professionals, who are now even further demanded, the company will expand its continuing education and online actions across all countries where we operate. To help them improve their knowledge, resident physicians will be the focus of greater attention.

Seeking greater efficiency and in line with the purpose of becoming more competitive, independent and focused on each operating segment, we will undertake the spin-off of Pearson, our veterinary division, in the beginning of 2021. The operation will no longer be a Eurofarma Business Unit to become an independent company, allowing it a faster development of its portfolio in pursue of positioning itself among the largest players in the animal health sector. In an effort to strengthen the Prescription Drugs segment, Momenta Farmacêutica, a company of the Eurofarma Group, will be integrated and becomes a Eurofarma Business Unit.

The growth of International Operations will require new governance adjustments, such as the decentralization and implementation of the Ethics Committee in the countries, expansion of the standardization of corporate policies and acquisition of a system for due diligence. Plants from Colombia and Argentina should also receive international certifications from other regulatory agencies in Latin America in 2021, further strengthening our operations in the region.

International Expansion

The goal of the company's Vision 2022 is to have 30% of sales coming from International Operations. This goal can be achieved through organic growth, based on a stronger and more innovative portfolio, but also through partnerships, mergers and acquisitions. Eurofarma achieved for the first time in 2020 positive results in its International Operations, in addition to gaining share in relevant markets. The company also made the largest international acquisition in its history in terms of value, with the signing of a contract for the purchase of assets from Takeda.

Altogether there are 12 branded medicines, which add up to USD 38 million in sales, with Mexico accounting for 90% of such revenue. The business includes assets in Argentina, Ecuador, Mexico, Central America, Peru and Colombia, with emphasis on Neosaldina® in the latter. The acquisition also contributes to the goal of expanding the exclusive portfolio, since some products are protected by patents.

The company's footprint in Mexico was also strengthened with the acquisition of the antibiotic brand Keflex (cephalexin), from Eli Lilly Laboratory, present in the Mexican market for more than 50 years and leader in the prescription segment. Mexico makes up the second largest market in Latin America and with these acquisitions we celebrate our striking introduction in the country.

Consolidated sales in International Operations accounted for 14.7% of Eurofarma Group's revenues in 2020,

compared to 12,2% in 2019 – representing a 20% growth in sales.

International operations have also been granted important awards. In addition to ranking among the best companies to work for in the Great Place to Work listing (2nd consecutive year in the 6th position), Eurofarma Peru also won recognition among the 20 best in the Best Workplaces for Women. GPTW also mentioned the company as the best pharmaceutical in Central America.

Eurofarma has dedicated operations across all main markets in Latin America, besides Brazil: Argentina, Bolivia, Chile, Colombia, Ecuador, Mexico, Mozambique, Paraguay, Peru, Uruguay, Venezuela, Guatemala, Belize, Costa Rica, El Salvador, Honduras, Nicaragua, Panama, and Dominican Republic.



Highlights

BRL 141 million
invested

14.7%
share in nas
total sales

20%
sales growth

Acquisitions
of Takeda and Eli Lilly assets

*Brazil accounts for 85.3% of sales.
*The world's main pharmaceutical sector audit does not include Venezuela as a relevant market in the region.

4 

***BUSINESS
MODEL
AND VALUE
GENERATION***



Corporate Identity

GRI 102-16



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 2022

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, Result.

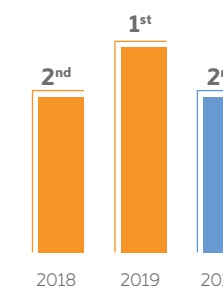
Prescription Drugs

The largest business unit of the Eurofarma Group occupies the 2nd position in Brazil's Prescription Drug market (Eurofarma + Momenta), with 6.8% market share and its footprint rooted in a distinguished pipeline and in the consistent performance of the Sales Force with health professionals.

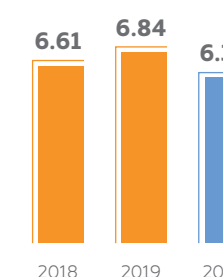
In 2020, the Unit accounted for 53.1% of revenues, representing a sales boost of 9.7% compared to 2019, with BRL 2.7 billion in revenues. A total of 92.630 million units were sold – up 8.9% compared to last year.

The pandemic and the need for social distancing directly impacted 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. We also saw a drop in the frequency of medical visits. In April, the Eurofarma Sales Force was kept on paid leave. Still, about 4 million medical visits took place (face-to-face and online).

Position in the Medical Prescription ranking



Market share (%)



Source: Close-up – Dec/2020 Base | Considering Eurofarma and Momenta. Past years may be altered due to methodologies defined by the sector's main auditing firm.

Business Profile

GRI 102-7

Business Units

Focused on generating shared value, Eurofarma operates in the areas of Prescription, Non-Prescription, Generic, Hospital, Oncology and Veterinary Drugs. In Brazil alone, it offers 433 products, over 1,000 dosage forms, serves 30 medical specialties and covers 201 therapeutic classes, accounting for 66% of the total market.



Top Performance

Tamisa, Selene, Pondera

Releases

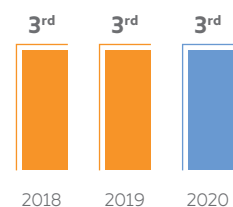
Amora; Antara; Atraxe; Desve 60 tb; Dievari; Dorto; Ducox; Esc 15 mg; Esc 20 mg com 60 cp; Gesico Duo; Holmes; Iban; Limiar; Mamedes; Minti; Percoide; Preni tb, drops and liquid solution; Quelatus Gest; Quepsia Lp 200 mg and 300 mg; Riposo SL; Rox; Ruva; Spark; Subtrax; Turno SL.

Generic Drugs

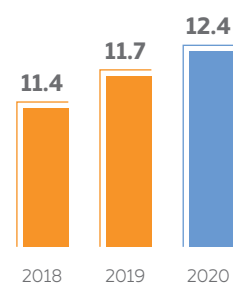
Operating in a fiercely competitive market, the Generics Unit recorded a significant growth of 21% over 2019, with revenues totaling BRL 943 million. The unit also recorded a 19.6% leap in the number of units sold, totaling 142.1 million.

The Generics unit remained ranked among the top three laboratories in the segment, with a share of 12.4%. The company recorded growth above the market category, at 25.9%, against a sector average of 18.7%. There were 20 product launches and 29 new dosage forms in 2020, with an average of 29,000 visits per months in POSs.

Position in the Generics ranking



Market share (%)



Source: IQVIA - Dec/2020 Base in REAIS PPP | Eurofarma Laboratórios. Past years may be altered due to methodologies defined by the sector's main auditing firm.



Top Performance

Olmesartan, Norethisterone Enanthate e Desvenlafaxine

Releases

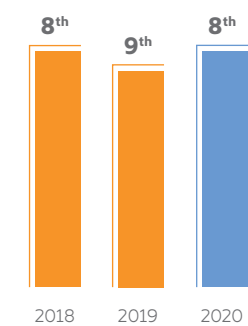
Acetylcysteine solition; clonazepam 30 tb; chlormadinone+ethinyles 21 cp; desogestrel 75 mcg 28 and 84 cp; desvenlafaxine 50 and 100 mg; escitalopram 15 mg w/ 30 tb e 20 mg w/ 60 tb; fexofenadine 120 and 180 mg; ibandronate 150 mg; miconazole + tinidazole vaginal cream; olmesartan medoxomil 20 and 40 mg; pitavastatin calcium 2 mg; prednisolone 5, 20 eand40 mg tb and drops and liquid solution; pregabalin 75 and 150 mg; rosuvastatin 5, 10 and 20 mg; zolpidem hemit 5 mg

Hospital

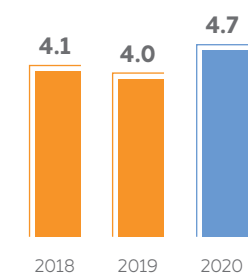
It was challenging year for the segment, with reduced access of the sales force to Hospitals due to the pandemic and the scarcity of raw materials for the production of hospital medicines. Despite this scenario, the Hospital Unit achieved a 33.3% growth in sales compared to 2019, accounting for a turnover of BRL 561.1 million. Over 5,8 million units were sold in the period.

The list of clients includes 1,469 active hospitals, as well as 124 distributors, with 1,593 buyer establishments.

Position in the Hospital ranking



Market share (%)



Source: IQVIA - Dec/2020 Base in REAIS PPP | Eurofarma Laboratórios. Past years may be altered due to methodologies defined by the sector's main auditing firm.



Top Performance

Piperacillin + tazobactam, ceftriaxone and saline solution.

Releases

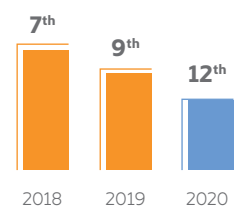
Trisk; Bicerto IV

Oncology

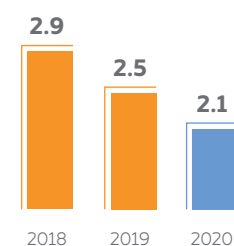
Eurofarma has the most molecules for cancer drugs in the national market (27 molecules). COVID-19 caused a 39% drop in the diagnosis of oncological diseases and a 31% drop in treatments in 2020, since it is a population of at-risk patients for the virus.

This accounted for a 7% drop in the number of sold units compared to 2019, totaling 992 million units. Nevertheless, this represented a drop of only 1.1% in revenues, totaling BRL 161.2 million.

Position in the Oncology ranking



Market share (%)



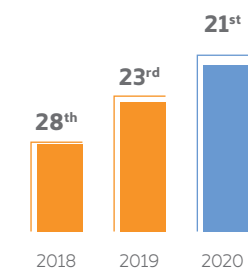
Top Performance
Calcium folinate, Matiz and Anastrozole

Bidding

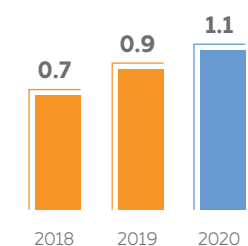
The unit grew 37.2% compared to the previous year, with total revenues of BRL 177.6 million.

A total of 6.4 million units were sold – up 24.9% compared to 2019. Together with other areas, the Unit delivered many products intended to fight COVID-19, in addition to items for continuous use.

Position in the Bidding ranking



Market share (%)



Source: IQVIA - Dec/2020 Base in REAIS PPP | Eurofarma Laboratórios. Past years may be altered due to methodologies defined by the sector's main auditing firm.

Top Performance
Piperacillin + tazobactam, Ceftriaxone and Meropenem

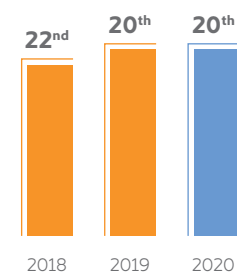


Pearson Veterinary

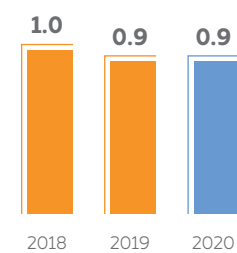
Pearson's commercial team actively works across the country to generate demand through campaigns, training sessions and visits to farms.

Pearson recorded BRL 64.7 million in revenues – up 12% compared to 2019, with 178,000 units sold.

Position in the Veterinary ranking



Market share (%)



Source: Sindan - Dec/2020 base



Top Performance

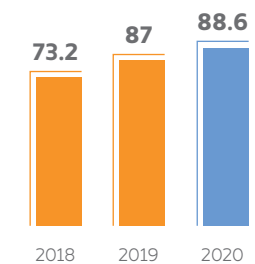
Creolina, Newmast, Aminofort

Outsourcing

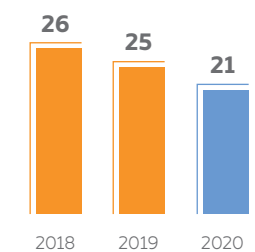
In 2020, the Unit was granted the Sindusfarma Award for Production and Packaging Outsourcing, reaching a growth of 1.8% in sales compared to 2019, totaling BRL 88.6 million.

A total of 16.4 million units were sold and 121 dosage forms created, and a total of 21 contracting laboratories.

Revenues (BRL, million)



Total contracting laboratories

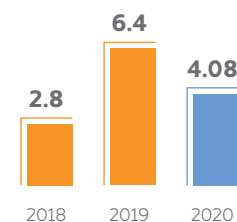


Source: Internal report Eurofarma – SAP

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 22 new products. The Unit also started sales in Mozambique, with over 10 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. The Unit earned BRL 4 million, with 178,000 units sold.

Sales performance (BRL million)



Source: Internal report Eurofarma – SAP



Top Performance

Ceftriaxone, Matiz and Pipiracilin + Tazobactam

Subsidiaries and Joint Ventures

GRI 102-7 | GRI 102-10



Magabi Pesquisas Clínicas e Farmacêuticas

In addition to acting as a study center, Magabi is responsible for analyzing samples for relative bioavailability and bioequivalence studies, which are required for Anvisa registrations.



Momenta Farmacêutica

Manufactures and sells Prescription and Non-Prescription products.



Orygen Biotecnologia

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



Supera Rx

The Unit promotes and distributes prescription drugs.



Value Generation Strategy

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

Research & Development and Innovation

With a future anchored in Innovation, the company focuses on developing incremental products, fostering partnerships with local and foreign research institutions and companies to develop disruptive innovations, and license agreements to market patented products.

Investments in research and development totaled BRL 289 million in 2020. The goal is that figures keep rising to reach 12% of net sales in the medium term.

The current pipeline covers more than 350 projects, largely focused on incremental and disruptive innovation, which guarantees the company's high portfolio renewal rate, in addition to projects aimed at expanding the portfolio in Latin America. In 2020, there were 101 product launches, 46 in Brazil and 55 in international operations.

The company's Strategic Planning expects 40% of revenues by 2022 to come from products launched as of 2017, considering products with incremental and disruptive innovation, and early generics.

To achieve this goal, around BRL 150 million were invested to build Eurolab, located in Itapevi, one of the most modern Innovation Centers in Brazil, that became operational in 2020 and holds more than 500 employees.

The preclinical development area currently has two laboratories, one for organic synthesis and one for biology, which cover the two main disciplines of the process of design and identification of new drugs. Among the new projects in disruptive innovation, the production of new molecules for mood disorders and five potential new antibiotics are included.

Also in 2020, at Eurolab, a high-tech pilot plant came into operation for the manufacture, under conditions similar to those of the industrial production environment, of batches for use in clinical bioequivalence studies. The structuring of a pulmonary drug delivery platform will also begin.

Highlights



BRL 289 million
invested in R&D

350 projects in the pipeline

101 product launches: **46** in Brazil and **55** in internal operations

147 new registrations in Latin America, with a record approval of registrations in Brazil



Unprecedented actions and innovative launches

- Eurolab's Formulation and Analytical Development Laboratories came into operation; Reblas Laboratory Certification.
- Eurolab streamlined the development of drugs for the management of COVID-19, such as Tricit, approved by Anvisa.
- 127 new professionals hired to work on Innovation, mostly at Eurolab.
- Filing of 5 patents, 1 in Brazil and 4 abroad.
- Record approval of registrations with Anvisa in Brazil.
- Anvisa's approval of the company's

first disruptive innovation, Delabaxy (delafloxacin).

- 100% of dossiers sent to Anvisa via electronic media, without use of paper.
- Leadership in actions and approvals of 23 alternative API manufacturers.
- Approvals of alternative finished product manufacturing sites for International Operations.
- The [Euro Health Innovation Award](#) – an unprecedented initiative in Brazil – distributed 1 million Euros to innovative Brazilian medical projects.

Portfolio Management

Leaders in new products, we reached a 8,17% share in new launches over the last two years – more than two times the company's total market share. The portfolio's renewal is one of the company's top priorities. The establishment of national and international partnerships is among the strategies to accelerate the pipeline. Currently, there are 41 active partnerships, in addition to more than 100 negotiation fronts for new agreements and 3 term sheets signed in 2020 on biosimilar products, an innovation in terms of treating the central nervous system and products of high technological complexity.

In 2020, the company managed to obtain Anvisa's approved its first disruptive innovation – Delabaxy (delafloxacin). In addition to the approval of incremental innovations, Bicerto IV Pouch (ketoprofen) and Leg ODT (desloratadine orodispersible), the company also approved several products for the management of COVID-19.

Regarding disruptive innovation, one of the leading projects is the partnership with Canadian startup Cyclica, known worldwide for combining artificial intelligence and computational biophysics to reinvent the process of discovering new drugs.

In 2020, a consulting partnership was established to prioritize referral, definition of the Target Product Profile and clinical development plan for the neuropathic pain project.

Robust technical documentation

Known for the quality of technical documentation submitted to regulatory agencies, Eurofarma is constantly better prepared to enter highly regulated markets, such as the U.S., regulated by the Food and Drug Administration (FDA), and Europe, regulated by the European Medicines Agency (EMA).

The regulatory team worked on the Common Technical Documentation (CTD) project, covering the new format of documenting and organizing registration and post-registration documents, determined by the International Council for Harmonisation (ICH) which, from a regulatory standpoint, will help in the process of submitting technical documentation worldwide. An increase in the number of dossiers submitted in the CTD format is expected for 2021.



Protected Portfolio

In order to consolidate the technology-creating company with Industrial Property, an exclusive Patent Incentive Policy was created in 2019 for employees, rewarding patentable projects created by the company's scientists. Initiatives will be rewarded with the title of inventors and due compensation as the invention advances. A committee formed by external members reviews all ideas submitted. In 2020, over 60 patentable projects were added to the development pipeline.

A total of five patents were filed last year, one in Brazil (in a classified manner with INPI) and four abroad. The Innovation division carried out several patentability assessments and several were advanced for filing, with all projects in the Disruptive Innovation area.

Disruptive Innovation and New Technologies

We have consolidated our Entrepreneurship and Digital Division, which encompasses important areas in the view of the company's digital transformation, such as: Digital Marketing, the Synapsis Program, Venture Capital and, more recently, the Technology and Information Security area. These fronts aim at steering the company through the digital transformation process in the medium and long term, seeking to develop disruptive business models and technologies.

Intrapreneurship

The innovation ecosystem is based on formal policies to promote intrapreneurship, as a way to create business models and improve internal systems, in addition to betting on the potential of science in Brazil by stimulating and incorporating cutting-edge knowledge.

The concept of the Ouselab team emerged in 2020, seeking innovation through questioning and disruptive changes. Ouselab operates on the following pillars: Traditional Project Management with Six Sigma, Innovation Management through insights from the Clic Program, Agile Project Management and Intrapreneurship with the encouragement of digital transformation through the delivery of digital tools.

Neuron Venture Capital

Among the Open Innovation initiatives, not linked to the company's core business, but integrated to the innovation strategy, is the creation of the Neuron Investment Fund. In 2020, the fund invested in three new technology projects in the content marketing and telemedicine segments.

Synapsis

The involvement with innovative health companies is also structured under the Synapsis program, working in partnership with Endeavor to accelerate startups, with its third edition held last year, featuring projects developed alongside several different areas of the company. Eight new pilot

projects were carried out by seven startups in partnership with the company.

Among the highlights is Laura, one of the accelerated scale-ups in the program. Through a robot, the startup uses Artificial Intelligence to monitor hospital patients at risk of infection, sending out alarms. The software connects electronic patient files to a management dashboard located at the Nursing Center. Initially, the Laura robot will begin working in partnership with the Leforte Group in the state of São Paulo.

In 2020, Synapsis Talks was created, a chat between employees and CEOs of startups supported by the program, to discuss topics such as the new General Data Protection Law, data security and industry 4.0.

Pioneering approach

- Development of artificial intelligence to be used by Alexa (Amazon device), with information on the company and the Feminis product.
- Launch of e-commerce, with price comparison.
- DL tool to offer continuing education courses for doctors and employees.
- 3rd edition of Eurofarma Synapsis, selecting seven startups for scale-up, specifically working on making the healthcare chain more efficient, based on a business intelligence approach, shared services, commercial and marketing, industrial operations and sustainability.
- Sponsorship of the Endeavor B2B Enterprise program, which accelerated 16 companies.
- More than 11 million activations via e-mail among healthcare professionals in Latin America and students at the Eurofarma Institute.



Positive Impacts

GRI 102-44

Medical Community

GRI 102-43; GRI 103-2

Proximity to health professionals

The decision structure for product development – the company's flagship – is completely multidisciplinary, based on Committees with employees from different areas and support by senior management. Decisions are also made based on review and validation of the medical community, either through scientific boards, research or relationship actions, such as participation in medical congresses and scientific meetings. Currently, the boards have more than 65 physicians responsible for scientific and potential assessments for new therapies.

In 2020, six scientific boards were held, on COVID-19, central nervous system and inhalers, among other topics. The number of clinical studies and projects in 2020 totaled 118, with investments of BRL 21.7 million and 129 research centers involved.

Even in a year of great uncertainty, requiring adjustments of the design of clinical studies due to COVID-19 outbreak, the Clinical Research area outperformed the target by 20% and prepared 55 study reports, in addition to generating data for the submission of 15 dossiers for new registrations and post-registrations.



Euro Innovation Award

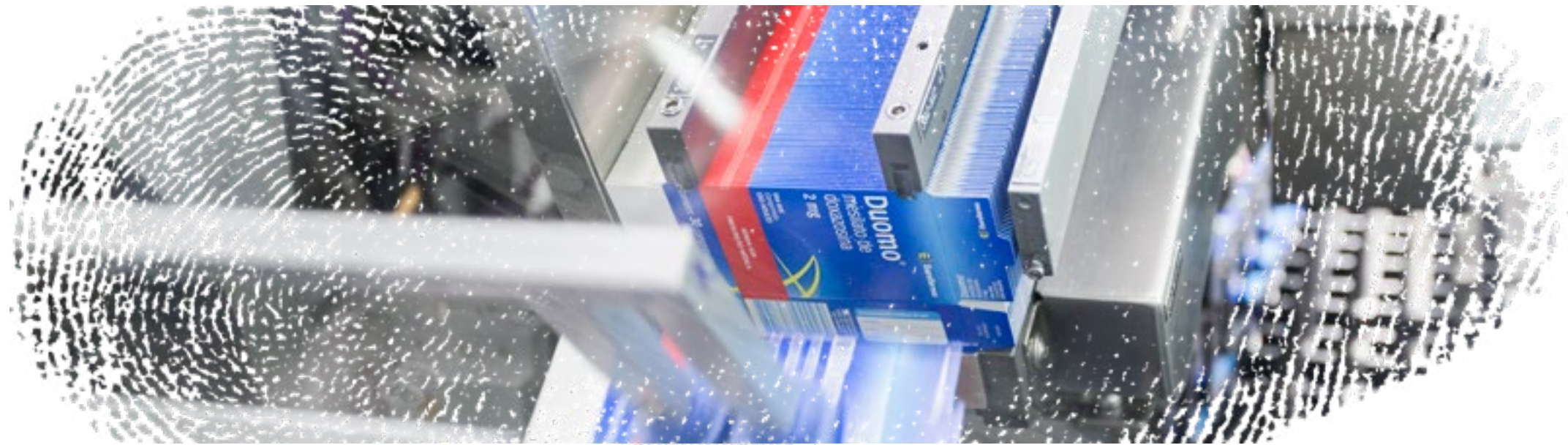
The first edition of the Euro Innovation in Health Award was held, a pioneering initiative for the national industry, which distributed 1 million euros for projects by Brazilian doctors. A total of 1,655 projects from all over Brazil were registered for the award and over 15,000 physicians participated in the voting. Among 11 finalist proposals, the overall winner was doctor Edmar Maciel and team, from Ceará, with the *A Pele de Tilápia [Tilapia Skin] project: A New Biomaterial for Treating Burns, Wounds, Gynecological Surgeries, and Regenerative Medicine*. The project was granted 500,000 euros and the other 10 finalists earned 50,000 euros each.

Sales force

The relationship with the medical community is essential for the company, especially to meet the demands and needs of physicians on their day-to-day routine with patients. The company's medical advertising and sales force team has more than 3,000 employees to broaden access to medications.

In 2020, these professionals handled an average of 480,000 contacts with healthcare professionals in Latin America every month. This closer approach to the medical community was also possible with the promotion of online events in the countries where we operate. The relationship with professionals is conducted in a transparent manner, based on the principles of ethics and lawfulness in promotional actions, as per the Healthcare Professional Relationship Policy.

The document further explores the guidelines set out in Eurofarma's Code of Ethics and Conduct. The company also follows the principles set out by the IFPMA Code (International Federation of Pharmaceutical Manufacturers & Associations). The document establishes the guidelines and standards of conduct expected from all stakeholders in this relationship and formalizes the company's commitment to ethics, lawfulness and its values. Regulated topics include sponsorship of professionals and events and free sample distribution.



Academia

EmergeLabs

The company established a partnership with the company BioLinker (USP), founded within the initiative of EmergeLabs, a development program aimed at entrepreneurial scientists willing to expand their research or technology from the laboratory to the market. The company is responsible for the production of proteins to be used in the development of biochemical tests conducted at the Itapevi plant.

Unprecedented technical-scientific partnership

A collaboration with the University of Texas was established in 2020, and experiments will be conducted at the American institution to prove the effectiveness of molecules designed in the mood disorders projects.



Suppliers

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

In partnership with the Ethos Institute, we have a pioneer program in the pharmaceutical industry to promote sustainability in the value chain. Assessments are carried out based on indicators and good supplier practices, which play an active role in implementing improvements. This is a continuous effort that evolved after the Code of Supplier Ethics was published in 2011.

Contracts signed by all 4,207 suppliers in Brazil and 400 abroad have socioenvironmental responsibility clauses. Among direct suppliers, 39% of expenses stem from local suppliers and 80,8% from indirect suppliers. Local suppliers are those located in countries where we have relevant operations (i.e. manufacturing units). GRI 204-1

When it comes to Quality, Eurofarma values the qualification of its suppliers, including in-person for active ingredient manufacturers. Besides audits, suppliers undergo technical monitoring procedures for each material and, every two years, a compilation of these procedures is documented for suppliers and other areas of the company. A total of 118 audits were carried out in the supplier chain in 2020, besides 368 periodic monitoring visits.

Supplier audits	2018	2019	2020
Audits performed	162	115	118
Qualified suppliers	162	113	118
Disqualified suppliers	0	2	0



SUSTAINABLE STRATEGY AND PERFORMANCE



Corporate Governance

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 to 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 raised task force to purchase supplies and avoid shortages of medicines. The Internal Audit Committees and the Legal and Corporate Integrity Division were also created.

Committees

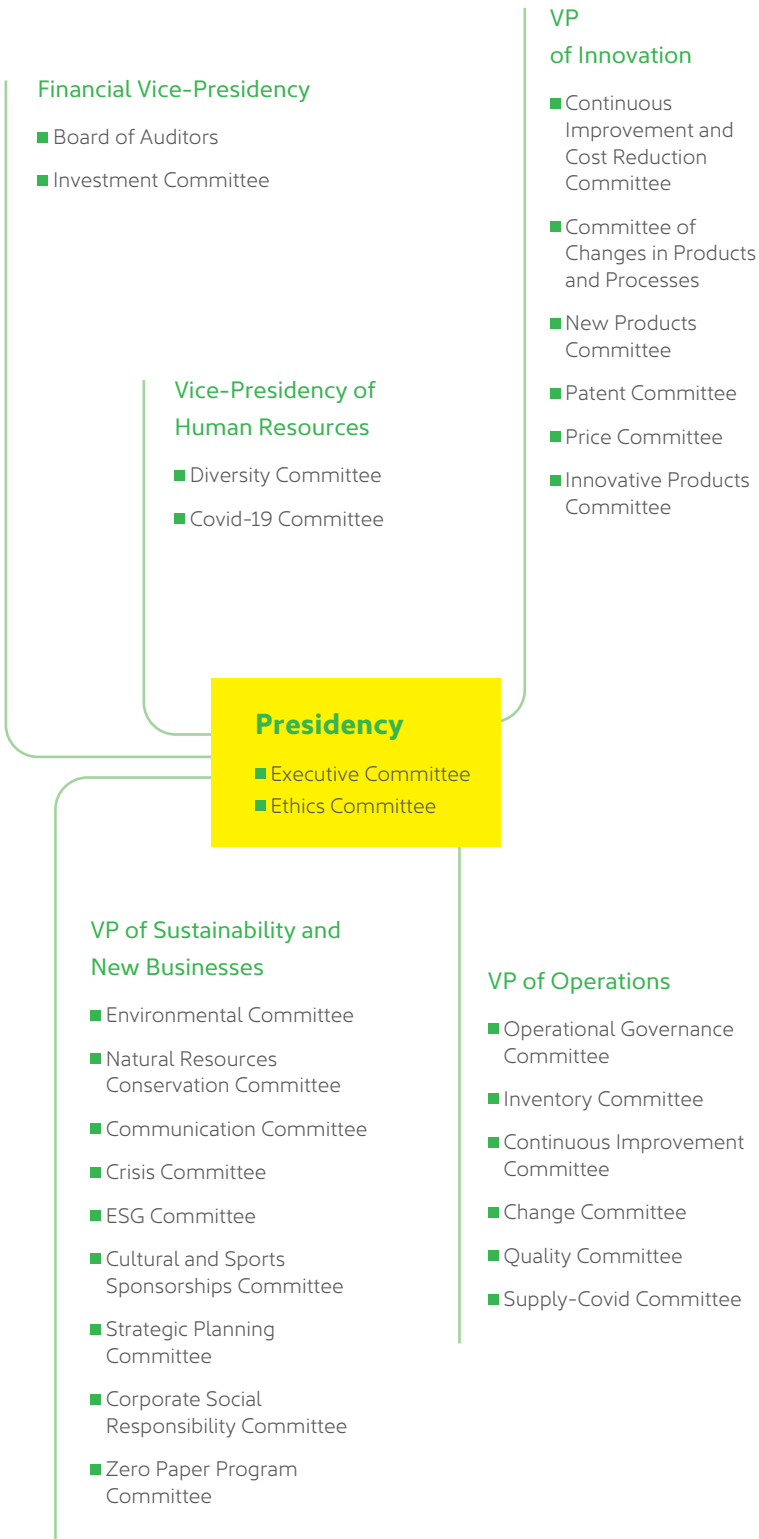
Multidisciplinary committees are an important tool to manage and integrate teams towards the execution of strategic actions. In addition to employees from different areas, committees also include senior management in regular meetings for discussions and decision-making.

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.



Corporate Integrity

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

The Corporate Integrity area guides and monitors good governance practices and assists in the development of guidelines and policies, as well as promoting the culture of compliance with the Code of Ethics and Conduct. It is also responsible for internal audits and investigations related to the Ombudsman Channel. Employees in Brazil and International Operations undergo specific training related to the Code of Ethics and Conduct. GRI 102-16 | GRI 205-2

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 and the process of analysis and investigation is conducted by the Corporate Integrity area, which reports to the Ethics Committee, directly linked to the CEO. GRI 102-17

Ombudsman 2020

Global
www.contatoseguro.com.br/grupoeurofarma
Brazil
0800-6021834

No. of events	388
No. of applicable events	193
No. of non-applicable events	195
No. of cases of violation of higher risk	4
No. of dismissals due to violation of the Code of Conduct & Ethics	4
No. of commercial contract terminations due to violations of the Code and/or Applicable Policies	0

The Eurofarma Group complies with the rules on corrupt practices or harmful acts against the public administration, in accordance with the Brazilian Anticorruption legislation, Act 12.846. There is no evidence of non-compliance or violation of Anticorruption laws by the Eurofarma Group. GRI

Promotion of Health and Wellness

Quality of Life

GRI 103-1; GRI 103-2; GRI 102-43

Our mission is to promote access to health and quality of life. The choice to produce innovative drugs with a strict quality standard, certified by regulatory authorities, as evidenced by the company's rate of approvals, impacts the offer of products that meet the needs of physicians and patients.

One of the qualities that allow us to stand out is operating in even the most remote locations of Latin America, which is made possible by the work of one of the largest medical advertising and sales force team in the region, with more than 3,000 employees focused on presenting the portfolio's products. This helps promote access to health treatments at a fair price.

We also interact with society through our social media profiles, where we promote quality content on health and quality of life. These efforts amassed 20 million views on these platforms. Our website is also a major content directory with more than 7 million visits last year. The company had over 2,000 positive articles published in the media.

The Medication Donation program also fulfills its goal of helping expand access to medication – especially to those who need it the most. By paying full taxes, we donate medications with expiration date equal to or under 120 days to non-government organizations and healthcare entities working with underprivileged populations. A total of 185,000 units were donated to 69 organizations, with an invoice value of BRL 1,5 million.



Safe products

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

Medication safety is paramount for the company, which strictly follows the highest management standards on the topic.

As part of a due diligence process, the Pharmacovigilance area carried out its first 100% online joint audit with Operations in Colombia. To corroborate the consolidation of the company's operations, the area published the International Pharmacovigilance Policy, and brought together all local officials for an online meeting that lasted three days. Pharmacovigilance was also involved in the company's procurement projects.

All Eurofarma products are evaluated and updated frequently to ensure compliance with standards regarding the information in inserts and packages. Out of the 345 inserts in the portfolio, 190 (generics and biosimilars) were reviewed in 2020, due to updates in the reference medication indicated by Anvisa and other regulatory

requirements, accounting for 55% of the marketed portfolio. During the revision period, there was no event of noncompliance with laws, standards, codes regarding information in inserts and packaging, as well as labeling of products and services. GRI 417-1 | GRI 417-2

All of our products undergo annual evaluations of impact on consumer health and safety. There was no event of noncompliance with laws, standards and codes related to consumer health and safety. In response to requests from clients 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 in 2020. GRI 416-1 | GRI 416-2 | GRI 403-7

Eurofarma does not sell products that have been banned in operating markets (i.e. questioned by its stakeholders). The company exclusively sells products approved by local health authorities. GRI 102-2

Quality and Certifications

GRI 103-2 | GRI 416-1

- Anmat (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica) Argentina
- Anvisa (National Health Surveillance Agency) – Brazil, Argentina and Colombia
- Anvisa – (Certificate of Good Practices in Bioequivalence) – Brazil
- Cofepris (Comisión Federal para la Protección contra Riesgos Sanitarios) – Colombia
- Digemid (Dirección General de Medicamentos, Insumos y Drogas) – Peru, Brazil and Colombia
- Halal (Export certificate for Arab countries) – Brazil
- Invima (Instituto Nacional de Vigilancia de Medicamentos y Alimentos) – Colombia and Brazil
- Instituto de Salud Pública de Chile (ISP) – Chile
- Ministerio de Salud Pública del Uruguay – Uruguay
- Ministerio de Salud Pública y Asistencia Social - Departamento de Regulación y Control de Productos Farmacéuticos y Afine – Guatemala
- Reblas (Brazilian Network of Analytical Health Laboratories) – Brazil

Commitment to Patients

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

Patient Journey

GRI 416-1

The focus on assisting patients and tending to their medical needs is the foundation of the medication development process. All projects begin with a Scientific Committee to address unfulfilled clinical needs alongside physicians of different specialties.

The scientific debate generates ideas for innovative products and treatments to meet the demands of the medical class in Brazil and Latin America. The subsequent stage covers the patient journey, who are involved in voluntary clinical trials to assess the efficacy and safety of medications.

Clinical trials are conducted based on the guidelines of the National Research Ethics Commission/CMS/MS, as well as national and international legal, ethical and safety standards. This ensures the reliability of data generated by the study, as well as the safety of those involved in the process, including physicians, patients, and the company itself.

A total of 116 clinical trials were conducted in the period, with approximately 1,300 participants in Brazil and other Latin American countries. Investments in clinical development totaled approximately BRL 21,7 million. A total of 129 study centers were involved in the Eurofarma Group’s projects.

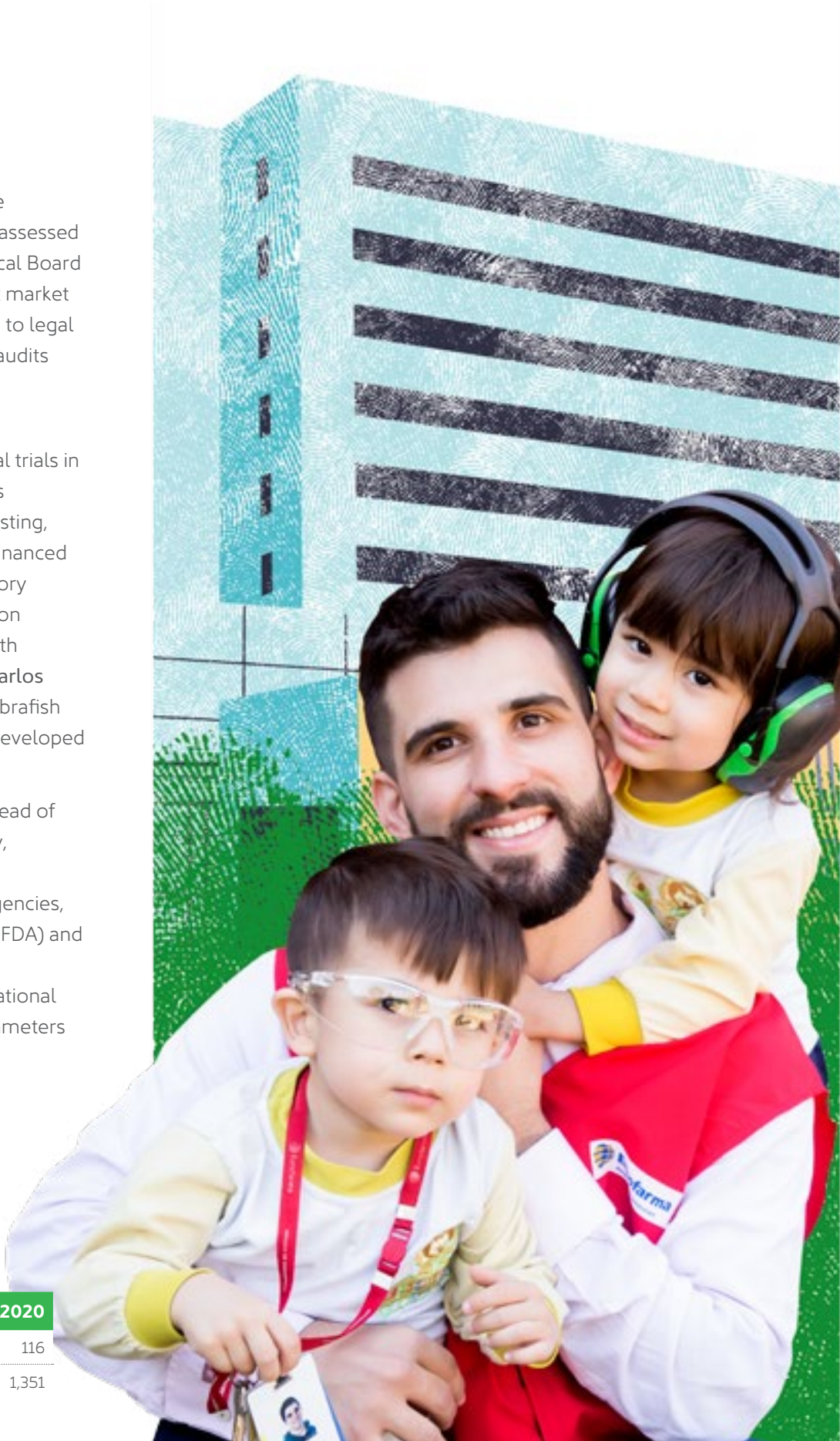
The evaluation mechanisms involve study monitoring, hiring external audits and systematically monitoring the execution of procedures in the area. The safety monitoring and follow-up on any adverse reactions of the products also continue during the marketing period, under the responsibility of the pharmacovigilance area. The Eurofarma Call Center (CAE) is also a direct contact channel with patients and consumers.

Medications produced and marketed by the company are monitored and their safety is assessed throughout their entire life cycle. The Medical Board oversees all research stages, based on best market practices and constantly updated according to legal requirements. Activities regularly undergo audits and assessments by regulatory agencies.

As a regulatory requirement, medications developed and sold are submitted to clinical trials in animals and human beings. The company is constantly seeking alternatives to animal testing, such as using zebrafish in toxicity studies. Financed by Eurofarma, the Zebra Advances Laboratory (LZA), located in the Research and Innovation Center of the Center of Biological and Health Sciences of **Universidade Federal de São Carlos (UFSCar)**, focuses on using toxicological zebrafish models to assess the safety of molecules developed in innovation projects.

The company has always been one step ahead of national regulatory requirements. Currently, adjustments are also being made to meet requirements of international regulatory agencies, such as the Food and Drug Administration (FDA) and the European Medicines Agency (EMA) for manufacturing units and operations. International plants are also duly certified under the parameters of each country’s regulatory agencies.

Clinical trials	2018	2019	2020
Studies	38	114	116
Participants	1,779	2,297	1,351



Call Center

The Eurofarma Call Center (CAE) is the main relationship channel with consumers, physicians, healthcare professionals and business clients. Contact forms include a toll-free number, email, website chat. In 2020, the CAE recorded a monthly average of 18,310 customer services across all platforms. The customer satisfaction rate was 95%.

In a pioneering initiative, the CAE now uses IBM’s Watson artificial intelligence technology to service clients. The humanized virtual assistant, called Eva, expanded 24/7 service by helping with low-complexity demands through a chatbot. With the help of virtual service, experts focus on more complex situations, where customers prefer to talk to a professional.

Eurofarma is the only Brazilian pharmaceutical company with the 2015 version of ISO 9001, which was renewed in 2019. The certification attests to the quality policy in pharmacovigilance processes in Brazil, monitoring the safety and efficacy of medications produced by the company. The company’s processes require 100% of products to undergo evaluation of impacts to consumer health and safety.

Customer satisfaction survey	2020
Consumers	95%
Healthcare professionals	90%
Commercial clients – After Sales	82%

Talent Appreciation

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

Profile of Employees

The Eurofarma Group gathers a team of more than 7,600 employees, with over 1,600 working in International Operations.

Driven by a culture that values equity and promotes opportunities, the company takes pride on the performance of women. The company's Advisory Committee is included by two independent female advisers; four of the six vice-president positions are held by women; as well 51% of internal leadership positions.

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 the unions.

GRI 102-41

Women occupy 51% of internal leadership positions



Culture of Innovation

The culture of innovation and entrepreneurship is deeply rooted throughout the company, and is also the foundation of strategic projects in the Human Resources area. In 2020, the corporate skills set was reviewed and one of the six required abilities is Innovation with Results. Based on structured policies, employees are constantly encouraged to think of new ways to improve their work processes.

One of these innovation incentive policies is the Clic program, which encourages employees of all areas and hierarchies to propose innovations to generate efficiency gains, financial return or improved productivity in administrative, technical or operational areas.

Another initiative is the Expanding Vision program, which keeps key staff aligned to the strategy, targets and challenges for the next few years. Through monthly two-hour meetings with the CP and directors of respective areas, key indicators, scenarios and projects (innovative) are presented and participants discuss ideas and share experiences.

The Foreign Immersion Policy is another important tool used to support structured innovation development, which may last 2 to 3 years. Employees also actively attend national and international scientific congresses, in addition to immersion experiences in cutting-edge university laboratories in countries such as U.S., Canada and Israel.

The Patent Policy was established in 2019, designed to encourage the company's scientists to focus on developing patentable projects. The company also invests in customized programs, individual or for teams, and, over the last year, coaching programs were expanded, mainly for newly promoted managers.

Total Employees (global) GRI 102-8			
2020	Brazil	International Operations	Total
Internal employees	6,005	1,628	7,633
<i>It does not include interns, temporary workers or third-party apprentices. Internal employees encompass the sales force.</i>			

Employees by job type (Brazil) GRI 102-8			
2020	Indefinite employment contract	Temporary employment contract	Total
By gender	6,005	53	6,058
Men	4,070	33	4,103
Women	1,935	20	1,955
By region	6,005	53	6,058
South	497	-	497
Southeast	4,531	53	4,584
Midwest	229	-	229
Northeast	608	-	608
North	140	-	140
<i>Third-party trainees and apprentices are not included</i>			

Employees by journey type (Brazil) GRI 102-8			
2020	Full time	Part time	Total
By gender	6,002	3	6,005
Men	4,068	2	4,070
Women	1,934	1	1,935
<i>Not including temps and interns</i>			

Human Capital Management	
2020	Total
Distributed PPR – BRL thousand	161,474
Voluntary Turnover* % - GRI 401-1	2,41
Number of vacancies internally filled	592
Leadership vacancies internally filled	45%
Performance evaluation (% of employees participating in formal process) GRI 404-3	100%
Training hours - GRI 401-1**	
Leadership – training hours per year in general	22,600
Leadership – training hours per year h/h	36,1
Technical Experts – training hours per year in general	20,135
Technical Experts – training hours per year h/h	8,4

**Not including Apprentices. The turnover was calculated based on total voluntarily dismissed, according to the total number of employees on the last day of the year.*

Priority for Internal Recruitment

The appreciation of the company's talents is reflected in structured policies, such as the Internal Recruitment Program, which filled 592 positions internally in 2020, including operations in Brazil and abroad.

Attractive Compensation

Regarding the compensation policy, the company compensates employees above the pharmaceutical market average pay, as a strategy to attract and retain talent.

Wage competitiveness is maintained through constant market surveys. The company also offers a Profit Sharing Program (PSP) based on criteria related to general and individual performance. The company distributed BRL 161,5 million among its employees under the profit sharing program in 2020. In addition, 100% of employees undergo the formal performance evaluation process, based on the assessment of PSP targets reached. GRI 404-3

A great place to work

The work environment and possibility of professional development opportunities have placed Eurofarma in the rankings of best employers in Brazil for 17 years in a row.

In 2020, the company ranked 37th among the best Companies to Work for in the Great Place to Work (GPTW) listing, held in partnership with Época magazine. Internationally, it earned the 6th position in Peru in the GPTW ranking and was selected the best pharmaceutical company to work for in Central America, reaching the 11th position in the overall listing.



Constant incentive for development

Training programs strengthen technical and behavioral skills, ensuring the constant development of employees. In 2020 alone, leadership training courses totaled 22,600 hours, as well as over 20,000 hours for technical positions, which represents an annual workload of 36,1 and 8,4 hours per person, respectively. GRI 404-1

The company invests in custom programs, such as coaching for recently promoted managers, who undergo technical and behavioral training focused on competencies targeted by the company. Assessment processes were also carried out in some boards, in order to map personal and collective development opportunities. The Leader Academy and Development Track programs were structured under the Design Thinking methodology, in order to encourage innovative ideas.

Collaboration between teams

A collaborative environment directly contributes to boosting team productivity. Offering comfortable conditions and promoting healthy relationships at work is essential to engage employees and motivate them to reach management targets.

In 2020, we further strengthened our communication with more than 7,600 employees through digital platforms, such as Conecta, which can be accessed from anywhere by all employees, and the collaborative social network Yammer. With the pandemic, online communication became crucial and 86% of employees resorted to collaborative tools, such as Teams.

Employees' health and safety

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

The Occupational Safety area organizes regular training courses with employees on the prevention of health and safety risks, according to procedures required and recommended by public authorities and international treaties. In 2020, Global Indicator Management came into operation, also covering international operations. GRI 403-5

In 2020, there was an increase in the number of absent days, which ultimately raised safety indicators. The area's system of Occupational Safety procedures was also restructured to include management of global indicators, including international operations, risk assessments for critical machinery, and inclusion of Task Safety Analyses in operational areas.

Health and Safety Management				
GRI 403-9* GRI403-10	2018	2019	2020	
Total accidents**	18.00	31.00	31.00	
Injury rate	2.74	3.54	3.73	
Total days lost	100	536	611	
Absenteeism rate	0.03	0.04	0.12	
Deaths	0	0	0	

* In 2020, employees and third-party workers from Brazil were included. The 1,000,000 man-hours index was used for calculations.

**Calculation includes LTI and MTI.

Commitment to Eco-efficiency

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

In our sustainability vision, commitment to environmental balance is directly related to operational excellence. In all manufacturing and commercial operations, the purpose is to reduce the use of natural resources through innovative processes and technologies.

The Environmental Management area is formed by a team of expert professionals, whose work is supported by multifunctional committees to ensure the dissemination of practices and evolution of goals. We use sustainability indicators to monitor performance along with strategic planning, in synergy with the Operations area.

The Environmental Management System for the main operations is certified by the ISO 14.001:2015 standard. In 2019, the company's Energy Management System at the Itapevi Unit (SP) was certified by the ISO 50.001:2018 standard. We were the first pharmaceutical manufacturer in Brazil to achieve such certification.

Environmental investments	2018	2019	2020
Investments into the company's production/operations	BRL 10.8 million	BRL 13.9 million	BRL 15.6 million
Investment in external programs and/projects	BRL 135,000.00	BRL 115,000.00	BRL 104,000.00
Total environmental investments	BRL 10.9 million	BRL 14 million	BRL 15.7 million

Waste Management

- Zero Landfill
- Partnership established with the cooperative of recycled material collectors in the cities of Itapevi (SP) and Ribeirão Preto (SP)
- Vorax
- Package collection with Retorna Machine
- De Mãos Dadas com a Escola [Hand in Hand with the School] Program
- Proper Medication Disposal
- Bioconverter, an innovative composting solution
- Reverse logistics

Circular Economy

- Decontamination of primary packages: study concluded for new medicines, strengthening this unprecedented initiative
- +Verde Products: 14,2 million units were sold in 2020
- Efficient packaging: use of recycled scraps in shipping boxes and cartons
- Vegetable garden: distribution of 15,500 vegetables and 453 kg of waste collected

Environmental education for employees and society

- Campanha Atitude [Attitude Campaign] addressed the topic of Circular Economy
- Patrulha do Meio Ambiente [Environmental Patrol], action in partnership with employees' children

Energy Efficiency

- 29% renewable source share in the energy matrix
- Energy Management System ISO 50.001:2018 Certification

Water Efficiency

- New project providing for the internal mapping the use of water use for production with a focus on reduction, best water practices and installation of reverse osmosis and ultrafiltration system to eliminate potable water consumption in cooling towers

Water consumption

- 54.480 m³ of reused water
- 8.930 m³ of water donated to public and private partners. 24% increase

Macro Objectives



Renewable Resources

Energy

- 7,294 photovoltaic panels in operation
- Photovoltaic trees

Zero Paper

- 33% drop in paper prints compared to 2020

Green Polyethylene

- Replacement of conventional with green polyethylene in primary packaging
- 2.6 tonnes saved from fossil fuel-produced plastic

Climate Change

Intensity of CO² emissions GRI 305-4

- Reduction of 7% in absolute greenhouse gas emissions

Mobility

- Fuel policy reached 78% ethanol x 22% gasoline, having exceeded the consumption target
- 52 conventional vehicles replaced with hybrid vehicles
- Availability of priority parking spaces for less polluting vehicles
- Eco Bike

Protection and conservation of green areas

- Conservation of 454,598 m² of green areas
- Approval of the Trilha Ecológica [Ecological Trail] project for 2021 at the Itapevi Complex

Water Efficiency

GRI 103-1 | GRI 103-2

Water is a critical input for the pharmaceutical industry, which is why we carry out innovative water efficiency projects. Over the years, the reuse systems in the Itapevi (SP) and Ribeirão Preto (SP) units have undergone successive improvement processes and the adoption of new technologies, such as the reverse osmosis filtration process.

In 2012, we maintained a public-private partnership to donate surplus reuse water. The company relied on the support of Grupo Estre in the process, as well as the Itapevi and Jandira Municipal Governments, which use this resource for non-potable activities.

Starting in 2019, we implemented the use of AMA water in internal events, supporting the network initiative intended to bring drinking water to regions where the resource is scarce in Brazil.

In 2020, a new multidisciplinary project for the internal mapping of the use of water in production was kicked off, with a focus on reducing consumption and seeking better water practices.

Water Management at Eurofarma Group	2018	2019	2020
Total reused water volume – in megaliters. GRI 303-3	64.1	72.9	54.5
Percentage of reused water	41%	37%	31%
% Total water discharge – in megaliters GRI 303-4	58	62.6	69
Water consumption – in megaliters GRI 303-5	394.6	483.5	453.9
Water donation (public and private partners) – in megaliters	14.2	7.2	8.9
Water withdrawal by source GRI 303-1			
Groundwater – in megaliters	260.4	286.3	215.8
Public supply (utility and tank trucks) – in megaliters	170.1	223.5	264.8



Energy Efficiency

GRI 103-1 | GRI 103-2

In 2019, Eurofarma became the first Brazilian pharmaceutical company to receive ISO 50.001: 2018 certification, a priority international standard that establishes guidelines with a focus on reducing energy expenses and increasing power efficiency. This will help the company improve its energy matrix and achieve better sustainability results.

The management of energy use, in addition to contributing positively to issues directly related to the impacts of climate change, may also help businesses build competitive advantage.



Energy Management at Eurofarma Group	2018	2019	2020
Power consumption – GJ/year GRI 302-1	243,228	293,407	291,280
Number of photovoltaic panels	2,472	1,844	7,294
Photovoltaic power generation (kwp)	804	625	2,218

Power consumption (GJ)	2018	2019*	2020
Annual consumption – GJ	243,228	288,447	291,280
GJ/1,000 up	0.6	0.8	0.8

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

Energy matrix GRI 302-1	2018	2019	2020
Non-renewable sources (GJ)			
Natural gas (m³)	36.6%	34.1%	37.9%
Oil by-products	0.4%	0.2%	0.4%
Power (utility)	35.6%	35.6%	32.6%

Non-renewable sources (in GJ)			
Biodiesel	-	0.0%	0.1%
Power	26.9%	29.5%	28%
Photovoltaic energy	0.4%	0.7%	1%

**The premise of the 2019 National Energy Balance, on the Brazilian Energy Matrix, was considered for the calculation of renewable energy present in the consumption of energy acquired from the electricity grid.*



Climate Change

GRI 103-1 | GRI 103-2

Emissions Management

GRI 305-5

Eurofarma carried out the greenhouse gas inventory according to the GHG Protocol methodology. The surveys assist in the development of internal policies to reduce emissions, such as increasing the use of renewable energy sources, the Zero Landfill program and the preservation of green areas.

In 2020, direct emissions were neutralized through the acquisition of carbon credits for the Amazon conservation project. The company became part of the group that practices emissions reporting to CDP, one of the main initiatives in the financial sector to mitigate the effect of climate change.

Mobility

GRI 303-5

Urban mobility is a matter of concern in relation to environmental aspects and the quality of life of employees.

Since 2009, when it was first applied, the Corporate Fuel Consumption Policy states that the cars used by the Sales Force must be fueled using a ratio of 75% ethanol and 25% gasoline. The adoption of the policy has resulted in a 57% reduction in CO₂ emissions by the s fleet.

In 2019, a ridesharing program was launched among employees, as well as the exchange of the entire fleet of common vehicles used by managers, directors and vice presidents for hybrid vehicles. Altogether, 52 vehicles have already been exchange, and another 153 are expected by 2023.

Emissions GRI 305-4	2018		2019		2020	
	tCO ₂ e	Biogenic	tCO ₂ e	Biogenic	tCO ₂ e	Biogenic
Scope 1 GRI 305-1	11,904.00		12,594.00		14,529.47	5,427.68
Stationary combustion	8,806.00		8,827.00		8,261.23	16.54
Mobile combustion	3,098.00		3,767.00		2,080.00	5,411.15
Effluents	-		-		3.26	-
Fugitive emissions	-		-		4,183.16	-
Solid waste	-		-		1.82	-
Scope 2 GRI 305-2	5,007.00		4,611.00		4,994.20	-
Power	5,007.00		4,611.00		4,994.20	-
Scope 3 GRI 305-3	6,600.00		6,146.00		5,594.55	409.42
Commuting from home to work	-		-		3,839.88	409.42
Solid waste generated in operations	6,600.00		6,146.00		1,699.31	-
Air travel	-		-		55.36	-
Total	23,511.00		23,351.00		25,118.22	5,837.10

There was a 7% reduction in total weighted emissions for every 1,000 units produced, considering the same comparative scope of 2019. GRI 305-4

Exclusive parking spaces were made available to employees who share a single vehicle, own electric vehicles or vehicles considered of low-emission. The Eco Bike program provides employees at the Itapevi Unit (SP) with common, cargo and electric bikes for internal use.



Environmental Recovery

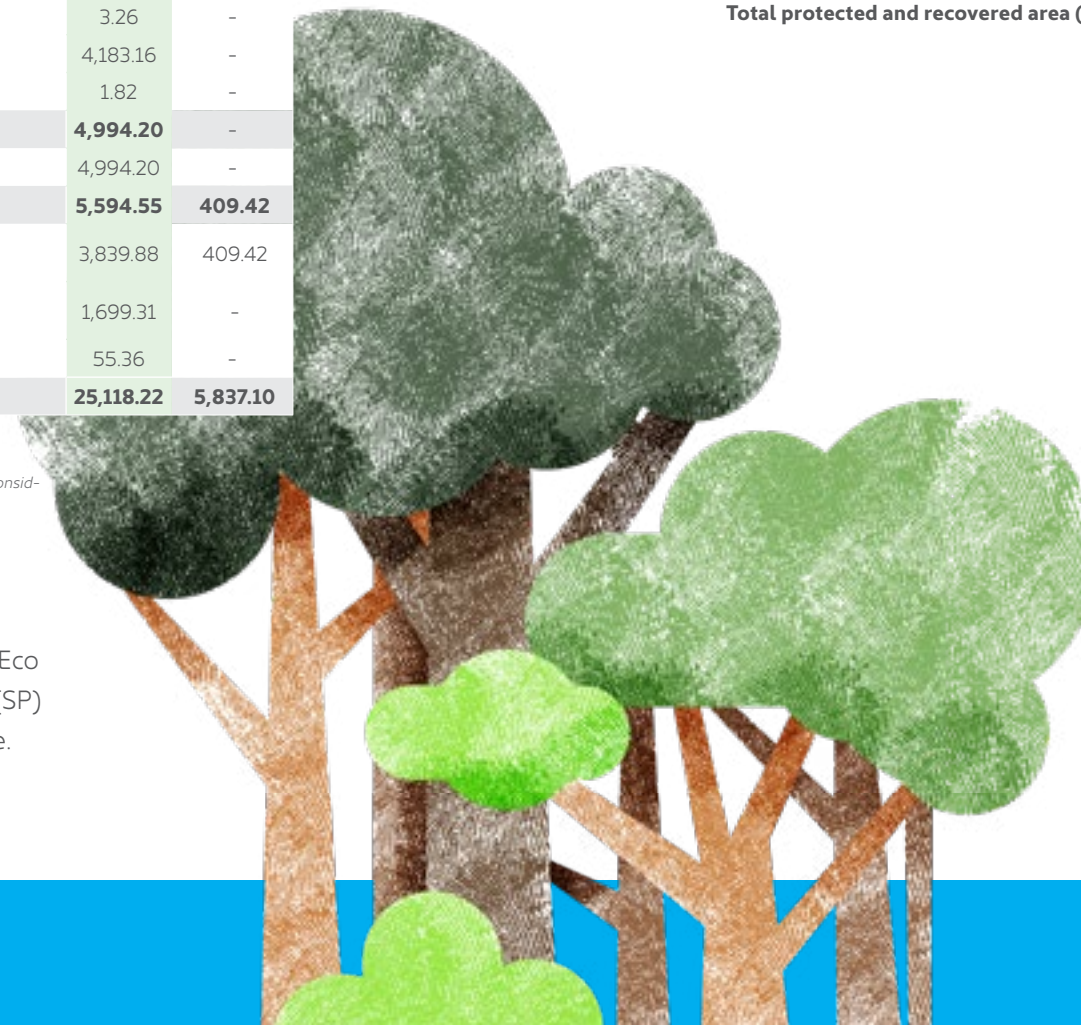
In 2020, the environmental recovery actions carried out near the Taiaçupeba dam in Mogi das Cruzes, São Paulo, were maintained, preserving 48,026 trees under the Environmental Recovery Commitment Agreement signed with Cetesb.

As of 2019, with the issuing of the environmental license for the new industrial unit in Montes Claros (MG), a new environmental protection area was established for the conservation of local fauna and flora.

Environmental recovery	2018	2019	2020
Protected area in Itapevi (SP) (m²)	57,298	57,298	57,298
Protected area in Montes Claros (MG) (m²)	-	32,900	49,300
Recovered area in Mogi das Cruzes (SP) (m²)	328,000	328,000	328,000
Total protected and recovered area (m²)	385,298	418,198	434,598

Raízes Program

The Itapevi Unit (SP) also headquartes the Raízes Program, created as a tribute to employees completing 15 years working for the company. The tribute includes an invitation to plant a native tree on their job site. Each seedling is identified with a sign carrying the name of the employee, the species planted and the date it was planted. The initiative has already resulted in 650 trees planted, 30 of them in 2020.



Renewable Resources

Achieving energy efficiency goals includes reducing consumption and the increasingly widespread use of renewable energy sources, seeking continuous investment in renewable sources.

Solar Energy

Bold investments are made in a photovoltaic power generation system at the Itapevi unit (SP), which currently features 7,294 solar panels with installed capacity of 2.2 MW. The investment in the project amounts to BRL 9.9 million.

In 2020, two photovoltaic trees were installed in the communal area of the Itapevi Complex. All trees are equipped with USB outputs to charge electronic devices and provide night lighting.

Zero Paper

Created in 2015 to reduce the amount of paper prints, the Zero Paper Committee was established in 2018 as a working group working to implement actions to reduce prints.

In 2020, an 48%-reduction was posted against the previous year, reaching 55% of double-sided prints. The goal, however, was to reach 60%.

With the expansion of the document digitizing process, new initiatives have emerged that have eliminated the need for printing, such as: request for refunds, digital invoices and registration dossier for new drugs.



Green Polyethylene

Replacement of conventional with green polyethylene in primary packaging We have stopped consuming 3.7 tons of polyethylene from fossil fuel since 2019.

Waste Management

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

Reduction, Reuse and Recycling

Eufarma follows the best waste management practices in both internal operations and the value chain. Hazardous waste is treated in a priority manner by the co-processing method, considered less polluting because it uses cement kilns for the burning process, with reuse of the released energy. Since 2009, when goals were set to improve the disposal of hazardous waste, the volume assigned to co-processing was expanded, enabling a 96%-rate to be achieved in 2020.

Recycling is also a widespread practice within the company. In the past two years, the recycling rate for non-hazardous waste has been over 65%.



Recyclable waste (tons)	2018	2019	2020
Paper	931.8	1,028.4	1,148.1
Plastic	390.8	394.3	416.7
Glass	279.5	72.4	69.6
Metal	200.6	249.6	238.3
Rubble	413.0	840.3	697.5
Wood	121.6	334.8	245.4
Composting	304.3	512.7	407.7
Others (electronic scrap, oil, batteries, lamps)	-	-	4.5
Total	2,641.6	3,432.5	3,227.9

Disposal of non-hazardous waste – in tons GRI 306-2	2018	2019	2020	Types of waste
Composting	318.0	512.7	407.7	Organic waste
Reuse/recovery	0.4	0.6	0.00	Cooking oil
Recycling	2,214.3	2,532.0	2,514.69	Paper, plastic, cardboard, glass, metal, blister and debris
Environmental recovery	71.1	334.8	245.4	Wood
Landfill	742.0	565.3	709.0	Non-Recyclable, sludge and debris
Total	3,345.8	3,945.4	3,876.8	

Disposal of hazardous waste – in tons GRI 306-2 GRI 306-4	2018	2019	2020	Types of waste
Reuse/recovery	31.4	58.7	60.1	Light bulbs, batteries, lubricating oil, plastic canisters and iron drums, electronic scrap
Environmental recovery (co-processing)	930.9	1,047.7	1,399.6	Industrial waste, tax recovery waste
Incineration (mass burning)	60.3	47.0	71.4	Industrial waste + tax recovery waste + waste collected by the city government
Total	1,022.6	1,153.4	1,531.1	

The Campo Belo, Rio de Janeiro and Euroglass Units were decommissioned in 2019, which, however, generated waste in 2020.

Vorax

With investments of BRL 4.5 million in the project, Eurofarma is the first company in the world to acquire Vorax equipment for the management of liquid, paste and solid waste. The Itapevi Unit (SP), where more than 250 million drugs are produced annually, is receiving such technology. Vorax's main features are its low impact on the emission of pollutants and versatility for a broad management of residues that require different technologies for their final destruction, with low energy and noise consumption. It will be able to process five tons of waste a day.

The patented solution, unprecedented in Brazil, provides a reduction in the daily volume of waste by up to 100 times. It also produces high energy yield and a low rate of gas formation compared to conventional thermal destruction processes, in addition to not producing ash and other molecules harmful to humans and the environment. There also are benefits related to the logistics chain (transportation of waste from the generation site to its final destination) and the mitigation of risks to the business.

Zero Landfill

Implementation of the composting process began in 2018 and is currently active in all our operations. In 2020, it contributed to the reduction of greenhouse gas emissions by eliminating the transport of waste for external treatment.



Domestic Decontamination of Primary Packaging

As a result of a pioneering initiative in the pharmaceutical sector, Eurofarma's has been providing products with the +Verde seal, which identifies drugs with innovative actions capable of generating a positive impact through circular economy.

The +Verde seal serves some of the company's main products: Astro (tablet), Astro (liquid solution), azithromycin dihydrate, Selene, Tâmis and Tamiram. Units sold in 2020 amounted to 14.2 million, an 50%-increase over 2019. The study of the methodology for decontamination of the packaging for dosage forms of other strategic products for the company is in almost consolidated.

Since the project was launched, 29 million units of +Verde products have reached consumers



Efficient Packaging

With a lower consumption of resources and the preference for recycled materials, 71% of recycled material was used in the composition of the shipping boxes (cardboard), a pilot initiative adopted in Ribeirão Preto (SP). Boxes of some strategic medications are also made up of 30% recycled raw material.

In 2020, a project was initiated to enable reuse of 50% recycled polypropylene in the accessory (handle) of saline bags produced in Ribeirão Preto (SP). GRI 301-2





Organic Garden

With a project that combines sustainability, environmental education and health, we built an Organic Garden in an area of 1,250 m², at the Itapevi and Ribeirão Preto units (SP) where vegetables are grown without the use of pesticides. Employees can exchange recyclable material for vegetables.

In addition to encouraging the practice of healthier habits, in 2020 the Program resulted in the distribution of 15,5 organic vegetables, 170 of them used in the Espaço Criança, 5,303 in the restaurant and 453 kg of recycled waste delivered by employees.



Retorna Machine

Retorna Machine is a means of reverse logistics for post-consumer PET bottles installed at Eurofarma Institute, aluminum and steel cans and long-life containers.

Benefits for students and employees include power bill bonuses, transportation voucher credits, bookstore discounts and donations to philanthropic institutions.

Material collected is handled by a partner company and sent to waste picker cooperatives and recycling companies.

16,412 packages collected since 2016

De Mãos Dadas com a Escola [Hand in Hand with the School]

This project adds incentives to recycling and educational assistance to benefit employees and service providers with children attending elementary school.

The project provides for the transfer of funds obtained from the sale of recycled materials collected by Eurofarma for the purchase of school supplies.

In 2020, we donated 3,400 school kits to children, with an investment of BRL 654,000.

Results	2018	2019	2020
Number of kits distributed	2,898	3,372	3,352
Investment in school kits	BRL 253,819	BRL 332,717	BRL 341,842
Refund of books and handouts	BRL 231,138	BRL 354,248	BRL 312,623
Total investment value	BRL 484,957	BRL 686,965	BRL 654,465



Proper Disposal Program

The purpose of this program is to raise the population's awareness on the importance of proper disposal for primary packaging, expired medication and materials such as needles and vials, through disposal locations spread across several cities in the states of São Paulo, Rio de Janeiro and Minas Gerais. The project is a partnership with Grupo Pão de Açúcar and other institutions. GRI 301-3

49 tons of waste collected since 2010

Proper medication disposal	2018	2019	2020
Total – in tons	42	45	49
Average – kg/year by store	104	97	127
Number of points	31	34	26



Relations with Society

GRI 413-1, GRI 103-1, GRI 103-2, GRI 103-3

Promotion of Sports, Culture and Social Actions

Social initiatives are jointly managed and promoted by the Corporate Responsibility and Events area and the Social Responsibility and Culture and Sports Sponsorship committees. Supports are broken down into direct financial contributions and the transfer of funds from tax incentive laws for social, culture and sports projects, with the goal of allocating 100% of the resources from incentive laws.

Since 2006, we have assigned BRL 39,7 million to cultural projects through funds from tax incentive laws. Em 2020, BRL 3,5 million.

In the sports area, we make long-term investments such as sponsoring a Stock Car team.

In 2020, driver Ricardo Mauricio won the tournament for the third time and Eurofarma was the best-ranked team, with driver Daniel Serra ending in 3rd place. The company invested a total of BRL 10.9 million from its own funds in sports actions in 2020, as well as BRL 900,000 from incentive funds in sponsorships.

The rules for sponsorships are provided for in our corporate integrity policies and code of ethics, subject to audit. Selected proposals are submitted to the applicable committees for voting on which to support.



BRL 790,000

donated to seven health and education organizations carrying out projects in line with the company's social responsibility goals.

+BRL 3.5 million

allocated to projects developed by NGO and social institutions through tax incentives from programs such as Pronon, Pronas, FIA/FIA/ Fumcad, Condeca e Fundo do Idoso.

+BRL 10.9 million

from the company's own funds invested in sports and +BRL 908,000 from incentive laws.

+BRL 3.5 million

in transfers of funds from culture incentive laws.

+BRL 14 million

invested since 2014 from social laws.

Human Milk Bank Lactare

1st Private Milk Bank in the country

The social initiative emerged in 2019 to promote breastfeeding. Milk collected, processed and stored in our human milk bank is donated to newborns admitted to neonatal ICUs in public hospitals, helping to save lives.

Lactare's initial goal was to process 60 liters of human milk per month to feed about 20 babies in the Neonatal ICU of the Hospital Geral de Itapevi (HGI), where 400 births occur each month. In 2020, 378 babies were treated with 1,100 liters of breast milk. The goal for 2021 is to reach 2,100 liters, expanding the list of hospitals that will receive donations.

In an association with the rBLH – Rede Brasileira de Bancos de Leite [Brazilian Milk Bank Network],



Lactare is distinguished by the home collection service it offers, currently covering a area of up to 50 km from downtown Itapevi (SP). On average, 37 premature babies are benefited monthly with human milk pasteurized by Lactare.



Humanitarian Aid

To minimize the impacts of the COVID-19 on society, several humanitarian actions were carried out.

Over BRL 31 million were assigned to the donation of staple food kits, medication, PPE, sanitizer gel, construction of ICU beds and financial support to maintain patients undergoing cancer treatment.

BRL 19,4 million
totaling more than 770,000 units of donated medicines.

BRL 6,4 million
invested in over 100,000 staple food kits.

BRL 1 million
for the donation of over 200,000 PPE.

BRL 1,1 million
in cash donated to GRAACC and São Paulo Hospital.

BRL 3,6 million
in the production and distribution of more than 390,000 bottles of sanitizer gel.

BRL 121,000 in 14,500 hygiene kits donated to NGOs in the State of São Paulo and public schools in Itapevi.



Eurofarma Institute

Eurofarma Institute (IE) has been operational since 2006 and has reached the mark of 105,000 direct services, including projects in complementary education for children, training and vocational qualification for young people, adults and the elderly, and environmental education. Over 14 years, investments have exceeded BRL 110 million.

In 2020, the Institute received financial contributions of up to BRL 11.7 million, which provided for the assistance of 11,900 people through hybrid, on-site and digital gatherings. The IE launched DL courses last year.

Investments e total served	2018	2019	2020
Total investments	BRL 12,697,000	BRL 13,986,000	BRL 11,686,830
Change over previous year	11.6%	10.2%	-16.4% *
Individuals directly served	14,253	16,284	11,854

* Expenses were reduced involuntarily due to the impacts of the COVID-19 and the inability to reach 100% of the face-to-face service capacity

Eye Care Task Force

The project aims to map the eye conditions of children between 4 and 14 years of age, by identifying vision impairments that affect school performance. In 2020, the initiative was carried out in Itapevi. Strict health protocols were followed. The mapping reached 2,300 students from 12 public schools recommended by the Itapevi Department of Education and students from the Eurofarma Institute's Raw Material project.

Examined by board-certified eye doctors, students with suspected visual impairment underwent more specific tests for a proper diagnosis. Those with actual sight conditions received new pairs of glasses.

Eye Care Task Force	2018	2019	2020
Public schools served and Eurofarma Institute units	12	13	20
Number of children mapped	8,276	6,944	2,295
Number of glasses made	2,507	554	308
Volunteer contributors to the project	57	58	-*

* Due to COVID-19, volunteer actions were not conducted.



Matéria-Prima *Project*

Where children learn how to learn

Given the 2020 scenario and the importance of complementary education, we created online versions of courses and workshops for students aged 7 to 13 years.

Activities within the Matéria-Prima program focus on playful learning to encourage reading and logical reasoning, in which each student is assessed at the beginning and end of the year to measure the effectiveness of the activities and their learning curve. Such evaluation follows parameters that make up the Basic Education Development Index (IDEB).

By migrating educational activities to the digital environment, we were able to maintain the attendance of students of regular courses and teachers; and we promoted workshops and activities open to the community, with interactive content. During the year, we primarily worked on topics related to sustainability.

Matéria-Prima **São Paulo**

Results	2018	2019	2020
Permanent students	250	250	250
Agenda aberta and Recreio nas Férias	5,837	7,861	4,200

Matéria-Prima **Itapevi**

Results	2018	2019	2020
Permanent students	125	125	240



Itapevi Mais Verde Program

With a focus on environmental education, we conducted activities at the Paulo de Abreu State School, impacting more than 4,000 students and 64 teachers from 29 local schools in Itapevi.



Dental Office

Caring for our children's smile

Dental care is offered weekly at the Eurofarma Institute, where students also have access to a medical clinic where nursing technicians are available. With the pandemic, and many schools closed, the number of visits decreased in 2020.



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

A bridge to university education

De Olho no Enem [Looking to the National High School Exam] was quickly migrated to the online format, with live classes from Monday to Thursday, reaching several states. Such border expansion enabled by the digital environment allowed us to reach our first indigenous student. Hugo Pereira Juvêncio, 22, was born in Roraima, in the indigenous village of Uiramutã.

One of the strengths to ensure access to quality education is the availability of free platforms, such as the Imaginie and Eduqo writing correction tools, used to carry out exercises; in addition to the Descomplica portal, for monitoring video lessons from all disciplines required by Enem, in addition to the Simulado Evolucionar.

Enem Workshop

Within Enem Workshop, teachers from the Eurofarma Institute disseminate information about the exam to public schools, from enrollment to the day of the exam. In 2020, students were contacted and were able to remotely access the content on the Eurofarma Institute's YouTube channel.

De Olho na Etec [Looking to Etec]

Vocational support

Preparatory course intended for 9th grade students from public schools who are interested in participating the recruitment process for the São Paulo State Technical School and the São Paulo Federal Institute that offer, in addition to the regular high school course, technical education.

In 2020, the course was remotely conducted with live classes from Tuesday to Thursday and an increase in class hours to make up for the period students were kept off school.



English

Language that paves new ways

Under this project, selected public school students earn a one-year scholarship to attend basic English classes with a focus on conversation. In case of good performance, the scholarship is maintained for the pre-intermediate and intermediate level.

Youth and adult training

The following vocational courses are also offered: Assistant Electrician Training; Elder Caregiver Training; Waste in Utilities; Digital Technology and Graphic Design; Conect@ and Link Informática (computing); Managing Techniques; Marketing and Communication; Storekeeping; and Quality Inspection.

Matéria-Prima 2nd Generation

Making their own future

The migration between the Matéria-Prima and the Professional Training and Qualification projects happens with the students' taking Professional Initiation courses, such as Conecta and Link Informática. Contents include the Office package, essential for entry into the labor market.

Results	2018	2019	2020
Individuals served	70	70	24

Educar para Reciclar [Educate to Recycle]

Fostering our virtuous circle

Held in partnership with the Department of Education of Itapevi, includes 44 local public schools. Its main goal is to raise awareness on the importance of garbage separation and the funds obtained from the sale of such recyclables is invested in improvements to schools. In 2020, several videos on sustainability were produced.

Results	2018	2019	2020
Financial contribution to schools	BRL 43,512	BRL 63,636	BRL 14,634
Number of schools trained	40	44	5*
Number of schools with participants	40	44	44
School professionals trained	80	130	136**

*Non-face-to-face (before the pandemic)

** Face-to-face (86) and (50) online | Data based on "Home Economics" videos.



ECONOMIC AND FINANCIAL PERFORMANCE



Economic and Financial Results

The critical global health crisis caused by the pandemic, in the beginning of 2020, concentrated public efforts on this issue, paralyzed the economy and demanded extreme changes in the working means of the productive sector. The repercussions on the economy were devastating, with the Brazilian Gross Domestic Product closing the year with a drop of 4.1% compared to 2019. A member of a critical market and for its fundamental role in fighting the pandemic, Eurofarma did not stop. By quickly adapting to the new scenario and its solid planning, the company managed to grow 20% in 2020, a record revenue, with net sales of BRL 5.7 billion. GRI 102-7

Reliably position in its market, Fitch Agency maintained the company's AAA rating. The Ebitda ended the year at BRL 1.3 billion, impacted by the reduction in involuntary expenses.

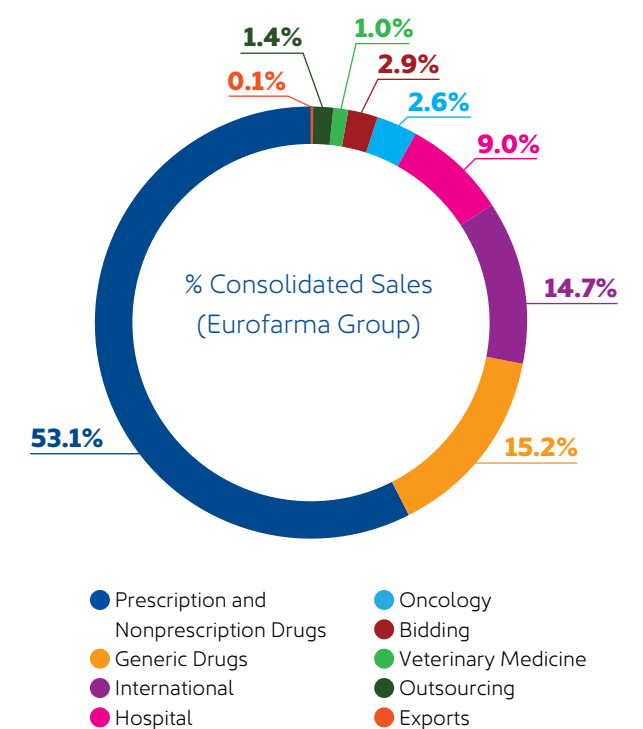
One of the major challenges in 2020 was the strong devaluation of the Brazilian real against the American dollar, with an approximate variation of 30%. The gross margin decreased by 3.5% compared to 2019, and the drop is essentially related to the exchange rate variation, hundreds of new hires to preserve workers in the risk group and the more diversified sales composition.

DVA in BRL million GRI 201-1	2018	2019	2020
Economic value generated and distributed	2,650	3,235	3,797
Distribution of added value			
Human Resources	1,182.6	1,477.6	1,619.4
Interest/Rents	84.8	185.4	180.3
Taxes	888.7	992.7	1,148.5
Dividends	214.2	214.9	250.0
Withholding	279.8	327.6	567.1
Share of non-controlling shareholders	-267.0	36.7	31.9

Maintaining Growth above the Market

Over the past 15 years, the company recorded an average annual growth of 16%, consistently above the industry's overall performance, closing 2020 up 11.40%. In Brazil, the average receipt period of sales to customers is 57 days, while the average retail inventory at major distributors is 40 days. Investments in operational excellence totaled BRL 273,6 million.

The pandemic had a strong impact on the economy in 2020. The average unemployment rate on Brazil, the company's major market, stood 13.5% (IBGE data), the highest in almost 30 years, with the country ending the year with 13.4 million unemployed citizens. The pharmaceutical sector is impacted by such indicator, as higher formal employability rates provide greater population access to private health plans and pharmaceutical assistance.



Financial Statements GRI 102-7

Balance sheets as of December 31, 2020 and 2019 (IN THOUSANDS OF BRAZILIAN REAIS)

	Parent Company		Consolidated			Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Assets					Liabilities				
Current					Current				
Cash and cash equivalents	1,192,919	268,380	1,387,214	399,494	Suppliers	160,872	200,238	311,934	289,068
Accounts receivable from customers	765,424	595,170	1,136,482	839,767	Loans and financing	131,488	58,181	132,144	58,712
Inventories	757,499	637,533	1,069,035	886,793	Leases payable	15,508	16,229	22,774	23,322
Derivative financial instruments	18,338	-	18,338	1,682	Right-of-use lease	44,352	31,573	64,926	57,038
Current tax assets	117,767	56,895	133,583	76,649	Salaries, provisions and social contributions	142,523	119,457	198,788	170,230
Recoverable income tax and social contribution	13,115	51,493	28,211	62,169	Income tax and social contribution payable	32,958	-	56,087	37,014
Advance for future capital increase	24,917	12,739	9	9	Current tax liabilities	14,534	1,507	27,229	11,838
Other accounts receivable	55,545	51,237	26,011	40,065	Special installments	282	254	282	254
					Employee profit sharing	124,648	70,938	161,474	116,719
Total current assets	2,945,524	1,673,447	3,798,883	2,306,628	Dividends payable	223,484	88,196	226,741	88,255
					Anticipation of dividends from subsidiaries	201	201	-	-
					Other accounts payable	159,165	101,591	214,390	187,223
					Total current liabilities	1,050,015	688,365	1,416,769	1,039,673
Non-Current					Non-Current				
Long-term realizable					Loans and financing	1,340,500	904,575	1,340,500	905,082
Accounts receivable from customers	79,893	54,005	2,179	567	Debentures	478,798	-	478,798	-
Securities	-	-	10,043	-	Leases payable	9,777	11,965	20,730	24,734
Current tax assets	5,351	7,155	5,556	7,361	Right-of-use leases	62,323	70,355	169,739	157,606
Deferred tax assets	106,400	-	202,418	76,697	Deferred tax liabilities	-	23,153	5,003	29,167
Deposits for resources	24,241	22,632	27,994	28,432	Special installments	1,388	1,502	1,388	1,502
Other accounts receivable	3,234	-	425	729	Provision for contingencies	59,037	54,758	112,924	96,784
	219,119	83,792	248,615	113,786	Accounts payable investment	46	46	46	46
					Other accounts payable	1,000	3,400	1,000	3,400
					Provision for capital deficiency	9,614	2,345	-	-
					Total non-current liabilities	1,962,483	1,072,099	2,130,128	1,218,321
Investments	1,625,476	1,301,806	609	1,977	Shareholders' equity				
Property, Plant and Equipment	641,902	989,697	945,210	1,253,969	Share capital	855,864	1,332,908	855,864	1,332,908
Right-of-use lease	99,710	98,559	224,458	208,758	Profit reserve	1,644,878	1,115,752	1,644,878	1,115,752
Intangible Assets	185,779	45,697	1,094,330	849,306	Cumulative conversion adjustments	212,868	30,351	212,868	30,351
					Equity valuation adjustments	-	(37,879)	-	(37,879)
Total non-current assets	2,771,986	2,519,551	2,513,222	2,427,796	Capital reserve	(8,598)	(8,598)	(8,598)	(8,598)
					Shareholders' equity attributable to the controlling shareholders	2,705,012	2,432,534	2,705,012	2,432,534
					Share of non-controlling shareholders	-	-	60,196	43,896
					Total shareholders' equity	2,705,012	2,432,534	2,765,208	2,476,430
Total assets	5,717,510	4,192,998	6,312,105	4,734,424	Total liabilities and shareholders' equity	5,717,510	4,192,998	6,312,105	4,734,424

Income statements for the years ended December 31, 2020 and December 31, 2019 (IN THOUSANDS OF BRAZILIAN REAIS)

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Net revenue	4,057,827	3,444,992	5,723,191	4,828,144
Cost of products sold	(1,698,302)	(1,352,157)	(2,125,019)	(1,622,718)
Gross profit	2,359,525	2,092,835	3,598,172	3,205,426
Sales expenses	(962,251)	(1,063,350)	(1,807,659)	(1,755,047)
Administrative expenses	(416,732)	(409,023)	(640,153)	(569,165)
Impairment of accounts receivable	7,831	(1,466)	7,097	903
Employee profit sharing	(97,072)	(61,088)	(133,974)	(101,627)
Other revenue	73,178	41,049	88,377	71,584
Other expenses	(22,361)	(55,879)	(22,565)	(110,713)
Result before net financial income (expenses) and taxes	942,118	543,078	1,089,295	741,361
Financial income	43,836	15,629	51,545	20,375
Financial expenses	(94,555)	(57,200)	(109,919)	(70,543)
Monetary and exchange variations, net	(8,484)	(7,262)	(27,137)	(26,438)
Financial expenses, net	(59,203)	(48,833)	(85,511)	(76,606)
Equity income	37,833	93,650	(2,667)	8,882
Result before income tax and social contribution	920,748	587,895	1,001,117	673,637
Current income and social contribution taxes	(227,333)	(51,934)	(280,071)	(133,073)
Deferred income tax and social contribution	123,616	6,565	127,924	38,677
Net income for the year	817,031	542,526	848,970	579,241
Result assigned to				
Controlling shareholders	817,031	542,526	817,031	542,526
Non-controlling shareholders	-	-	31,939	36,715

EBITDA reconciliation – Consolidated

In thousands of BRL	2020	2019	Var. %
Net income	848,970	579,241	47%
(+) Income Tax and Social Contribution	152,147	94,396	61%
(+) Net Financial Result	85,511	76,606	12%
(+) Depreciation and Amortization	194,203	156,617	24%
EBITDA	1,280,831	906,860	41%
EBITDA % Net Revenue	22.4%	18.8%	19%

The Financial Statements are audited by KPMG Auditores Independentes and the complete versions are 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

GRI 102-54

KPMG Assessores Ltda.
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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 Integrado Anual 2021 (ano-base 2020) (“Relatório”) acompanhadas a esse relatório, relativas ao exercício findo em 31 de dezembro de 2020.

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 Integrado Anual 2021 (ano-base 2020) 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.

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

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.

KPMG Assessores Ltda., a Brazilian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

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;
- (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 Integrado Anual 2021 (ano-base 2020) da Eurofarma, não foram compiladas 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, 19 de abril de 2021

KPMG Assessores Ltda.

Marcio Andrade Barreto
Sócio - diretor

GRI INDEX

GRI 102-55

General aspects	Page, description, or link
GRI 102: 2016 General Aspects	Strategy
	102-14 – Message from Management Page 5
	Profile
	102-1 – Name of the organization Eurofarma Laboratórios S.A.
	102-2 – Activities, brands, products and services Eurofarma exclusively trades products that are authorized by local health authorities, the Brazilian Health Regulatory Agency (Anvisa) and other international health authorities. If there are any restrictions in other markets, those are disregarded for export. Eurofarma operates in the Prescription, Non-Prescription, Hospital, Generic Drug, Oncology and Veterinary Medicine markets
	102-3 – Location of the organization's headquarters Page 7
	102-4 – Location of operations Page 7
	102-5 – Organization's ownership and legal form Limited Company.
	102-6 – Markets served Page 7
	102-7 – Scale of the organization Page 6, 7, 14, 18, 41, 42
	102-8 – Information on employees and other workers Page 28.
	102-9 – Supply chain Page 23
	102-10 – Significant changes to the organization and its supply chain Inauguration of Eurolab as a strategic unit of the company.
	102-11 – Precautionary Principle Risk management and impact reduction guide the company's strategic planning and business conduction across operations.
	102-12 – External initiatives Eurofarma Institute; Exame Sustainability Guide; Global Compact; Ethos Institute.
	102-13 – Membership of associations Sindusfarma - Sindicato da Indústria de Produtos Farmacêuticos no Estado de São Paulo [Pharmaceutical Products Industry Union in the State of São Paulo]; Grupo Farma Brasil; PróGenéricos - Associação Brasileira das Indústrias de Medicamentos Genéricos [Brazilian Generic Medicine Drugmakers Association]; Abiquifi - Associação Brasileira da Indústria Farmoquímica e de Insumos Farmacêuticos [Brazilian Association of Pharma-Chemical Industry and Pharmaceutical Inputs]; Abifina - Associação Brasileira das Indústrias de Química Fina, Biotecnologia e suas Especialidades [Brazilian Association of Fine Chemical Industries, Biotechnology and its Specialties]; Amcham - Câmara Americana de Comércio [American Chamber of Commerce]; Abiad - Associação Brasileira da Indústria de Alimentos para Fins Especiais e Congêneres [Brazilian Association of the Food Industry for Special Purposes and the Like]; AfroChamber - Câmara de Comércio Afro-Brasileira [Afro-Brazilian Chamber of Commerce]; Câmara de Comercio Mercosur Asean [Mercosur Asean Chamber of Commerce]; ABPI - Associação Brasileira da propriedade intelectual [Brazilian Intellectual Property Association]; Abrasp - Associação Brasileira da Indústria de Soluções Parenterais [Brazilian Association of Parenteral Solutions Industry]; Alanac - Associação dos Laboratórios Farmacêuticos Nacionais [Brazilian Association of Pharmaceutical Laboratories]; Câmara de Comércio Árabe-Brasileira [Arab-Brazilian Chamber of Commerce].

General aspects	Page, description, or link
GRI 102: 2016 General Aspects	Ethics and Integrity
	102-16 – Values, principles, standards and norms of behavior Pages 14 and 25
	102-17 – Mechanisms of advice and concerns about ethics Page 25
	Governance
	102-18 – Governance structure Page 25
	Stakeholder engagement
	102-40 – List of stakeholder groups Employees, consumers, distributors, pharmacies, drugstores, suppliers, doctors and healthcare providers, business partners and others
	102-41 – Collective bargaining agreements Page 28
	102-42 – Identifying and selecting stakeholders GRI Content – Materiality Process.
	102-43 – Approach to stakeholders engagement Engagement actions intended specifically for the preparation of this report are described on page 5. Other engagement and dialogue initiatives, carried out throughout the year, and segmented by audience are described on pages 22 (medical community), 28 and 29 (employees), 23 (suppliers), 36 (society), 26 (customers and consumers)
	102-44 – Key topics and concerns raised Materiality Process – Page 3; Positive Impacts – Pages 22 to 23
	Reporting practices
	102-45 – Entities included in the consolidated financial statements All subsidiaries of the Eurofarma Group.
	102-46 – Defining report content and topic Boundaries Page 3
	102-47 – List of material topics Page 3
	102-48 – Restatements if information None for the period
	102-49 – Changes in reporting None for the period
	102-50 – Reporting period From January 1 st to December 31 st , 2020
	102-51 – Date of most recent report 2019
	102-52 – Reporting cycle Annual
	102-53 – Contact point for questions regarding the report comunicacao@eurofarma.com
	102-54 – GRI report type This report was prepared with reference to GRI Standards, essential option
	102-55 – GRI Index Pages 44 and 46
	102-56 – External assurance Page 43

Material topics		Page, description, or link
Quality of Life		
-	103-1 – Explanation of the material topic and its Boundary	Page 26
	103-2 – The management approach and its components	Page 26.
Safe products		
GRI 416 and 417 – Customer Health and Safety	103-1 – Explanation of the material topic and its Boundary	Page 26
	103-2 – The management approach and its components	Page 26
	103-3 – Evaluation of the management approach	Page 26
	416-1 – Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Page 26
	416-2 – Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period by types of results	Page 26
	103-2 – The management approach and its components	Page 26
	417-1 – Type of information about products and services required by labeling procedures, and the percentage of products and services subject to such requirements	Page 26
	417-2 – Total number of incidents of non-compliance with regulations and/or voluntary codes concerning information and labeling of products and services within the reporting period by types of results	Page 26
Commitment to the Patient		
GRI – Customer Health and Safety	103-1 – Explanation of the material topic and its Boundary	Page 27
	103-2 – The management approach and its components	Page 27
	103-3 – Evaluation of the management approach	Page 27
	416-1 – Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Page 26

Material topics		Page, description, or link
Fostering Knowledge and Engagement		
GRI 404 – Training and Education	103-1 – Explanation of the material topic and its Boundary	Pages 28 and 29
	103-2 – The management approach and its components	Pages 28 and 29
	103-3 – Evaluation of the management approach	Pages 28 and 29
	404-1 – Average hours of training per year per employee by gender and functional category	Pages 28 and 29
	404-3 –Percentage of employees receiving regular performance and career development reviews by gender and functional category	Page 29
Occupational Health and Safety		
GRI 403 – Occupational Health and Safety	103-1 – Explanation of the material topic and its Boundary	Page 29
	103-2 – The management approach and its components	Page 29
	103-3 – Evaluation of the management approach	Page 29
	403-5 – Worker training on occupational health and safety	Page 29
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 26
	403-9 – Number and rate of work-related deaths and injuries	Page 29
	403-10 – Number and rate of work-related deaths and ill health	Page 29
Water Efficiency		
GRI 303 – Water	103-1 – Explanation of the material topic and its Boundary	Pages 30 and 31
	103-2 – The management approach and its components	Pages 30 and 31
	303-3 - Breakdown of total water withdrawal by source type, including water stress areas	Pages 30 and 31.
	303-4 – Breakdown of total water discharge by source type, including water stress areas	Pages 30 and 31
	303-5 – Total water consumption	Pages 30 and 31
Energy Efficiency		
GRI 302 – Energy	103-1 – Explanation of the material topic and its Boundary	Pages 30 and 31
	103-2 – The management approach and its components	Pages 30 and 31
	302-1 – Energy consumption within the organization	Pages 30 and 31
	302-3 – Energy intensity	Pages 30 and 31
	302-4 – Reduction of energy consumption	Pages 30 and 31

Material topics		Page, description, or link
GRI 305 – Climate Change	103-1 – Explanation of the material topic and its Boundary	Pages 30 and 32
	103-2 – The management approach and its components	Pages 30 and 32
	305-1 - Direct (Scope 1) greenhouse gas (GHG) emissions	Pages 30 and 32
	305-2 – Indirect (Scope 2) greenhouse gas (GHG) emissions	Pages 30 and 32
	305-3 – Indirect (Scope 3) greenhouse gas (GHG) emissions	Pages 30 and 32
	305-4 – Greenhouse gas (GHG) emissions intensity	Pages 30 and 32
	305-5 – Reduction of greenhouse gas (GHG) emissions	Pages 30 and 32
Waste Management and Post-consumption		
GRI 306 – Waste	103-1 – Explanation of the material topic and its Boundary	Pages 30, 33, 34 and 35
	103-2 – The management approach and its components	Pages 30, 33, 34 and 35
	103-3 – Evaluation of the management approach	Pages 30, 33, 34 and 35
	306-2 Waste by type and disposal method	Pages 30, 33, 34 and 35
	306-3 - Waste Generated	There were no leaks of oil, fuel, chemical and other residues on soil or water surfaces.
	306-4 - Waste not intended for final disposal	Page 33
Relations with Society		
GRI 413 – Communities	103-1 – Explanation of the material topic and its Boundary	Pages 36 and 39
	103-2 – The management approach and its components	Pages 36 and 39
	103-3 – Evaluation of the management approach	Pages 36 and 39
	413-1 - Community engagement	Pages 36 and 39
Anti-corruption		
GRI 205: 2016 Anti-corruption	205-3 – The management approach and its components	Page 25
Unfair competition		
GRI 206: 2016 Unfair Competition	206-1 - Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None for the period
Social and Economic Compliance		
GRI 419: 2016 Social and Economic Compliance	419-1 - Non-compliance with laws and regulations in the social and economic area	There were no fines and non-monetary sanctions for non-compliance with environmental laws and regulations
Economic Performance		
GRI 201 – Economic Per	201-1 – Direct economic value generated and distributed	Page 41

IBASE BALANCE SHEET

Eurofarma Laboratórios S.A.				2018			2019			2020		
1 - Calculation basis				Amount (BRL thousand)			Amount (BRL thousand)					
Net revenue (RL)				3,055,881			3,444,992			4,057,827		
Operating income (RO)				580,668			587,895			920,748		
Gross payroll (FPB)				913,933			992,289			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 *				14,496	1.59%	0.47%	39,860	4.02%	1.16%	31,166	3.22%	0.77%
Compulsory social charges				203,291	22.24%	6.65%	258,007	26.00%	7.49%	218,592	22.58%	5.39%
Private pension				11,016	1.21%	0.36%	13,314	1.34%	0.39%	9,990	1.03%	0.25%
Health				50,783	5.56%	1.66%	59,877	6.03%	1.74%	60,430	6.24%	1.49%
Occupational safety and health *2				5,375	0.59%	0.18%	5,001	0.50%	0.15%	5,490	0.57%	0.14%
Education				554	0.06%	0.02%	551	0.06%	0.02%	912	0.09%	0.02%
Culture				0	0.00%	0.00%	0	0.00%	0.00%	0	0.00%	0.00%
Professional training and development				4,247	0.46%	0.14%	5,527	0.56%	0.16%	3,693	0.38%	0.09%
Daycare centers or daycare assistance				1,949	0.21%	0.06%	2,120	0.21%	0.06%	2,393	0.25%	0.06%
Profit or income sharing				100,375	10.98%	3.28%	70,938	7.15%	2.06%	128,440	13.27%	3.17%
Others *3				8,632	0.94%	0.28%	8,954	0.90%	0.26%	10,357	1.07%	0.26%
Total - Internal social indicators				400,718	44%	13%	464,149	47%	13%	471,463	48.70%	11.62%
3 - External social indicators				Amount (thousand)	% over RO	% over RL	Amount (thousand)	% over RO	% over RL	Amount (thousand)	% over RO	% over RL
Education				11,742	2.02%	0.38%	12,619	2.15%	0.37%	10,666	1.16%	0.26%
Culture				3,265	0.56%	0.11%	2,113	0.36%	0.06%	3,519	0.38%	0.09%
Health and sanitation				2,537	0.44%	0.08%	2,095	0.36%	0.06%	4,218	0.46%	0.10%
Sports				16,950	2.92%	0.55%	16,611	2.83%	0.48%	11,815	1.28%	0.29%
Fighting hunger and food security				48	0.01%	0.00%	48,050	8.17%	1.39%	6,508	0.71%	0.16%
Others				58	0.01%	0.00%	60,050	10.21%	1.74%	64,572	7.01%	1.59%
Total contributions to society				34,600	5.96%	1.13%	141,538	24.08%	4.11%	101,298	11.00%	2.50%
Taxes (excluding social charges)				553,986	95.40%	18.13%	463,494	78.84%	13.45%	573	0.06%	0.01%
Total - External social indicators				-519,386	-89%	-17%	605,032	102.91%	17.56%	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				10,772	1.86%	0.35%	13,939	2.37%	0.40%	15,572,425	1691.28%	383.76%
Investment in external programs and/projects				136	0.02%	0.00%	114	0.02%	0.00%	103,761	11.27%	2.56%
Total environmental investments				10,908	1.88%	0.36%	14,053	2.39%	0.41%	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.				2018		2019		2020	
5 - Staff indicators				2018		2019		2020	
Number of employees at the end of the period				4,861		4,754		4,972	
Number of hires in the period				940		547		678	
Number of outsourced employees				521		560		519	
Number of interns				84		84		71	
Number of employees over 45 years of age				924		927		910	
Number of women working in the company (internally)				1,226		1,234		1,359	
Number of women working in the company (externally)				326		293		287	
% of management positions held by women (internally)				53.91%		50.30%		51.00%	
% of management positions held by women (externally)				1.96%		2.13%		2.00%	
Number of black individuals working in the company				967		1,022		223	
% of management positions held by black individuals				6.43%		5.09%		2.00%	
Number of individuals with disabilities or special needs				166		160		155	
6 - Relevant information regarding the practice of corporate citizenship				2018		2019		2020	
Ratio between the highest and the lowest salary in the company				69,93		69,89		69,89	
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)	(x) directors and managers	() 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: 6,321	at the Consumer Protection and Defense Autarchy (Procon) 0	in Court: 3
% 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: 99.2%	at the Consumer Protection and Defense Autarchy (Procon) 0%	in Court: 0%
Total added value to be distributed (in BRL thousand):				In 2018: 2,111,984		In 2019: 2,231,501		In 2020:	
Distribution of added value (DVA)				33% government 41% employees 10% shareholders 3% third parties 13% withheld		29% government 41% employees 10% shareholders 5% third parties 13% withheld		28% government 36% employees 10% shareholders 5% third parties 21% withheld	
5 - Staff indicators									

1 - In the "Food" field, the following expenses are considered: Meal and Food Vouchers, Employee Meals.
2 - Investments in occupational safety and health; costs of personal protective equipment and the fire network (Itapevi) are considered.
3 - The figures refer to the sum of the amounts allocated to parking, life insurance, transportation vouchers, fuel and charter expenses.

4 - Investments include payroll for the Environmental Management area.
5 - 20% of the total investment amount corresponds to the Itapevi Water Reuse project and was disbursed in 2009 and 2010. As the Project was inaugurated in 2011, the company chose to report such investment in this report.
6 - Considers black and brown individuals.



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