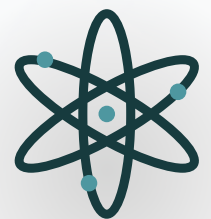




Sustainability  
Report

2022





# Contents

01

Words from the President

02

Reporting Parameters

03

Our Company

04

Corporate Governance

05

Strategy

06

Human Capital

07

Clients

08

Caring for the environment

09

Community

10

Suppliers

11

GRI content index

## Words from the President

It is with enormous pride that I submit this seventh **Sustainability Report** of Laboratorios Richmond, where we reaffirm our commitment towards our stakeholders and we present the results of the economic, social and environmental impacts of our company.

2022 has indeed been a year of challenges and re-adaptation: we walked the path towards a new social and occupational normality because of the pandemic progressively tapering off. We were also affected globally by an armed conflict that became ever more present along the year and that affected multiple sectors.

For Laboratorios Richmond it was a year of transformation, growth and hard work: we continued persistently our path towards biotechnology, we redefined the organizational structure to get ready to boost our position regionally and globally. In addition, we never moved away from our work plans.

As to our achievements, I would like to point out the fact that we have honored all the deliveries of the Sputnik V vaccine committed in the agreement between States. This fills us with joy for having supported our country at a moment of pressing health related needs and because it allowed us to develop an enormous capacity in the investigation and manufacturing of vaccines.

Given the global context mentioned above, we discontinued the technology transfer agreement for the **Sputnik V** vaccine. This pushed us to develop new alliances, which will provide solid ground for the progress of the Proyecto **V.I.D.A.** (installation and commissioning of a biotechnology plant to manufacture vaccines and biotechnological products). In line with this, we signed an agreement with the pharmaceutical company **CanSino Biologics** in October. This agreement will enable the transfer of different technological platforms, which will allow us to manufacture vaccines to prevent different diseases locally in Argentina.

It also fills us with pride to have witnessed to the commissioning of the High Potency Production Unit (UPAP, acronym in Spanish). This new plant grants us the capacity to manufacture high potency solid oral forms, indicated mainly for oncological and multiple sclerosis treatments. Together with all the growth of investments and infrastructure, we also started using a new information management system (**SAP**) to help us evolve in our work methods and take our processes to the highest standards in the industry.

Our purpose of making innovative products available to patients is more tangible than ever: In 2022, we launched three products: **TRI-ZEVUVIR**<sup>®</sup>, which offers a full



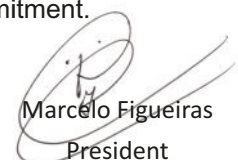
therapeutic treatment in a single daily tablet for patients with HIV. We also launched two molecules belonging to our Oncology Line, indicated mainly for the treatment of patients with advanced renal cell carcinoma: **IDARRUX**<sup>®</sup> and **CIDEBIN**<sup>®</sup>.

In 2022, we continued with our social impact activities through the Sadosky Scholarships, our Internship programs and providing instruction to more than 123 students attending the Educational Laboratory "Jorge Di Pascuale" of UMET.

We hope to expand the training spaces in 2023, keeping the same commitment to the quality of the educational offer provided since the beginning of the activities.

In Laboratorios Richmond, our commitment goes beyond the health care; we reinforce our bonds with the education and the community.

I invite you to read this report, which is also a way of making visible and express my appreciation for the work of each one of the members of Laboratorios Richmond in their daily work. These words of thanks also go to each one of the stakeholder groups that accompany us and show us their unwavering commitment.



Marcelo Figueiras  
President

## Reporting Parameters

This Sustainability Report was drafted in compliance with the Global Reporting Initiative (GRI) Standards, the Sustainable Development Goals (SDG), the United Nations Global Compact and the ISO 26000 Standard. It covers the January 1, 2022 – December 31, 2022 reporting period.

The information included in this report covers only the data from the subsidiary included in the Consolidated Financial Statements of Laboratorios Richmond SACIF Argentina.

The issues presented in this document give a response to the information expectations of the main audiences with whom we interact. The document is based on an internal analysis of the information received by the Company through a wide range of communication channels established with its stakeholders.

We have not identified the existence of major limitations in terms of the scope or the coverage of the report. No significant effects in the expression of the information with respect to previous years were observed either, with the exception of specific clarifying remarks included along the report.

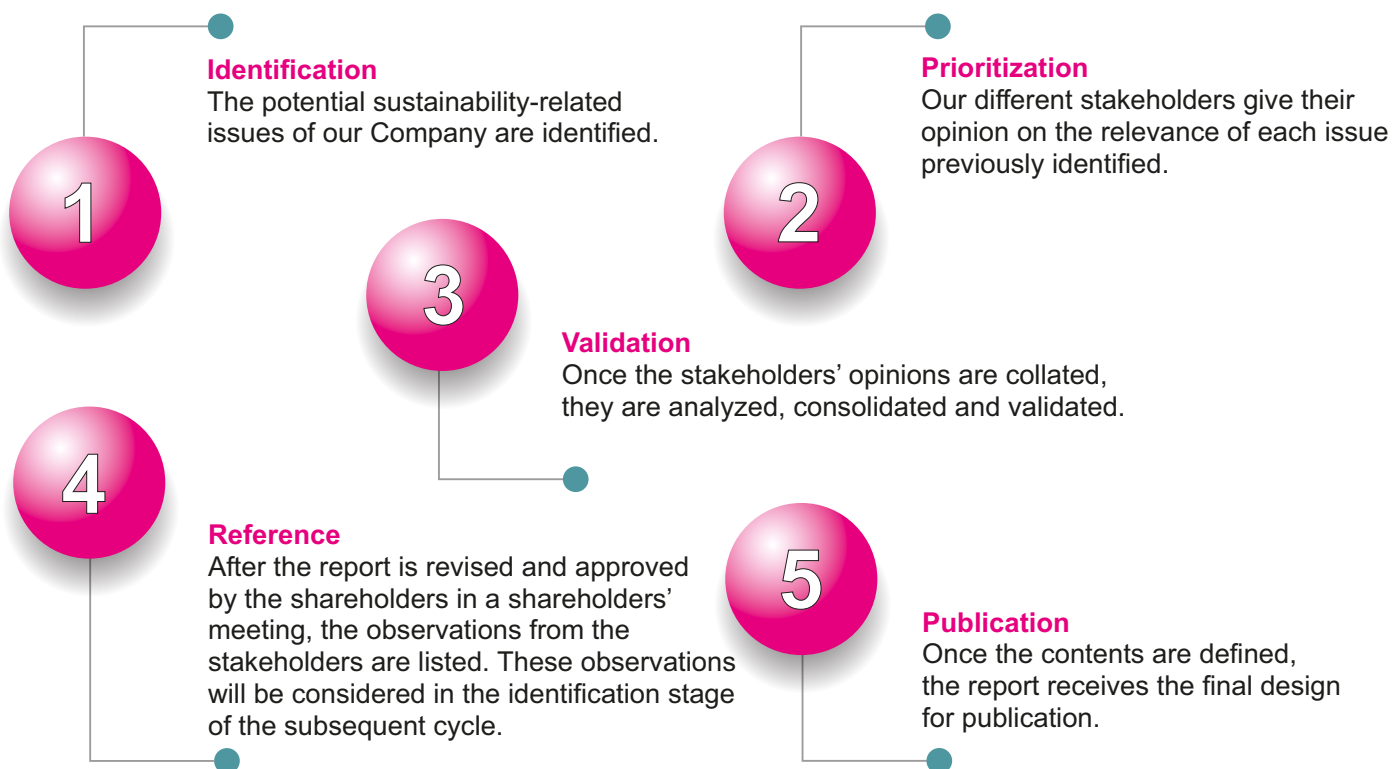
Although the information contained in this report is not verified externally, many of the processes we present here have been certified by independent third parties against renowned international standards, for the seventh year in a row now.

In compliance with the current rules, the text of this 2021 Sustainability Report was approved by the Board of Directors of the Company, according to the minutes of March 9, 2023.



## DEFINITION OF THE CONTENTS

This report covers the major economic, environmental and social impacts of the Company that have a significant influence on the evaluations and the decisions of its stakeholders. The process used to draft this report consists of the following stages:



## IDENTIFICATION AND DIALOG WITH STAKEHOLDERS






We work both to improve the patients' quality of life and to enhance local communities. We do so by cementing long-term relationships with our stakeholders and by creating dynamic environments based on mutual dialog.

The process of stakeholder identification is made based on the principle of inclusion of the Stakeholders based on the Global Reporting Initiative and the AA1000SES Accountability standards. They cover five dimensions:



## STAKEHOLDERS' PARTICIPATION

Resulting from the previous exercise, we identified the following stakeholders and defined the channels of communication and dialog for each one.

GROUP	COMMUNICATION AND DIALOG CHANNEL
 <p><b>SHAREHOLDERS</b></p>	<p>Annual report and financial statements. Shareholders' meeting. Events and meetings. Press releases. Sustainability report. Website geared to investors.</p>
 <p><b>COLLABORATORS</b></p>	<p>Intranet, corporate e-mail distribution lists and noticeboard in workspaces. Training opportunities, communications meetings, performance assessment and different benefits for the personnel.</p>
 <p><b>TRADE UNIONS</b></p>	<p>Participation in recurring and ad hoc meetings with the delegates of all the trade unions our labor force belong to: AAPM (Medical Sales Representatives Union) and ATSA (Health Workers of Argentina) unions.</p>
 <p><b>ENTITIES</b></p>	<p>Participation in governmental and private associations. Meetings with national, provincial and local authorities and business chambers.</p>
 <p><b>CLIENTS</b></p>	<p>Contact with physicians, nurses, health-care institutions (hospitals, clinics and private health-care institutions), pharmacies, drug wholesalers and associations grouping and representing them. Face to face promotion, visit to professionals, outreach sessions ("ateneos"), meetings, business meetings, events and collaboration with different public and private health-care entities.</p>
 <p><b>PATIENTS</b></p>	<p>Patient assistant center. Toll free telephone line. Social media and corporate web page.</p>
 <p><b>COMMUNITY</b></p>	<p>Richmond Foundation: Training programs in schools. Interaction with local authorities. Participation in social initiatives. Direct contact with various NGOs.</p>
 <p><b>SUPPLIERS</b></p>	<p>Corporate web page. Fairs and exhibitions. Sustainability report.</p>



## Our Company

We are a regional pharmaceutical company based in Argentina. We are committed to excellence and to continuous improvement supported by our 87 years' experience in the development and production of quality pharmaceutical products with a human added value.



### OUR VISION

We work with the aim that health-care is not a privilege. We facilitate an equitable access to high quality therapeutic solutions, including the ones with high market value.

### OUR MISSION

Our mission is to be a competitive, flexible and technologically innovative pharmaceutical company evidencing a sustained growth in the local and in international markets.

To build a work team whose efforts and professional competence are geared to providing quality products and services of excellence and with the highest quality.

To contribute to the development of our community by being a profitable and responsible company.



### OUR VALUES

We are a work team for whom health-care takes precedence over business.

Our commitment to quality and service improves the wellbeing of patients and brings ease of mind to physicians and institutions.

Our professional and individual development goes hand in hand with the development of our company.

Our company's development contributes to the improvement of our community.

Our profits derive from activities that benefit the society.

We are proud of what we do. While we change to get better, our values remain unchanged.





## RICHMOND'S NUMBERS IN 2022

AR\$

**17.777** (M)

**Domestic Sales**

US\$

**3,9** (M)

**Sales Abroad**

AR\$

**1.948** (M)

**Investment Activities**

**International Presence**

**24 countries**



**7** subsidiaries: Argentina, Colombia, Chile, Paraguay, México, Perú y Suiza

**22** strategic partners in the rest of Latin America, Africa, Asia and the Middle East

**Payroll**

**445**



**60%** in R&D, Production, Quality Control and Engineering

**Marketing Authorizations**

**346**

## OUR OPERATIONAL STRUCTURE

The set of specialized functional units in charge of merging all processes and activities necessary to achieve the goals of the organization was adapted this year to accompany the company's expansion plans. The organization is as follows:

### 1 Corporate Management:

**Vice president  
of the Board  
of Directors**

**Executive Director** - *Laboratorios Richmond*

**Director of Scientific and Technical Affairs** (*it includes the following functions: Development of New Products and Markets, Engineering, Production Support, Biotechnological Projects and Medical Affairs*)

**Legal Affairs Department**

**Corporate Finances Department**

**Department of Human Capital and Communications**

**Department of Institutional Relations**

## 2. Operational Organization - Laboratorios Richmond

**Executive Director - Laboratorios Richmond:** Member of the Board of Directors and the highest authority in the operational management, with the following reporting lines:



**Sales** consists of the departments of Medical Promotion and Sales, Tenders and Sales Administration, Commercial Planning, Marketing and Market Access.



**International Trade** is divided into the Latin American Region and the Rest of the World.



**Operations** covers all the activities involving the production process through the Productive Units, Maintenance, and EHS.



**Legal Affairs and Intellectual Property**



**Quality Assurance / Technical Direction** covers Quality and Standards Compliance / Technical Direction



**Finances** includes Treasury, and Credits and Collections.



**Administration** includes Accounting, Budgeting and Control, Taxes, Costs, Payments to Providers and Foreign Trade.



**Procurement** covers Production and Non-Production Procurement.



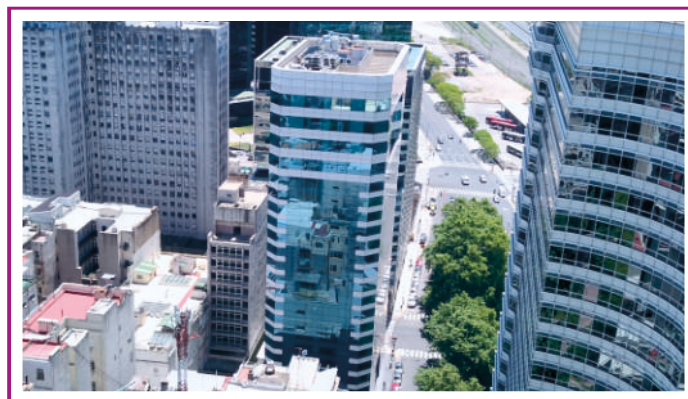
**Human Capital** involves the management of Human Capital, Labor Relations, Administration and Services to Employees.



**Information Technology (IT)** covers issues connected with information technology security, technology and digital transformation.

## OUR PREMISES AND OPERATIONS

Our headquarters are located at Bouchard 680 in downtown Buenos Aires, where the following areas of the company are based: the Corporate Team, the Executive Director together with the departments of Administration, Finances, Sales, International Businesses, Procurement, Medical Affairs, Regulatory Processes, Legal Affairs, and Human Capital and Communications.



The three-floor building located at Elcano 4938 in La Paternal neighborhood of the city is home to the departments of Development, Quality Control and Biotechnological Projects.



Our manufacturing plants are located at Pilar Industrial Park, in Fátima, Pilar District. It covers a six-hectare plot of land with a built surface area of approximately 15,000 square meters for different activities. Out of the total built surface area, 7,400 square meters belong to two production units in activity: one of them is dedicated to the manufacture of general oral solid pharmaceutical forms. The second one is used to manufacture high activity solid oral forms, which started operations in 2022. There is also a pavilion, where the new plant to manufacture biotechnological products and vaccines is currently being built (see “Proyecto VIDA”).



In addition to the Production Units, the departments of Quality Assurance, Standards Compliance, Technical Direction, Logistics, Planning, Engineering Projects and Plant Engineering, Operations Department, Human Capital, IT and EHS are all based there.



## OUR INTERNATIONAL PRESENCE

We sell the products developed in Laboratorios Richmond in 24 countries in Latin America, Africa, Asia and the Middle East. Our presence becomes more effective through subsidiaries or strategic partnerships with renowned companies and pharmaceutical companies in each country. All this gives international relevance to the product lines we manufacture.

### Companies of the Group

Argentina	Laboratorios Richmond S.A.C.I.F. Laboratorios Richmond División Liofilizados S.A.	Buenos Aires Buenos Aires
Colombia	Laboratorios Richmond Colombia S.A.S.	Bogotá
Chile	Laboratorios Richmond Chile Ltda.	Santiago de Chile
Paraguay	Medicine S.A.	Asunción
México	Laboratorio Richmond México S.A.	México
Perú	Laboratorios Richmond Perú S.A.C.	Lima
Suiza	Richmond Lab S.A.	Quartino
Uruguay	Compañía Inversora Latinoamericana S.A.	Montevideo

### Latin America – Strategic Partners

Bolivia	D.I.M. S.R.L.	La Paz
Brasil	Gador do Brasil Com. de Prod. - Farmacéuticos Ltda.	San Pablo
Ecuador	Gykormed S.A.	Quito
El Salvador	Droguería Farmavida S.A. de C.V.	San Salvador
Guatemala	Supharma S.A.	Guatemala
Honduras	Lamfar S. de R.L. de C.V.	Tegucigalpa
México	BIRMEX S.A. de C.V.	México D.F.
Costa Rica	Zubizu S.A.	San José
Panamá	Sumerian Pharma LLC	Panamá
Rep. Dominicana	Sued & Fargesa S.R.L.	Santo Domingo
Uruguay	Ebromar S.A. - Megalabs S.A.	Montevideo
Perú	Grey Inversiones S.A.C.	Lima

### Rest of the World – Strategic Partners

Argelia	EURL P.C.M.	Algiers
Filipinas	Unilab Inc.	Manila
Líbano	Mediterranean Pharmaceutical Company	Beirut
Pakistán	Haji Medicine Co.	Rawalpindi
Siria	Oubari Habboush Pharma	Aleppo
Sudáfrica	Key Oncologics (Pty) Ltd.	Johannesburg
Tailandia	Schumit 1967	Bangkok
Túnez	M.A.B. Pharma	Tunis
Vietnam	Duy Tan Pharma	Ho Chi Minh City

## OUR GROWTH PLAN

### CONSTRUCTION OF THE NEW BIOTECHNOLOGY PLANT



The biotechnology plant to manufacture vaccines and biotechnological products is under construction / installation. It was designed to be one of the most modern plants in the region, with an estimated start of operations in 2023.

This plant is being built in the framework of a trust, “Proyecto V.I.D.A”, incorporated in 2021 with a capital of USD 85 million, raised through the participation of 60 institutional investors, from both the private and public sectors. The plant will have the capacity to manufacture the full cycle of recombinant and adenoviral vaccines, as well as state-of-the-art recombinant biotechnological products.

The plant will give the possibility to provide an industrial application to research and development projects conducted by Argentine scientists. It will also provide services to other foreign companies to be able to substitute imports in the region.

Likewise, it will create highly skilled Jobs and the possibility to offer employability to many young professionals.

### HIGH POTENCY PRODUCTION UNIT



The High Potency Production Unit (UPAP, acronym in Spanish), opened in late 2021, has a total surface area of 1,800 square meters. It has a capacity to manufacture next generation products (high potency solid oral forms), prescribed mainly for oncological treatments or for the treatment of multiple sclerosis. The new production unit complies with high quality standards to ensure the safety of the operators and the environment. Due to their features, products manufactured in this production unit are the most advanced and they contribute with import substitutions, since they can be exported to countries having stringent regulatory requirements.

Laboratorios Richmond continues working towards the accomplishment of the health sovereignty in the country, ensuring accessibility by patients to quality treatments, and the creation of new jobs.

### **LOCAL MANUFACTURING OF THE COVID VACCINE**

The local manufacturing of the COVID vaccine had a positive impact in different aspects:

- It helped us contribute towards the vaccination efforts in our country in a moment with severe difficulties in the procurement of vaccines and in the midst of a wave of contagions.
- It allowed us to develop knowledge regarding adenovirus-based vaccines and to leave installed capacity, which helped us obtain the Convidecia<sup>®</sup> license.



## Corporate Governance

### BOARD OF DIRECTORS

The Board of Directors is responsible for the administration and decision-making in terms of general policies and strategies, and the business plan in particular. It is composed of 13 members, 9 full members (22.22% female and 77.78% male) and 4 alternate members (100% male). The members were elected by the shareholders at the 2022 shareholders' meeting and they remain in office for three years. The individual candidates' background, competencies and expertise were considered for the election of the members. As evidenced above, with the election of the new members of the Board of Directors the participation of female directors increased with respect to previous years.

The directors are responsible for establishing the annual budget of each area of the Company and the general budget of the Company establishing the investments to be made, risk identification, mitigation and management, controlling the IT systems and internal controls, and additional executive functions associated with the administration of the Company, among other issues.

Additionally, and within the context of our Corporate Social Responsibility, the Board of Directors has the power to establish the initiatives to protect the environment and also implement social initiatives, fostering an ethical and transparent corporate and labor-related behavior, both in our relationship with clients and suppliers and with the consumers and competitors, among other stakeholders.

Because of all these aspects, the Board of Directors has to approve the text of each Sustainability Report and draft the corresponding entry in the book of board meeting minutes, which is included as a separate Annex, together with the fiscal year accounting documents. These documents are subsequently posted on the websites of the Autopista de Información Financiera (AIF) and ByMA (Bolsas y Mercados Argentinos) at the same time it is issued for the general public.

### AUDIT COMMITTEE

In compliance with the provisions of the Law of Capital markets, Laboratorios Richmond's Board of Directors has an Audit Committee made up of three full members and two alternate members. Most of them are independent. This committee assists the remaining members of the board to fulfill their executive responsibilities, such as overseeing the financial processes, the internal control system and audit processes. It also verifies compliance with the processes in place to abide by the applicable laws, regulations and the Code of Ethics.



To comply with its mission, the Audit Committee is sufficiently empowered and independent to conduct investigations within the scope of its remit and to hire legal and accounting advisors, among others. The independence of the Audit Committee enhances the corporate governance and the internal control.

## CODE OF ETHICS AND CONDUCT

This code applies to all collaborators, irrespective of their position. Laboratorios Richmond firmly stands for compliance with the standards and ethics in business. By complying with the Code, we support the values of our Company and enhance our products. We also ensure the trust of patients, business partners, suppliers and regulatory agencies.

As a prevention measure and with the aim of detecting non-compliances with the legal and corporate standards in the company, the Human Capital area makes available the “Ética Empresarial” (Corporate Ethics) link in the company’s in-house portal. Our employees can anonymously report any breach to the Code of Ethics.

This method allows an increased efficiency and efficacy in compliance across the organization. All members of the staff receive training on the use of these mechanisms when they are hired.



## CORPORATE GOVERNANCE

In July 2022, the Comisión Nacional de Valores (CNV – National Securities Commission) informed us of their decision issued in the framework of the follow up of the report of the Corporate Governance Code corresponding to the 2021 fiscal year.

Note that with the aim of promoting a committed corporate governance adapted by the Directors to the specificities of each company, the CNV approved the Corporate Governance Code by means of general Resolution number 797 of 2019. The aim of the code is for corporations to provide clear and sufficient responses in the report so that investors, stakeholders and the public in general may have a thorough knowledge of the way in which corporations implement these practices, and if they fail to implement them, to present the motives.

In that process, Laboratorios Richmond SACIF was randomly selected by the Comisión Nacional de Valores to undergo a permanent audit on the Corporate Governance report drafted by the Company, covering fiscal years 2019, 2020 and 2021.

It is worth mentioning that the evaluation corresponding to the 2020 fiscal year was assessed as “Very Good” for all the responses provided by the Company. This means that they were considered to be satisfactory and did not prompt any significant observation by the entity.



## CORPORATE RELATIONS

**Patricio Carballés**, Director of Legal Affairs, was recognized as one of the best in-house lawyers in Argentina at the “The Legal 500 GC Powerlist 2022” annual edition, for his professional experience.



## 58° COLOQUIO DE IDEA - 2022

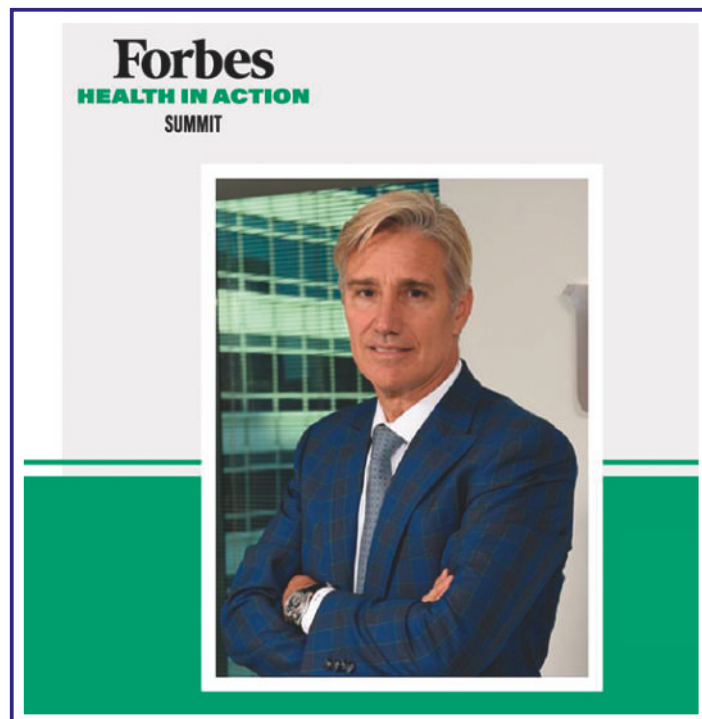
As part of our interaction with different entities, and with the aim of establishing solid bonds within business associations, **Laboratorios Richmond** was a sponsor of the **58° - Coloquio de Idea - Ceder para Crecer**, held in the city of Mar del Plata on October 12th-14th. Juan Manuel Artola, Vicepresident of the Board of Directors and Marcela D’Assaro, Regional Director of Human Capital and Communications, participated in representation of the company in the different sessions and round tables.

It is worth mentioning that this is one of the most relevant events in the Argentine business community. It gathers all the sectors that make up the economic and social ecosystem in the country (businesspersons, trade unions, government authorities, researchers, among others) and it is geared to analyzing and challenging the macro-trends that have a local and global impact on organizations.



## FORBES ARGENTINA HEALTH IN ACTION SUMMIT

This relevant event for the health-care sector took place on Tuesday, March 29. Marcelo Figueiras, President of Laboratorios Richmond made a presentation on the role of biotechnology and the importance of its development and Argentina’s potential as a scientific hub in the region. Likewise, he summarized the progress of the Proyecto V.I.D.A, regarding the construction of a new plant to manufacture biotechnological products and vaccines.



## FUNDACIÓN HUÉSPED ADHESIÓN A LABOR POSITIVA

At Laboratorios Richmond, we know that each collaborator performs a key task and we want to continue creating spaces where science and technology come together and where our professionals can shine without fear or stigmas. With that in mind, we joined #LaborPositiva, an initiative that engages companies and organizations to create work environments free from discrimination towards persons with HIV. Once again, we are working together with **Fundación Huésped**, who brought the global program **#workingpositively** to Latin America. This program was created by SAP and IBM together with different NGOs. It has also the support of UNAIDS.



Marcela D’Assaro, Director of Human Capital and Communications leads this initiative at a national level, representing our company and making available to our employees different training programs and activities related with the elimination of HIV-related stigmas, and ensuring that all the management processes involving human capital comply with non-discrimination rules.

## CPHI 2022 - FRANKFURT

Laboratorios Richmond was present at the CPHI (Convention of Pharmaceutical Ingredients) held in Frankfurt, Germany, November 1 through 3rd. We are proud to be part of the biggest event of the

pharmaceutical industry. We discovered trends in pharmaceutical product manufacturing, procurement and supply chain, sustainability and bioprocessing.

In addition, we also had the pleasure of meet the team of Cansino Biologics Inc, with whom we signed an agreement to manufacture and sell different vaccines in our country.

During the three days, we succeeded in exchanging knowledge with colleagues from the international pharmaceutical industry, expand and strengthen our list of suppliers and clients, and show all our capacity to develop, manufacture and sell high quality products. It was a great opportunity to share work-related issues and breakthroughs in science.



## BIOTECHNOLOGY

We participated at **BIO2022**, the largest biotechnology convention in the world, held in San Francisco, California, in June 2022.

Eduardo Orti and Nahuel Fernández represented **Laboratorios Richmond** in our exhibition stand, as part of a group of companies that make up the Argentine Chamber of Biotechnology.

We presented our new plant to manufacture biotechnological products and vaccines in this event. We also participated in BioArgentina 2022, an event that connects researchers, entrepreneurs and leading companies with the aim of boosting biotechnology in the country and in the region. It was an opportunity to listen to entrepreneurs and representatives of biotechnology companies



working in the agricultural, health and food sectors. The capacity and the collaboration of our scientific-technological-industrial system and our entrepreneurial dynamism were highlighted in the event. The participation of women in management position in new startups was also noted.

# Strategy



Our strategic vision stands on three key pillars supported by our 87-year-old history: Value, Access and Sustainability.



We create and offer **VALUE** through the products we develop, manufacture and sell. Our multidisciplinary team, science and technology, and the commitment to excellence and continuous improvement are the foundations our products have to meet the needs of our clients.

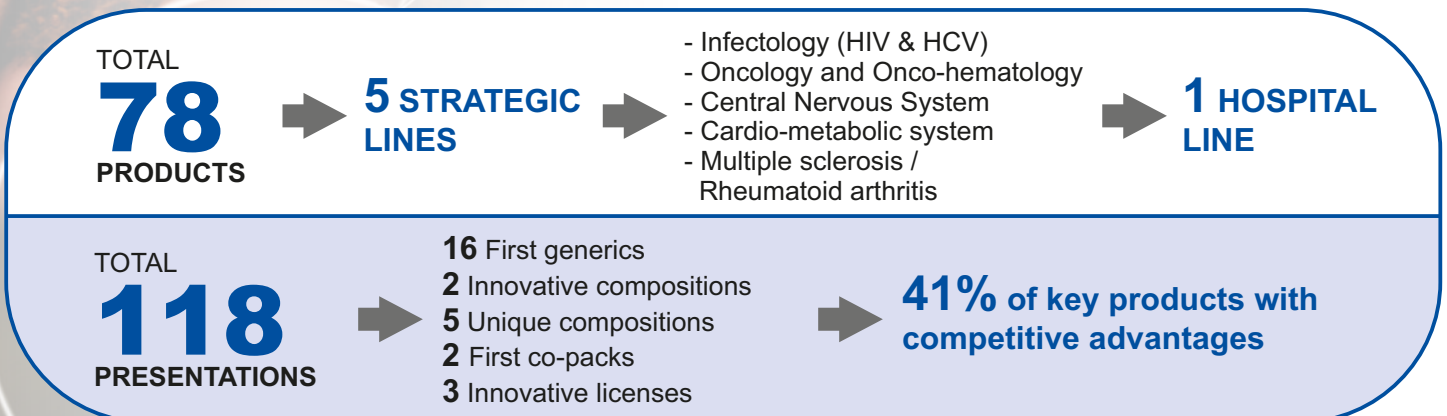


We work to facilitate the **ACCESS** by all sectors of the population to efficient and safe pharmaceutical treatments. To that end, we strive to launch the first generic pharmaceutical product or biosimilar products, we develop products improving treatment adherence and we provide innovative therapy options through licenses.



The **SUSTAINABILITY** of our Company is driven by our efficient performance in the economic, social and environmental areas thanks to the commitment to our work team, our way of creating value, our contribution to the community and its health-care system and with our own contribution to caring for the environment.

## OUR PRODUCTS



## Products suitable for people suffering from celiac disease

As a part of our commitment to offer effective, safe and accessible products for all the population, 49 solid pharmaceutical forms (tablets or capsules) do not contain starch in their formulations. These products are gluten free thus making them suitable for people with celiac disease. These products show the “Gluten Free” label on their packaging.

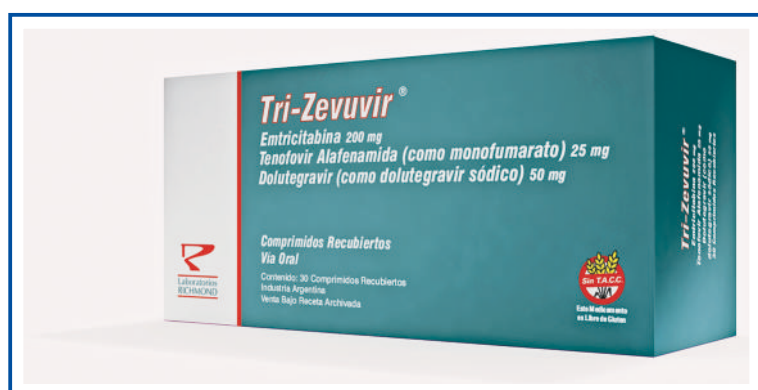


## Treatment adherence

A pharmaceutical product is effective not only because of its quality, but also because of the patient's adherence to the treatment, that is, that the medication is taken as prescribed. On several occasions this is not achieved because of the difficulty posed by multiple treatments, various daily intakes or dosing problems.

In Laboratorios Richmond, we work to help achieve treatment adherence by developing fixed-dose combinations (two or more active pharmaceutical compounds in a single tablet), multi-dose presentations and co-packs. Additionally, the fact that several conditions or diseases carry a social stigma prompted us to use a special packaging so that individuals may take their treatment medication in full privacy. That aspect is coupled with a user-friendly packaging to transport and take the medication when needed, ensuring the product preservation and quality.

## LAUNCHES



In Laboratorios Richmond, we continue to innovate to provide medication to treat HIV. We launched **TRI-ZEVUVIR®**, a pioneering combination on the market. The product combines Dolutegravir with Emtricitabine and Tenofovir AF, offering a comprehensive therapeutic treatment using a single daily tablet. The tablet is smaller and easier to swallow, and it can be taken at any moment during the day, with or without food. This ease

of administration encourages treatment adherence; patients can easily stick to the treatment, thus contributing with the strategy adopted by UNAIDS.

The treatment with this medication can be started immediately in recently diagnosed patients, and due to its safety and efficacy, it may be taken during pregnancy. Likewise, it provides long-term safety with a decreased kidney and bone damage in comparison with other products. Because of all these advantages, the single fixed dose combination offered by **TRI-ZEVUVIR®** is recommended by the American guidelines and the guidelines of the Argentine Society of Infectology for use as a first line treatment against HIV.

**TRI-ZEVUVIR®** is presented in a box containing 30 coated tablets, each containing Dolutegravir 50 mg, Emtricitabine 200 mg and Tenofovir AF 25 mg.



We also added two important molecules to our already extensive Oncology Line, both indicated mainly for the treatment of patients with advanced renal cell carcinoma. This is the most frequent type of kidney cancer: in Argentina approximately two thousand cases per year are diagnosed, which means five new cases per day on average.

The two active ingredients are tyrosine kinase inhibitors targeting the vascular endothelial growth factor receptor: they selectively block the action of

an abnormal protein, which stimulates the multiplication of cancer cells thus contributing to delay or stop the spread of the disease.

**IDARRUX**® contains Axitinib 1 and 5 mg, and is presented in boxes containing 60 coated tablets to

be administered orally. The tablets are swallowed whole with a glass of water, with or without food, at approximately the same time twice a day.

**CIDEBIN**® is administered orally and the presentations contain Cabozantinib 40 mg and 60 mg, in boxes containing 30 coated tablets.

With the launches of **IDARRUX**® and **CIDEBIN**®, we make available two kidney cancer treatment options to specialists and the health care system to provide an improved quality of life of patients.





## Human Capital

We reaffirm our commitment to create a fair, agreeable and respectful work environment, which enables the professional and individual development of all collaborators. The vision, values and the sense of purpose bind the organization, and allow our collaborators to understand and absorb the mission and the challenges of the Company.

### Total payroll broken down by gender

Gender	Year				
	2018	2019	2020	2021	2022
Female	146 40%	147 40%	151 37%	170 39%	167 37%
Male	219 60%	220 60%	253 63%	263 61%	278 63%
Total	365	367	404	433	445
Evolution	+1,10%	+0,50%	+10,10%	+7,17%	+1,15%

### Personnel turnover rate

New hires: 48	Outgoing employees: 43	Resignations: 17	PTR: 0,69%
		Agreements: 25	
		Contract expiration: 1	
Reason for Hiring	Substitution	38	79%
	New Position	10	21%
	Reinforcement	0	0%
Hiring	No Fixed Term	44	92%
	Internship	4	8%

### Employees broken down by seniority (in %)

Seniority	2019	2020	2021	2022
1 - 5 years	50%	52%	53%	45%
6 to 10 years	31%	25%	24%	22%
11 to 20 years	15%	18%	19%	26%
More than 20 years	4%	5%	4%	6%

### Employees broken down by geographical area (in numbers)

<b>TOTAL</b>	<b>445</b>	Santa Fe	4
Buenos Aires	275	Mendoza	2
CABA	145	Tucumán	1
Córdoba	7	Corrientes	2

### REMUNERATION POLICIES

In the case of staff not covered by a collective bargaining agreement, the process to determine the salary evolution consists of two stages. We first take into consideration the estimates of the Consumer Price Index for the following year based on studies by renowned consultants specializing in financial and human capital affairs and we determine a series of salary increases to offset that evolution. Additionally, there are two yearly salary reviews to balance the salary differences with respect to market values, using comparative analysis with market salary indicators of the pharmaceutical industry. In turn, we also monitor the internal equity across the company. There is no difference between the salaries of male versus female personnel; the entry-level salary of men with respect to that of women is the same for each work category.

In the case of collaborators governed by the collective bargaining agreement of Sanidad [Health-care Workers' Union] (42/89), the salary is set according to categories in the bargaining negotiation between the trade union and the Pharmaceutical Industry Business Chamber. Taking this number as a base, Laboratorios Richmond then makes additional payments on top of what is negotiated in the agreement.

In the case of sales representatives and medical promotion representatives, the Bargaining Agreement of APM union (119/75) establishes a fixed amount per month, called the "minimum guaranteed" and additional premiums and commissions based on a pre-defined scheme of targets to be met. These premiums may boost the minimum salary two-fold and even three-fold.

<b>Percentage of total annual salary increase</b>	<b>Unionized</b>	<b>106.48%</b>
	<b>Non-unionized</b>	<b>77.12%</b>
<b>Ratio of total annual compensation</b>		<b>20:00</b>
<b>Ratio of the standard entry-level salary according to gender versus the local minimum salary</b>		<b>2.36</b>
<b>Senior management hired from the local community</b>		<b>100%</b>



## PROTOCOLS IMPLEMENTED DUE TO COVID-19

The Sustainability Reports of previous years covered in detail the COVID-19 related measures we implemented.

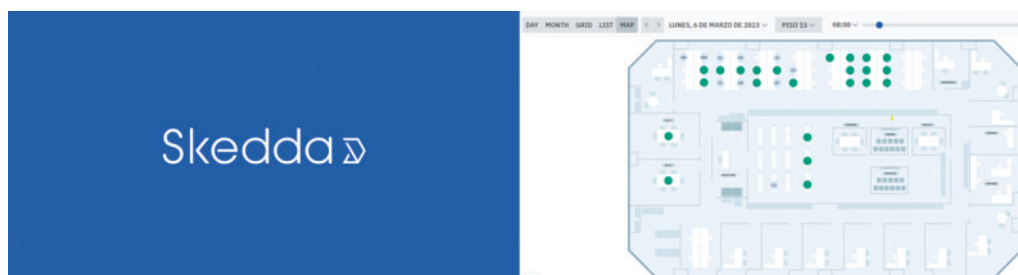
In 2022 and owing to a favorable evolution in COVID cases, protocols have been eased in line with the new provisions issued by the health authorities, the national government and based on the progress of vaccination rates.

To define our work schemes, we considered the new practices on the market, the current regulatory framework, the degree of development achieved at Laboratorios Richmond in terms of remote working and the operation needs of each area or work team.

## HYBRID WORK

We include below the details of the hybrid modality currently in place:

- We implemented a hybrid work system, consisting in alternating in-person vs remote working days. The system is applied to workers whose work features enable this modality. The fifteenth floor of the building is equipped with 42 work stations (there is no possibility of complying with 100% in-person work of all employees at the same time).
- To work in person in the office, each collaborator has to reserve their workstation in advance using a dedicated application called **Skedda**.



- Jointly with its leader, each team defined the work method based on the sector's operational needs, ensuring compliance with the hybrid scheme. To reach a balance between in-person and remote working, we privileged the location from where work becomes more effective.
- Since the means of transportation have been reinstated in all its modalities and without maximum occupancy, we phased out the shuttle service provided by the company.
- Note that this hybrid work modality may be reversed if it is assessed as less effective for the sector, in the event of non-compliances with the work obligations or if new restrictions are reinstated because of an increase in contagion rates.

Since we are still under a pandemic scenario, some measures are still in place: Inside office spaces, the following preventive measures must be complied with:

- Digital thermometers are still in operation at the Reception desk to measure body temperature. Sanitizing gel dispensers continue to be placed in relevant locations with the aim of preventing and detecting cases that may be indicative of the virus.
- In case of having symptoms compatible with those of COVID, the recommendation is that workers should not come to the office, should inform their superior and should get tested. In-person work will return after the full recovery to prevent contagion of any condition.



We know that the possibility of keeping a hybrid working scheme brings about a series of benefits, since it facilitates a work / family and personal life balance and enables other personal activities. Additionally, we highlight other benefits such as:

- It improves the workers' quality of life: they have more time available because they do not have to commute to the office / the plant, and this time can be better allocated to other personal activities.
- It helps reduce the carbon footprint.
- It reduces the transportation costs of the worker from and to their home, thus bringing in savings that improve the income / expenditure ratio.
- It improves the competitiveness of the company in its search for qualified profiles.

## BENEFITS GIVEN TO THE PERSONNEL

Attracting and retaining the best human talent is a critical issue to boost our competitiveness. We recognize the importance of having the best in our team. To keep the high levels of satisfaction and motivation we offer the following corporate benefits to all our collaborators. There is no difference in terms of contractual modality.



**Health-care insurance:** All collaborators receive a health care plan superior to the plan provided for in their respective collective bargaining agreements. The plan is extensive to the employee's immediate family.



**Richmond Week:** At the end of the year, free days are available to bridge end-of-year holidays.



**Health-care Worker's Day:** One holiday per year is given to all staff, including those not covered by the Health Workers bargaining agreement.



**Richmond Natal:** To enhance the work continuity after childbirth, we allow the worker to start working fewer hours and then stagger them up. We also provide an allowance to cover for day care center or kindergarten expenses.

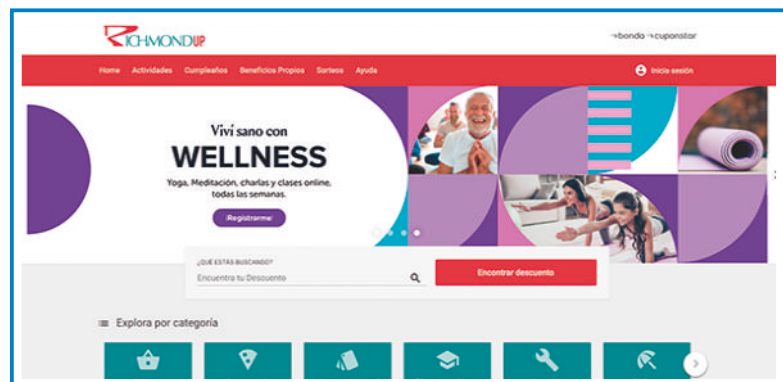
**Paid vacations:** 21 days of paid vacation after the completion of six months of work in the Company.

**In-company canteen:** We provide a reimbursement of lunch expenses per worked day, in line with the collective bargaining agreement of the health-care workers' union. This benefit was also extended to non-unionized personnel.

**Shuttle to and from Pilar plant:** We provide a shuttle service to the personnel to improve their commute. This benefit is provided to all the personnel working in the plant. The cost of the service is covered by the company.

**Special gifts and celebrations:** The gifts for Children's Day, Christmas basket, etc. were discontinued in favor of digital gift cards to address the individual needs of each family and allowing them to freely choose their gift.

**Richmond Up:** It is an application to access discounts in various items, including recreational activities, training options and so on, many of which are made virtually.



## WORK CLIMATE QUESTIONNAIRE

We launched the Work Climate Questionnaire in May. It seeks to measure the perception and opinion on different aspects that influence our work environment. The results allowed us to design actions to strengthen and improve the wellbeing of all employees.

The questionnaire was made using an application designed by an outsourced supplier, with the aim



of preserving the privacy of the respondents. Participation was voluntary and anonymous. The participation rate of employees in Argentina was 62%.

Five cultural dimensions were measured: Camaraderie, Credibility, Impartiality, Pride and Respect. Pride and Camaraderie were the two aspects with the highest perception rate, 93% and 91% respectively. Respect was the

area with the lowest score (79%) which, even if it is a positive result, it requires specific actions. The results were presented to the employees in different forums and meetings, and the debate was opened in the form of focus groups to better understand the responses to the questionnaire. The next evaluation will take place in 2024.

## TRAINING

In Laboratorios Richmond we continue providing multi-media and interactive training opportunities. They enable the ongoing training of the personnel in the tasks they perform in their respective fields of work, as well as the periodic evaluation of the knowledge acquired through the on-line platform and during the daily execution of their activities. The training opportunities cover all the areas of the Company. The subjects taught are varied and encompass both general subjects and specific activities of the pharmaceutical industry.

Year	Number of hours worked	Payroll	Number of employees trained	Total hours of training given	Training rate
2019	2.304	378	170	1.000	20%
2020	2.000	404	117	1.994	29%
2021	2.000	433	180	1.113	24%
2022	1.980	445	100	2.000	23%

## INTERNAL COMMUNICATION CHANNELS

In Laboratorios Richmond, we foster teamwork and promote in-company bonds based on mutual respect and trust, and through a fluid communication with the personnel. Our internal daily management allows us to transmit the values, objectives and challenges of the company openly and continuously across all hierarchical levels. In line with our corporate identity, we communicate the information on changes, processes, developments, product registration and launches, as well as news in general. We also support the queries of our internal audiences. To optimize and update the information exchange channels we incorporated new technological tools.

- Corporate intranet
- Corporate e-mailing list
- TuRecibo.com platform
- 24 hour Human Resources WhatsApp hotline
- Monthly meetings of sales teams
- Open communications meetings for all Pilar plant employees on the three shifts
- Coordination meetings for Chiefs, Managers and Directors



We share relevant news and legal notifications requiring the digital signature of the employee on our intranet portal as well as in the communications to the personnel section of the **TuRecibo.com** platform.

## OCCUPATIONAL HEALTH AND SAFETY

FREQUENCY INDEX	2019	2020	2021	2022
$\frac{\text{Injured workers} \times 1.000.000}{\text{Hours worked}}$	$\frac{20 \times 1.000.000}{788.400}$	$\frac{26 \times 1.000.000}{868.320}$	$\frac{25 \times 1.000.000}{972.000}$	$\frac{14 \times 1.000.000}{943.920}$
	25,3	29,9	25,7	14,8

ÍNDICE DE PÉRDIDA	2019	2020	2021	2022
$\frac{\text{Lost time days} \times 1.000}{\text{Workers exposed}}$	$\frac{168 \times 1.000}{365}$	$\frac{402 \times 1.000}{404}$	$\frac{381 \times 1.000}{450}$	$\frac{131 \times 1.000}{437}$
	4,6	10,0	8,4	2,9

We continued with the downward trend in the number of injuries in 2022.

In this period, there is a decrease in work-related injuries or worsening of conditions, without severe accidents of any kind.

In this way, we will continue with our prevention and training plans with the aim of raising awareness of the importance of having a safe behavior in the workplace in all areas as part of a healthy culture and an appropriate management of work related risks.

### Year-end lunch celebration

To close the year, we organized a lunch to share with all the team of Laboratorios Richmond. The aim is to create a space of sharing and exchange among all collaborators.

This event was held in the city of Buenos Aires, where we presented a video describing the evolution and the projection of the company.

Likewise, some speeches were made involving the evolution of the business. There was a live interview to the new Executive Director of Laboratorios Richmond, Pablo García Santillán and some awards and recognitions were given.



The patient is the relevant final link of our value chain. Consequently, our actions focus on improving the patient's wellbeing by allowing an adequate and equitable access to effective, safe and novel medications.

Every month we reach out to more than 200,000 patients who received an indication for one of our products. For the products to be the user's therapeutic option, the following client groups participate: health care professionals (physicians, nurses and pharmacists), members of the commercial distribution channels and other agents. The following diagram shows the different components and their connections inside the process, from our company to the patients or users.



- **The physician:** Due to their professional background and expert knowledge of pharmacology and human health, and within the current regulatory framework, they are the professionals who prescribe a specific treatment and medication to the patient.
- **The nurse:** They perform a significant role in the care given to the patient, since they are in the line of action in the provision of health care services, intravenous treatments at infusion centers being one of their tasks.
- **The pharmacist:** The pharmacist is the responsible and trained person to dispense the medication at a pharmacy.

- **The wholesale drug product distributor:** The wholesaler is the link enabling the movement of the drug product from the manufacturing laboratory to the commercial point of sale or dispensing point.

- **The pharmacy, hospital and other health-care centers:** They are the points of sale or dispensing, that is, the patient's point of access to the drug product.

- **The State:** The State is one of the main consumers of pharmaceutical products for its various health-care programs and plans.

- **The union-run health-care systems and the health insurances (HMOs):** They are the entities that provide medical assistance and co-finance the cost of the medication

- **The Agents:** The agents are the entities in charge of the contractual negotiation with medical insurances and the remaining entities connected with the health-care system.

Our clients	Nº
Drug Wholesalers	239
Pharmacies	140
Institutions	92
Union-run health-care systems and agreements	19
Public Hospitals	3
<b>Total Commercial Clients</b>	<b>434</b>
<b>Physicians</b> (infectology, oncology, hematology, cardiology, diabetology, neurology, psychiatry, clinicians)	<b>14.000</b>
<b>Nurses</b>	<b>235</b>

## COMUNICACION WITH CLIENTS



We made available different communication channels and tools targeted to each type of client, according to our general strategy and within the regulatory parameters in force governing the pharmaceutical industry.

Essentially, through our medical promotion representatives we provide health care professionals technical and scientific information of our products for their correct prescription, dispensing and therapeutic treatment. The communication is made in compliance with Resolution number 627/07 of the Ministry of Health of Argentina

regarding “Good Practices for the Promotion of Pharmaceutical Products for Sale under Prescription” and Provision number 6516/15 of ANMAT.

No incidents of non-compliance with the above have been observed in 2022.

## CONTINUOUS EDUCATION

The personnel involved in health care need to have updated knowledge, especially in the current times when scientific improvements increase constantly both in quantity and in complexity. Due to that, the personnel’s instruction and training should be flexible enough and adapt to include new skills fast and efficiently.

At Laboratorios Richmond, we collaborate with continuous education actions to nurture and expand peoples’ CV and update or get complementary competencies. Among the activities we support are



the participation in congresses, meetings and symposia organized by medical associations and health-care institutions, including scholarships given to physicians.

- 24-26 February - “Summer Summit 2022” – Argentine Federation of Cardiology / FAC – San Luis.
- 21-23 April - “National Update Meeting for Neurointensivists – Neurolitoral 2022” – Argentine Society of Intensive Care / SATI – Corrientes.
- 28 June - “Neurology Meetings” – Rosario Private Hospital, Santa Fe.
- 29 July - 2 August - “24th International AIDS Conference 2022” - International AIDS Society / IAS - Montreal, Canada.
- 4-5 August - “International Symposium of Cardiology 2022 – Information, Innovation and Debate” – Rosario Cardiology Society / SCR - Rosario, Santa Fe.
- 23 August - “Symposium – Artificial Intelligence applied to Clinical Medicine - Fundación INECO – CABA.
- 1-2 September - “Neuro Termas – Advances in Neurology” – Argentine Neurology Society / SNA - Termas de Río Hondo, Santiago del Estero.
- 7-9 September - “19th Scientific Symposium” - Fundación Huésped - CABA.
- 15-17 September - “22nd SADI Congress” – Argentine Society of Infectology - CABA.
- 16-17 September - “5th Regional Meeting SAC País” – Argentine Society of Cardiology / SAC - Córdoba.
- 16-17 September - “International Course – The Cardiovascular Continuum 2022” - Hospital Austral - Pilar, Buenos Aires.
- 17 September - “21st Calchaquí Cardiology Meetings” – Tucumán Cardiology Society - San Javier, Tucumán.
- 28 September – 1 Octpber - “23rd Argentine Diabetes Congress” – Argentine Society of Diabetes / SAD - Rosario, Santa Fe.
- 9-10 October - “Anaemia Day” - Pharmacosmos - Copenhagen, Denmark.
- 19 October - “PreCongress ICBA 2022” - Instituto Cardiovascular de Buenos Aires, CABA.
- 23-26 October - “HIV Drug Therapy 2022 Congress” - Glasgow, United Kingdom.
- 15-18 November - “59th Argentine Neurology Congress – Neurology open to the future” – Argentine Neurological Society / SNA - Mar del Plata, Buenos Aires.
- 18 November - “UCO Meetings”- Sanatorio Allende, Córdoba.



Asimismo, colaboramos en forma exclusiva con cursos de perfeccionamiento, ateneos de capacitación colectiva en los servicios de instituciones de salud y con la educación a distancia a través de webinars, contando con la participación de 572 médicos y enfermeras.

- 6 April - “International Webinar of EVER Neuropharma - Neuro-recovery based on evidence after a stroke and head trauma” C. Matula and J. Leitgeb (Austria).
- 20 May - “Outreach session for Clinical Medicine Service at Iriarte Hospital” - Quilmes, Buenos Aires.
- 22 June - “International Webinar of EVER Neuropharma – New horizons to improve the gold standard therapy in acute stroke: case discussion”. Z. Poljakovic (Croacia) y M. Domashenko (Russia).
- 3, 10 & 17 August - “Virtual training course “Neurology for Non-Specialists” – 3 modules divided into Insomnia, Dementia and Epilepsy D. Zuin, Mendoza.
- 24 August - “Training Session for Nurses – Iron, anemia and heart failure” - R. Ureta - Hospital Churruca, CABA.
- 25 August - “International Webinar of EVER Neuropharma – European – Latin American Symposium of Neurology - ELANS 2022 – Post stroke neuro-rehabilitation” - V. Urrutia and S. Zeiler (United States) and M. Bayley (Canada).
- 8 September - “Outreach session on Heart Failure” - A. Lescano - Sanatorio de la Trinidad - Ramos Mejía, Buenos Aires.
- 13 September - “International Webinar of EVER Neuropharma – Treatment of post critical disease cognitive deterioration, a call to action” - M. Brainin (Austria), W. Ely (United States) and M. Bayley (Canada).
- 12 October - “International Webinar international de EVER Neuropharma – Innovative strategies to advance in the treatment of serious head trauma” I. Previgliano (Argentina), J. Vester (Germany) and H. Trimmel and P. Lackner (Austria).
- 18 October - “Outreach session – Cerebrolysin in post-stroke rehabilitation” - M. Romano - Hospital Italiano de Buenos Aires - CABA.
- 9 November - “Training session for nurses – Iron, anemia and heart failure” - R. Ureta - Hospital Privado de Córdoba.
- 2 December - “Inter-Trinidades Symposium – Training session in cardiology and heart failure” - Sanatorios de la Trinidad - CABA.

## CUSTOMER SERVICE



This service provides support, answers questions and solves problems of customers, especially patients or users. It is highly important tool for the perception and credibility of our brand name. Therefore, we offer an omnichannel proposal, available 24 hours, 7 days a week through email, telephone, WhatsApp messaging, social media outlets and the website. Each contact received requires synchronizing different areas of the company with professionalism and efficiency, aimed at providing a positive experience to the client.

As a special feature, we implemented the “**Empaticemos**” program, to provide support to patients with multiple sclerosis. Its main goals are providing advice, accompaniment and support to patients who were prescribed any of our products.

With the formal consent of the patient to participate in the program, our best intervention involves administrative issues. We advise patients on how to request the medication from their health care provider. Together with the patient, we analyze the requirements and documents to be submitted to ensure the approval and delivery of the medication prescribed by the specialist. In turn, we provide follow up and support so that the patient can comply with the treatment adherence and continuity. In 2022, to improve the communication with the patient, we launched a web page for the

**“Empaticemos” program**  
 (<https://empaticemos.com.ar/>). Patients, family members and/or persons responsible for the patient’s care can access information about products, know our services, request a point of contact (telephone, e-mail or WhatsApp number) and be enrolled on the program using a digital form.

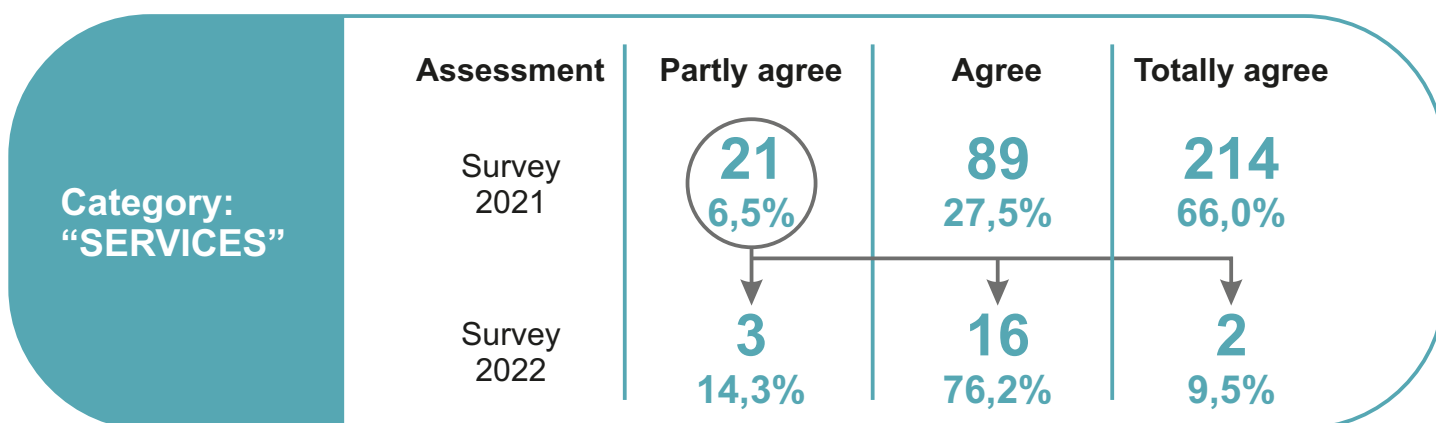
Type of query / Total	729	
“Empaticemos” Program	322	44%
Locations to purchase the product	168	23%
Questions about the Sputnik V vaccine	104	14%
Submission of CV and other Human Resources-related issues	68	10%
Medication request	46	6%
Claims about products	12	2%
Indications about product use	9	1%



## CUSTOMER SATISFACTION SURVEY

In order to comply with one of the requirements of the “Quality Management System” to obtain the recertification against IRAM-ISO standards regarding the “commercial and sales management of medicinal specialties” we conducted the second part of the Customer Satisfaction Survey. The scope of the survey was national and it covered Special Products (infectologists, oncologists and commercial staff responsible for procurement at drug product wholesalers, hospitals and health care insurances).

Focusing on the “Service” category, on the basis of the very good results obtained in the survey made in 2021 (93.5% positive rate), we decided to go deeper into the negative responses to check for opportunities for improvement. The relevant items (71.4% of the total) had to do with a “response to a problem” and “product delivery”. To that end, we conducted interviews in person to the customers identified. We asked detailed questions about the level of disagreement. We managed to understand the causes and propose corrective actions. The result was an improvement in survey responses of 85.7% of the cases. It is relevant to note the tasks involving in-house staff (the two items mentioned and “attention by representatives”) had the expected positive changes. 14.3% of the unchanged responses were limited to three commercial representatives in the provinces of Argentina and “product delivery”, activity which is outsourced by our company. Since there were no inconveniences or the issues were solved in other geographical areas, we decided to work on said punctual issues with the logistics operator.



## INTERNATIONAL CUSTOMERS



Our products continue to be sold outside Argentina, in 26 countries spanning America, Africa, Asia and the Middle East. Our presence in those markets is guaranteed by our subsidiaries or by representatives, who are renowned pharmaceutical companies and distributors in each country. They continue being part of our work team, be it helping our department of Regulatory Affairs to obtain sales permits, or our Foreign Trade department to obtain the importation clearance for our products. Locally we carry out

promotion and distribution actions in public and private settings. Our staff has comprehensive knowledge of all the regulatory and commercial aspects and they show commitment to develop new markets that grant international hierarchy to the product lines we manufacture and export.



# Caring for the environment



At Laboratorios Richmond, we strive to carry out our operations with the least possible environmental impact. To that end, we base the environment management using a process of continuous improvement, accompanying the sustainable growth of the business. Its pillars are the Carbon Footprint and the 5 S Program. We started measurements in 2016 by implementing a half-year measurement and improving by 60% in the development times. Every year we expand the scope of the footprint, go deeper into the

measurements and create new indicators, which allow us to have better traceability of the environmental variables. We share the results of the measurements among all the areas of the organization so that they can onboard these issues in their decision-making processes. At an external level, the results are published in this Sustainability Report.

## ISO 14001 STANDARD

In 2022, the Argentine Standardization and Certification Agency (IRAM) conducted an audit to maintain standard ISO 14001:2015 in our Pilar premises. Based on the aspects evaluated in previous audits and the evidence presented remotely and in person during the Audit to maintain the certification, the IRAM decided to recommend that our Company



maintain the certification of the Environmental Management System. A change in the scope of the Quality Management System of LABORATORIOS RICHMOND S.A.C.I.F was also authorized. In terms of the certification for the Change of Scope, we included the High Potency Production Unit (UPAP, Unidad de Producción de Alta Potencia). The certifying agency, IRAM, conducted checks and identification of the requirements of stakeholders and of internal and external issues of the context, environmental aspects and legal requirements.

## POWER CONSUMPTION

Among the environmental goals for this year, we set a reduction of the power consumption of one of the most important pieces of equipment of the UPEF Plant, the GLATT VG 300 granulator. The granulation process consists of six stages (loading, mixing, spraying, granulating, drying and unloading). The longest stage is



drying, with the most consumption. Because of that, we ran a series of tests to optimize the drying process, with the objective of reducing power consumption by 5%.

Although this objective will continue through 2023, this year we decreased the power consumption according to the proposed goal.

### Consumption of the industrial complex (in GJ)

2020	2021	2022
14.004	15.021	13.580

### Energy intensity

The energy intensity is measured with instruments installed in the electrical control panels. The intensity value is determined as a function of the energy incidence in the electricity bill (KW-h/USD).

2020	2021	2022
0,069	0,065	0,061

**Note:** Values calculated based on the power consumed in kW/h divided by the electricity bill corresponding to the products of the Pilar Plant, expressed in United States dollars. Reference value of United States dollars: annual average, source Central Bank of Argentina (BCRA - actual exchange rate (TCR) and monthly average nominal exchange rate (TCNPM).

## WATER CONSUMPTION

### Well water extraction

Two water wells are used to extract ground water, in compliance with Decree 429/13, Resolutions 734/14, 333/17 and 929/17.

### Recycled and reused water

The water we reuse is the water discarded from the purified water process, obtained using reverse osmosis. This water is then reused to feed the fire-fighting system.

Laboratorios Richmond connected the High Potency Production Unit (Planta de Alta de Potencia) to the service according to ANMAT provision number ANMAT DI-2022-8425-APN-ANMAT#MS, dated October 26, 2022.

The water supply service for the new plant started by mid-2021. This explains the increase in nominal consumption in cubic meters corresponding to that year. Although the nominal consumption is similar to the levels in 2021, we observe an increase in the specific consumption of water x 1000 units due to the commissioning of the new plant, which implied equipment qualifications, qualifications of critical support systems, product transfers, and validation of production processes among others, which had an impact on this indicator.



Indicator	Water consumption in square meters	Unit	2020	2021	2022
Water consumption	Absolute in m3	m3	10.660	25.072	25.597
Specific water consumption	x 1000 units	m3 x 1000 units	2,988	3,938	8,446

## EMISSIONS, EFFLUENTS AND WASTE



The supply of power in the new plant started by mid-2021. We observed a decrease in the nominal consumption of KW in the current year versus the previous year. We observed a decrease in the value of Tn of CO2 equivalent, compared with the previous year, when we included the High Potency Production Unit (UPAP) in the environmental management system.

We observed a decrease in the gas consumption due to the installation of energy-efficient pieces of equipment in the three past years.

Ratio	2020	2021	2022	Conversion factor
Power (Kwh/year)	3.274.309	4.172.676	3.610.054	According to the generation matrix in Argentina: 0.39 Kg CO2/Kwh
Natural gas (m3)	205.424	184.948	169.711	1,93 Kg CO2/m3
Refrigerant gases (Kg)	0	0	0	1.810 Kg CO2/Kg gas
Special waste (Kg)	63.515	58.620	67.816	0,0262 Kg CO2/Kg waste
Total Tn of CO2 equivalent	1.675	1.986	1.737	

**Significant spills:** None

### Transportation of dangerous waste:

We comply with the provisions of Law number 11,720 – Decree 806/97, Decree 650/11 – SPA (Secretaría de Política Ambiental – Environmental Policy Department) Resolution 592/00, SPA Resolution 344/98- OPDS (Organismo Provincial para el Desarrollo Sostenible – Provincial Entity for the Sustainable Development) Resolution 248/10, and complementing resolutions.

The plant is registered with the Registry of Special Waste Generators under file number 2145-08519/98.

The special authorization certificate is (CHE) 2427.



We use the services of a professional technical agent representing the company with registration number OPDS 0111.

The transportation and the waste management services are provided by MD S.A. and Trieco S.A., respectively. Both are authorized by the OPDS.

The regulatory transport manifests and the waste treatment certificates comply with OPDS.

**Water bodies affected by water discharges and/or water runoff:** Luján River

**Non-compliances with environmental laws and regulation:** None

**Total weight of waste managed, according to waste type and treatment method:**

Due to its features, active pharmaceutical ingredients, excipients and primary and secondary packaging materials are not authorized to be recycled. Of all the materials and main inputs, only the tertiary packaging material is recycled.es recuperable.

Item		Unit	2020	2021	2022
<b>Total quantity of hazardous waste</b>	Absolute hazardous waste	t	63,51	58,62	67.81
<b>Waste for recycling</b>	Absolute recycled waste	t	10,63	22,97	21,41
<b>Regular waste to be disposed of</b>	Absolute non-recycled waste	t	36,68	37,59	43,96

We observe an increase in hazardous waste generation with respect to the previous year. Hazardous waste is quantified and sorted as Y2 and Y3 waste. These two types are the most significant in terms of quantity of waste generated.

Type Y2 waste is waste resulting from production and preparation of pharmaceutical products, with a generation of 42.94 tons of waste this year. This amount is lower than in the previous year (49.02 tons). This decrease is accounted for an improvement in the secondary packaging of the FARMA line. Since secondary packaging materials of pharmaceutical products are not authorized to be recycled due to safety issues, we started a program to reduce the size of boxes and blisters 4 years ago. With a new Blipack blister packaging machine on the blister packaging line 1, together with the new Uhlman boxing machine installed last year in the blister packaging line 2 we succeeded in streamlining the secondary packaging process with a reduction of hazardous waste generation. We consequently generated less waste in Y2.

As to Y3 waste (waste from medications and pharmaceutical products for humans) this year we generated 24.87 tons. We see an increase with respect to 2021 (9.6 tons). This is accounted for the re-arrangement of the finished product warehouse, where we had to dispose of various finished products as Y3, most of them with a short expiration date and also because we moved the control sample storage from Elcano to Pilar. Finished products that have to undergo three tests, as provided for ANMAT provision number 3602/2018, are stored there. These items must be stored for up to one year after their expiration. Once this term is over, they are disposed of as Y3 waste.





The amount of regular waste increased with respect to previous year in part due to the increased generation of regular waste resulting from the use of the plant canteen. At the beginning of the COVID-19 pandemic, certain preventive measures and actions were implemented to ensure the continuity of the activities. In this way we guaranteed the health care of our collaborators, in accordance with the Orders by the Argentine Executive Power numbers 260/2020; 297/2020; 325/2020 and 408/2020, Decree number 132/2020, MTBA (Ministry of Labor) Resolution number 135/2020 and 151/2020. One of the suspended activities was the use of the canteen; to substitute for that we made payments according to Article 42 of the CC 42/89, to avoid shift crossing.

## 5S PROGRAM

It is a Japanese workplace organization method consisting of a series of activities to create working conditions allowing the execution of work tasks in an organized, orderly and clean manner. The process consists of 5 simple phrases, or the 5S of quality:



Good behavior and social interaction are reinforced, thus creating an efficient and productive work environment.

To move to the upper stages of the 5S program, the Quality Control area agreed with the management of the company to have specific resources aimed at moving forward with its implementation.

### Microbiology Laboratory

This year we have opened a new Microbiology Laboratory in our Pilar premises, with analytical areas



complying with local ANMAT requirements and international standards. The unit has a total surface area of 385 square meters. The microbiology laboratory at Elcano Street was transferred to the Pilar premises in its entirety. The Microbiology Laboratory is equipped with all the necessary areas for the processes to be carried out. All the production areas were built using Pharma Panels for easy cleaning and having sanitary finishes covering walls, ceiling,

floors and also doors and windows.

The Microbiology Laboratory is fitted with Sterility Rooms and Hygienic Control Rooms with a Pass Box to transfer materials.

The classification or degree of cleaning of areas, pressures, temperature, and humidity and ventilation are set in such a way as not to harm directly or indirectly any raw materials or products during handling and storage.

The HVAC system of the laboratory enables the conservation of the air quality in line with the needs of each room.

Class B: Sterility room (I-LP019) and changing room 2 (I-LP018)

Class D: Hygienic control (I-LP016), secondary changing rooms (I-LP009 and I-LP015), and microbiology stove room (I-LP020)

Likewise, all the areas are fitted with differential pressures, whose minimum differential between adjoining rooms is 5-10 Pa. The cleaning level of the remaining areas comply with ISO 8 or D

classification, and rooms comply with a minimum of 20 air renewals per hour.

The areas containing starting materials, in-process products or bulk products, exposed to the environment are equipped with interior surfaces (walls, floor and ceiling) that are smooth, without cracks or open joints, which allow for easy and efficient cleaning and disinfection.

All rooms are correctly identified by means of signs posted on their entry doors

In terms of Elcano premises, they are authorized for the determinations of physical and chemical

testing. This year we have set in order the laboratory premises and changes in the layout of the pieces of equipment were made, which freed up space on worktops.

After the Elcano premises were moved to Pilar, we studied the changes in the use of the affected rooms of the microbiology laboratory. This allowed us better use of the physical space and set in order some physical / chemical testing activities.



## Community

Laboratorios Richmond is deeply committed to the promotion of the full and sustained development of the community in which it operates. We create skilled jobs, develop productive activities, care for the environment, optimize our value chain, foster therapeutic accessibility and support the efficiency of the health-care system.

We understand that to improve the economic and social wellbeing of our community, and consequently to boost its progress, investments in education and in the development of science and technology are essential. With that in mind, we carry out different activities as listed below:

### Educational Laboratory - UMET

In the framework of the scientific and academic collaboration between Laboratorios Richmond and the Universidad Metropolitana para la Educación y el Trabajo (Metropolitan University for Education and Labor - UMET) we opened the Educational Laboratory “Jorge Di Pascuale” on September 27th 2021, with a high turnout and acceptance by the community of educators and students of the Pharmacy Program of UMET.



In 2021 and in spite of the obstacles imposed by the pandemic, we succeeded in teaching three subjects that benefited a total of 69 students.

The educational offer increased significantly in 2022. Seven subjects were taught to a total of 123 students.

We hope to increase the training spaces in 2023, keeping the same commitment to the quality of the educational offer provided from the beginning of the activities.

Laboratorios Richmond's commitment goes beyond health care; we reinforce our bonds with the education and the community.

### Sadosky Scholarships

As part of our social investment initiatives, since 2014 we have supported FUNDACEN (Fundación de Ciencias Exactas y Naturales de la Universidad de Buenos Aires) through its “Dr. Manuel



Sadosky” scholarship program. Scholarships include financial aids and tutoring to low income students who successfully completed the entry-level common cycle in one of the programs of the School of Natural Sciences of the Buenos Aires University. The aim is to promote equal opportunities in higher education to all, since many times it is not enough for the university to be free of charge; people need to be able to have access to it.

### Internship program

As part of the development of new generations of professionals, this year we enrolled interns in areas of Engineering, Biotechnology and in Development, Product Care and Quality Control. They complemented their academic studies by having a hands-on experience on the field in the continuation of the new plant construction project.



### Commitment to the community

Given the close bonds we established since 2016 between the EEST (Secondary Technical School) of Pilar, by way of practices towards achieving professionalism and other joint actions between School-Company-Municipality, we saw the need of organizing a “My First Job” workshop and a talk about sexually transmitted diseases, prevention of addictions and consumption of substances that are harmful to the health.

We organized the “My First Job” workshop at the EEST 1 Griselda Mazettelle of Pilar, which was attended by students coming from two schools.

The first training session was given to 25 students of EES 13 Pilar and presented by the headmaster of the school Facundo Cardozo. The second talk included 23 students of EEST 1 Griselda Mazettelle of Pilar and was presented by the headmaster Sergio Acosta.



The aim was to stress the need of continuous education. We covered themes such as “What profession should I choose?” “The Importance and impact of the first job”, “CV building”. Different work groups and activities were designed for students to design and present their CVs.



As part of the activities coordinated by the Richmond Foundation ('Fundación Richmond'), the lab employees have joined the so-called 'Donate a toy and get a smile back' Campaign to celebrate the Childhood Day in Argentina. Those gifts have been delivered to the students attending a Supportive Education Center ('Centro de Estudios Complementarios 801 Hugo M. Minyersky') located in Derqui, Pilar, closed to our plant.



The talk about preventing HIV and other sexually transmitted diseases was held at EES 8, with the participation of the school's headmaster, Fernando Santajuliana, the mayor of Pilar, Federico Achával, authorities of Laboratorios Richmond and infectologists Dr. Gustavo Lopardo as guest speaker. This activity targeted 120 students of the fifth and sixth school year who received information about sexually transmitted diseases. It also sought to raise awareness about preventing addictions and consumption of substances that are harmful to the health.



## Suppliers



The relationship with our suppliers is essential to develop our activities. Because of that, our bonds with them are built based on mutual trust, honesty, respect and integrity. Supplier management and development are activities that enrich our supply chain, providing a higher value through the mutual benefit for all companies involved. We seek to leverage on those synergies, the

knowledge and the procedures.

### CLASSIFICATION OF SUPPLIERS

We have a total of 520 active suppliers on our records. They are classified in suppliers of production materials and suppliers of non-production materials.

#### Suppliers of production materials

A total of 100 suppliers provide raw and packaging materials, accounting for 85% of the annual procurement.

- **Raw materials:** Active pharmaceutical ingredients (APIs) and excipients. They are critical inputs we use to manufacture our products and they account for a significant part of our annual procurement (75%) from 68 suppliers. All of them comply with the Good Manufacturing Practices (GMP), a set of quality standards that require that all manufacturing processes and installations must be traceable and safe. This group also includes renowned European companies who entrust us with the licenses of their original products to be sold exclusively in Argentina. They are imported as finished products, and offer innovative and unique treatment options and further enhance our company's product portfolio.
- **Primary and secondary packaging materials:** aluminum foil, PVC, ampoules, boxes, inserts, labels, among others. A primary packaging material is the material directly in contact with the product, which contains and protects it from the air, light and contaminants. A secondary packaging material is the material containing one or several primary packaging units, providing protection in the commercial distribution. We have 32 suppliers of packaging materials that account for 10% of our annual procurement.

#### Suppliers of non-production materials

We have 420 suppliers of goods and services not involved in the direct manufacture of our products. They account for 15% of the total purchases per year. They range from the security / surveillance services to maintenance and cleaning, passing through laboratory materials, salaries, providers of civil works and marketing and sales services, among others.

### Geographical location of suppliers

- 458 local suppliers: 95% of them from the Buenos Aires metropolitan area and 5% located in the rest of the country.
- 62 international suppliers: 16 from India (25%), 21 from China (34%), 15 from Europe (25%) and 10 from other countries/regions.



### COVID-19 supplier management

The aftermath of COVID-19 continued to affect imports of critical manufacturing materials, but to a lesser extent in comparison with previous years. Shipping times improved as a result of borders being open to air traffic that increased the frequency of international flights. However, there were



delays in shipments by sea, which affected our local distributors. Care has been given in these situations. The prices of some raw materials continued changing due to the increase of international shipping costs, the controls in energy consumption in manufacturing countries and the scarcity of some in-process products, China being the main link in the global supply chain.

Because of our experience with the pandemic in 2020 and in order not to break the supply chain, we continued having an ongoing communication with the sectors of the

company affected, as well as with suppliers. In this way, we were able to take decisions in advance and develop alternative sources.

Our local suppliers were also affected in the reception of raw materials or finished products from abroad. With that in mind, we made procurement in advance based on new lead times.

### SUPPLIER SELECTION

When selecting our commercial partners, we always offer equal opportunities for tendering and participating in our supply chain. We strive to involve and align them with the core values of our Company. The supplier evaluation, qualification and selection process involves multiple areas of the company. In the case of production materials, we use the supplier evaluation survey corresponding to SOP GE 064-Re-08. Subsequently, Quality Assurance evaluates the new supplier using the technical information received from them. Additionally we approve, update and keep on file the different entries on “status of suppliers of raw materials, excipients or packaging materials, manufacturing laboratories or third party testing providers, maintenance and/or calibration companies and companies related with the environment and general services”. These documents are updated periodically according to the changes taking place; however, the update period should preferably be no longer than 6 months. As needed, Development, Production, Engineering and Regulatory Affairs also participate in evaluations and communications.

Regarding non-production materials, in sectors such as engineering and projects, tenders are designed using tender specifications that include all formalities for bid submission. This makes the end-to-end process transparent.



## GRI content index

We established the following content index according to the GRI Standards and the issues presented as materials for the analysis made.

Note: **Page** numbers appear according to the version of the report with graphic design for publication.

GRI STANDARD	CONTENTS	PAGE
<b>1. Profile of the organization</b>		
GRI 102.1-13		
102-1	Name of the organization	5
102-2	Activities, brands, products and services	8
102-3	Location of headquarters	11
102-4	Location of operations	11
102-5	Ownership and legal form	15
102-6	Markets served	12
102-7	Scale of the organization	9, 10
102-8	Information on employees and other workers	23
102-9	Supply chain	46, 47, 48
102-10	Significant changes to the organization and its supply chain	47
102-13	Membership of associations	6, 7
<b>2. Strategy</b>		
GRI 102.14-15		
102-14	Statement from senior decision-maker	4
102-15	Key impacts, risks and opportunities	13,14, 20
<b>3. Ethics and integrity</b>		
GRI 102.16-17		
102-16	Values, principles, standards and norms of behavior	8, 16, 20
102-17	Mechanisms for advice and concerns about ethics	16

GRI STANDARD		CONTENTS	PAGE
<b>4. Gobernanza</b>			
GRI 102.18-39			
102-18	Governance structure		15
102-19	Delegating authority		9, 10
102-20	Executive-level responsibility for economic, environmental, and social topics		15, 16
102-22	Composition of the highest governance body and its committees		-
102-23	Chair of the highest governance body		15
102-24	Nominating and selecting the highest governance body		15
102-26	Role of highest governance body in setting purpose, values, and strategy		15
102-29	Identifying and managing economic, environmental, and social impacts		37, 42
102-35	Remuneration policies		24
102-36	Process for determining remuneration		24
102-37	Stakeholders' involvement in remuneration		24
102-38	Annual total compensation ratio		24
102-39	Percentage increase in annual total compensation ratio		24
<b>5. Involvement of stakeholders</b>			
GRI 102.40-44			
102-40	List of stakeholder groups		6, 7
102-41	Collective bargaining agreements		6, 7
102-42	Identifying and selecting stakeholders		10, 17, 18, 19
102-43	Approach to stakeholder engagement		7
102-44	Key topics and concerns raised		7
<b>6. Practices to prepare the report</b>			
GRI 102.45/55			
102-45	Entities included in the consolidated financial statements		Included in EE FF as of 12/31/2022
102-55	GRI content index		49,50,51,52

GRI STANDARD		CONTENTS	PAGE
<b>7. Economic performance</b>			
GRI 103.1-2/201.1			
103-1	Explanation of the material topic and its boundary		8, 9, 20
201-1	Direct economic value generated and distributed		9
<b>8. Indirect economic impacts</b>			
GRI 202.1-2/203.2			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		24
202-2	Proportion of senior management hired from the local community		24
<b>9. Procurement practices</b>			
GRI 204.1			
204-1	Proportion of spending on local suppliers		47
<b>10. Materials</b>			
GRI 301.1-8/ 401.1-5/416.1-3/417.1-3/418,1			
301-1	Materials used by weight or volume		46
301-2	Recycled input materials used		-
302-1	Energy consumption within the organization		37,38
302-2	Energy consumption outside of the organization		38
302-3	Energy intensity		38
302-4	Reduction of energy consumption		39
302-5	Reductions in energy requirements of products and services		39, 40, 41
303-1	Water withdrawal by source		38
303-2	Water sources significantly affected by withdrawal of water		38
303-3	Water recycled and reused		38
304-2	Significant impacts of activities, products, and services on biodiversity		39, 40, 41
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		40, 41
305-4	GHG emissions intensity		39
305-5	Reduction of GHG emissions		39, 40, 41
305-6	Emissions of ozone-depleting substances (ODS))		39, 40, 41

GRI STANDARD	CONTENTS	PAGE
<b>10. Materials</b>		
GRI 301.1-8/ 401.1-5/416.1-3/417.1-3/418,1		
305-6	Emissions of ozone-depleting substances (ODS))	39, 40, 41
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	39
306-1	Water discharge by quality and destination	38
306-2	Waste by type and disposal method	39, 40
306-3	Significant spills	39
306-4	Transport of hazardous waste	39, 40
306-5	Water bodies affected by water discharges and/or runoff	40
307-1	Non-compliance with environmental laws and regulations	40
308-1	New suppliers that were screened using environmental criteria	46, 47, 48
308-2	Negative environmental impacts in the supply chain and actions taken	46
401-1	New employee hires and employee turnover	23
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	26, 27
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	29, 30
403-3	Workers with high incidence or high risk of diseases related to their occupation	29, 30
403-4	Health and safety topics covered in formal agreements with trade unions	25, 26
404-1	Average hours of training per year per employee	28
404-2	Programs for upgrading employee skills and transition assistance programs	28, 29
404-3	Percentage of employees receiving regular performance and career development reviews	28
417-1	Requirements for product and service information and labeling	34, 35
417-3	Incidents of non-compliance concerning marketing communications	34, 35
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	34, 35