



2020 Sustainability Report







Helping to live more and better





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1 Words from the President



Last year was unprecedented in our recent history. Our lives and our habits have been upset and challenged our beliefs.

Even in this context, Laboratorios Richmond is extremely proud of the achievements made in one year, a year that has been so difficult for everyone.

The extraordinary efforts of our people and our community made us move forward and overcome the difficulties imposed by these times.

In this sense, our course in this journey was established by the United Nations and the implementation of the United Nations' Decade of Action which seeks to attain the Sustainable Development Goals for 2030. And we are eager to participate. Once again, Laboratorios Richmond continued reinforcing its commitment in issues of health, inclusion and environment.

In the midst of the pandemic and despite the general adverse environment, Laboratorios Richmond never gave up on its unwavering local and regional development plan: we hired more than 50 new collaborators in 2020, 90% of whom belong to the Operations area. We reached a 10% growth in payroll numbers with respect to the previous year.

In economic terms, Laboratorios Richmond successfully offered corporate bonds totaling USD 7.6 million, way above the USD 5 million initial expectation. The funds obtained have a 10 year maturity, which is practically unprecedented in the Argentine market. The money obtained will be allocated to the construction of the new High Potency Oral Solid Products at the plant in Pilar industrial park. This will enable the manufacture of state of the art products in Argentina, contributing to the development of the country and fostering exports. Likewise, USD 43 million will be allocated over the next two years to the manufacture and development of new products.

In line with our strategy to provide an adequate and egalitarian access to medications and therapeutic novelties to more people, we launched an option emerging as a quality alternative to the innovative HIV treatments: the first generic not only in Argentina but also in the Latin America region. We launched an atypical antipsychotic based on Lurasidone for the treatment of schizophrenia and bipolar depression type I, boosting our important Central Nervous System product line. Both products were fully developed by our Research and Development team, which reflects our mission to foster the progress of the local talent and which is fed with the significant collaboration of many universities, CONICET and students of hard sciences through scholarship programs and collaboration agreements.

With the framework of our 85 years' history, we invite you to read our report and know what sustainability means for us. The progress made thanks to the commitment and effort of our work team on economic, social and environmental aspects fills us with satisfaction and open new opportunities to go on growing.



Marcelo Figueiras
President



2 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 ISO 26000 Standard. It covers the January 1, 2020 – December 31, 2020 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 respond to the information expectations of the main audiences we interact with and are based on an internal analysis of the information received by the Company through a wide range of communication channels established with the stakeholders.

We have not identified the existence of major limitations to the scope or the coverage of the report. Significant effects in the expression of the information with respect to previous years were not observed either, with the exception of specific clarification notes included along the report.

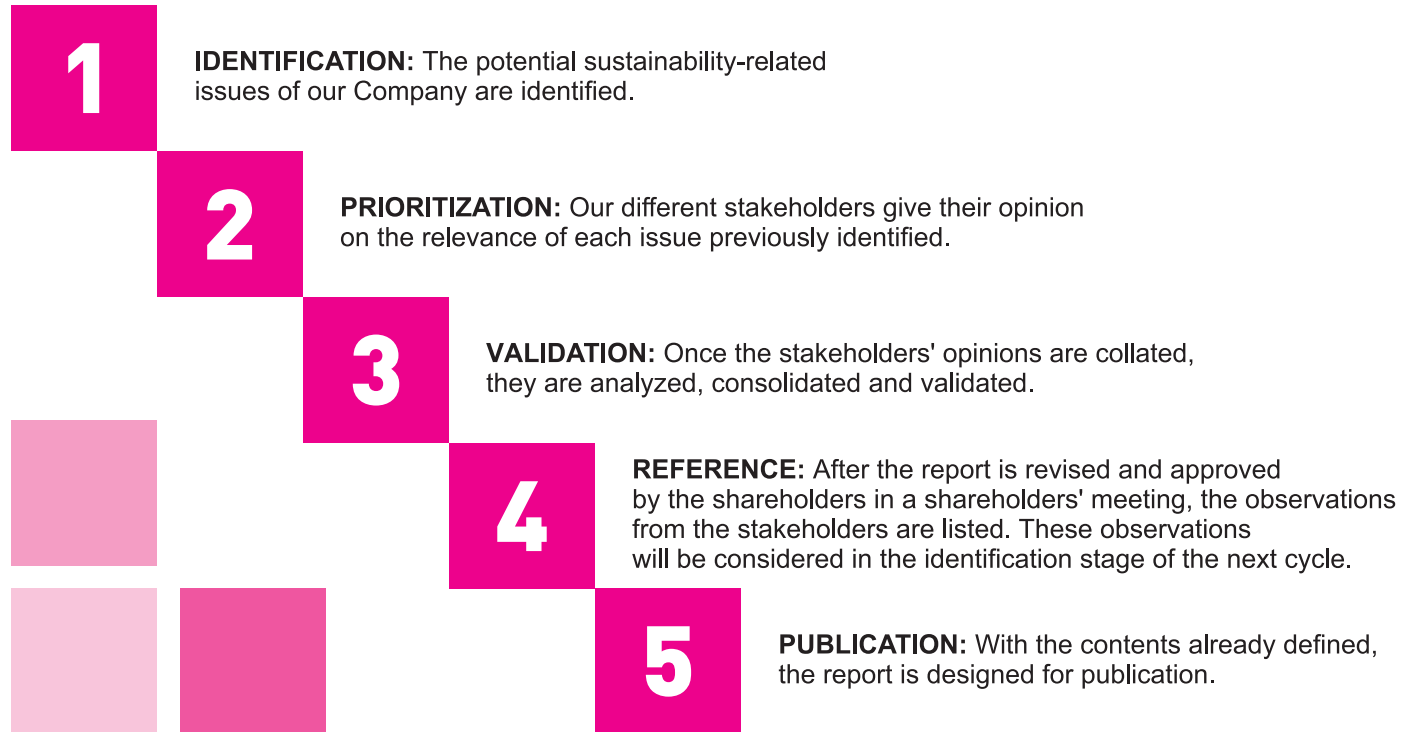
Although the information contained in this report does not have an external verification, many of the processes presented here have been certified by independent third parties against renowned international standards for the fifth year in a row.

In accordance with the current rules, the text of this 2020 Sustainability Report has been approved by the Board of Directors of the Company, according to the minutes of March 9, 2021.



DEFINITION OF THE CONTENTS

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



IDENTIFICATION AND DIALOG WITH STAKEHOLDERS









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

The process of identification of our stakeholders is made on the basis of the principle of inclusion of the Stakeholders based on the Global Reporting Initiative and the AA1000SES Accountability standards, which cover five dimensions:



STAKEHOLDERS' PARTICIPATION

As a result of the previous process, we identified the following stakeholders and defined the channels of communication and dialog for each one.

GROUP	COMMUNICATION AND DIALOG CHANNEL
 <p>SHAREHOLDERS</p>	<p>Annual report and financial statements. Shareholders' meeting. Events and meetings. Press releases. Sustainability report. Investment-dedicated web site.</p>
 <p>COLLABORATORS</p>	<p>Intranet, corporate e-mail distribution lists and notice boards in work spaces. Training opportunities, performance evaluation and different benefits for the personnel.</p>
 <p>TRADE UNIONS</p>	<p>Relationship with the trade union representatives of AAPM (Medical Sales Representatives Union) and FATSA (Federation of Associations of Health Workers of Argentina).</p>
 <p>ENTITIES</p>	<p>Participation in governmental and private associations. Meetings with national, provincial and local authorities and business chambers.</p>
 <p>CLIENTS</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>PATIENTS</p>	<p>Patient assistant center. Toll free telephone line. Social media and corporate web page.</p>
 <p>COMMUNITY</p>	<p>Richmond Foundation: Training programs in schools. Interaction with local authorities. Participation in social initiatives. Direct contact with various NGOs.</p>
 <p>SUPPLIERS</p>	<p>Corporate web page. Fairs and exhibitions. Sustainability report.</p>



3 Our Company



We are a regional pharmaceutical company based in Argentina. We are committed to excellence and the continuous improvement, and we boast 85 years' experience in the development and production of quality pharmaceutical products with a human added value.

OUR VISION



We share a vision of a world where health care is not a privilege. Therefore, we wish to contribute to improve, protect and care for the health of persons.

OUR MISSION



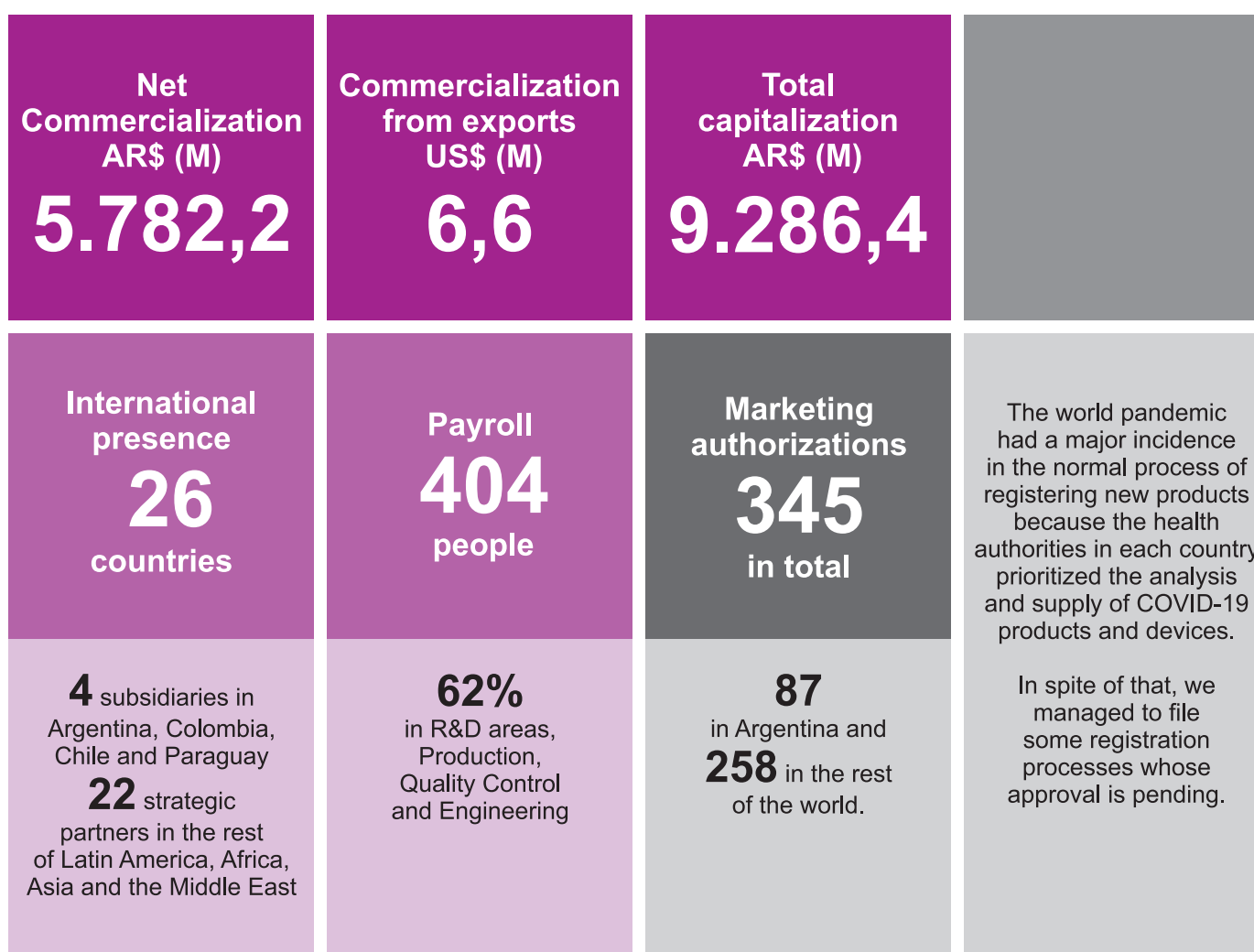
- Our mission is to be a competitive, flexible and technologically innovative pharmaceutical laboratory showing a sustained growth in the local and international markets.
- Build a work team whose efforts and professional competence are geared towards providing quality products and services of excellence.
- Contribute to the development of our community by being a profitable and responsible company.

OUR VALUES



- We are a work team for whom the health care comes before the 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 the community.
- Our profits derive from activities which benefit the society.
- We are proud of what we do. While changing to get better, our values remain unchanged.

RICHMOND IN NUMBERS 2020



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 is made up of the following areas and departments:

Executive Director: The executive director is part of the Board of Directors and is the highest ranking authority in charge of the operational management. The following areas and departments report to the Executive Director:

Legal Affairs and Intellectual Property performs as staff unit.

Technical and Scientific Affairs is made up of Quality and Normative Compliance / Technical Director, Supply of the Product to the Market, Development of New Products and Markets, Engineering and Production Support, Biotechnological Products and Medical Affairs.

Sales covers the departments of Medical Promotion and Sales, Tenders and Sales Management, Marketing and Market Access.

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

Finance and Administration is divided into Administration and Accounting, Finance, and IT.

Procurement covers Production and Non-Production Procurement.

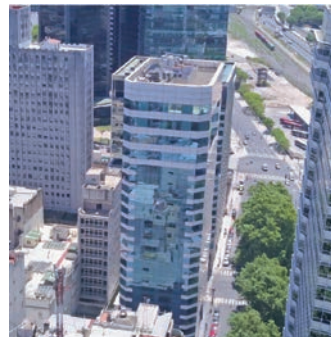
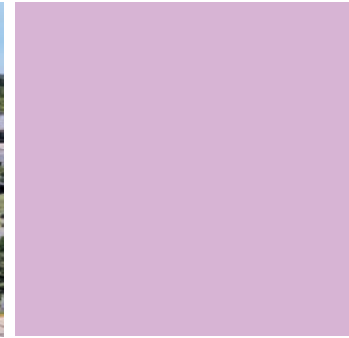
Human Resources is divided into Labor Relations and Human Capital Administration.

OUR PREMISES AND OPERATIONS

Our headquarters are located in downtown Buenos Aires in a building at Bouchard 680. The Director's offices and the departments of Administration and Finance, Trading, International Businesses, Procurement, Medical Affairs, Regulatory Processes, Legal Affairs and Human Resources are all located there.

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

Our Manufacturing Plant is located at Pilar Industrial Park, Province of Buenos Aires. It covers a six-hectare plot of land with a built area covering 5,600 square meters equipped with state-of-the-art technology designed to manufacture oral solid pharmaceutical forms. The plant houses the departments of Quality Assurance, Standards Compliance, Technical Director's Office, Production Processes, Logistics, Planning and Engineering, and Production Support.



OUR INTERNATIONAL PRESENCE

The products we develop at Laboratorios Richmond are sold in 26 countries in Latin America, Africa, Asia and the Middle East. Our presence becomes more effective through subsidiaries or strategic partnerships with renowned companies and laboratories in each country. All this gives international relevance to the product lines we manufacture.

Latin America - Subsidiaries

Argentina	Laboratorios Richmond S.A.C.I.F	Buenos Aires
Colombia	Richmond Colombia S.A.S.	Bogotá
Chile	Laboratorios Richmond Chile Ltda.	Santiago de Chile
Paraguay	Medicine S.A.	Asunción

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	Liferpal MD, S.A. de C.V.	Guadalajara
Nicaragua	Nubenco Enterprises Inc.	Managua
Panamá	Grupo Argenfarma S.A.	Panamá
Rep. Dominicana	Sued & Fargesa S.R.L.	Santo Domingo
Uruguay	Ebromar S.A. - Roemmers S.A.	Montevideo

Rest of the World - Strategic Partners

Argelia	EURL P.C.M.	Argel
Filipinas	United Laboratories Inc.	Manila
Indonesia	P.T. Oska Elang Abadi	Yakarta
Líbano	Mediterranean Pharmaceutical Company	Beirut
Pakistán	Haji Medicine Co.	Rawalpindi
Siria	Oubari Habboush Pharma	Aleppo
Sudáfrica	Key Oncologics (Pty) Ltd.	Johannesburgo
Tailandia	Schumit 1967	Bangkok
Túnez	M.A.B. Consulting	Túnez
Vietnam	Duy Tan Pharma	Ho Chi Minh City
Yemen	Al Fath Trading Co.	Saná

OUR GROWTH PLAN

Corporate Bond Offering

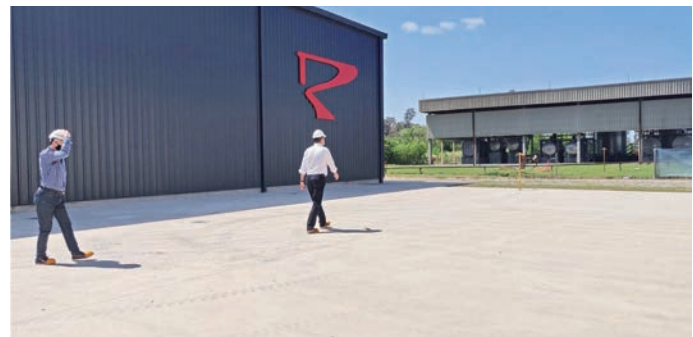
In November Laboratorios Richmond successfully placed corporate bonds totaling US\$ 7.6 million US dollars, equivalent to more than ARS 600 million Argentine pesos, way in excess of the initial expectation of placing US\$ 5 million. These instruments have a 10-year maturity, unprecedented in the Argentine market.

The money raised is allocated to a new High Potency Oral Solid Products plant at Pilar industrial park. This will allow the manufacture of state-of-the-art oncology and multiple sclerosis products in Argentina which in turn will further contribute to the country's development and will boost exports.

New High Potency Plant

Due to the constraints imposed by the country's current situation and the COVID pandemic, the internal works of the nave could be reactivated in October, using a stringent protocol to comply with current health measures. Some utilities are currently being installed, such as power, air treatment and conditioning, potable water supply and the fire protection system.

Despite the difficult context we continue to bet on the national industry with the advancement of this large-scale project which will create jobs for many families.

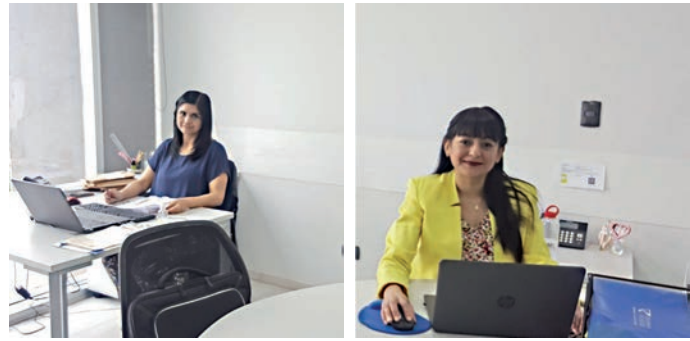


Regional Expansion

Within the framework of the strategic growth plan and with the aim of expanding our business in the Latin American region, we acquired 40% of the shareholding of the Chilean firm Bamberg, thus completing 90% of the corporate shareholding. The subsidiary, which is now called Laboratorios Richmond Chile, has a payroll of 4 employees in the areas of Administration and Finance, Technical Director's office and Commercial Area / Tenders.

The company in Chile added the following HIV-treatment products to its traditional oncology line: TRIVENZ® (Efavirenz + Emtricitabine + Tenofovir DF), PREVID® (Emtricitabine + Tenofovir AF) and ZEVUVIR® (Dolutegravir).

These products are manufactured in our Pilar plant which currently is certified by the Chilean health authority. This is a major competitive advantage for production at a scale and the expansion of our export capacity.





4 Corporate Governance



BOARD OF DIRECTORS

The Board of Directors is responsible for the administration and the decision making with respect to general policies and strategies, and the business plan in particular. It is made up of 12 members, 7 full members (14.3% female and 85.7% male) and 5 alternate members (100%) male. The members were elected by the shareholders at the 2019 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.

The directors are responsible, among others, for establishing the annual budget of each area of the local Companies and of the holding 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.

Additionally, and within the context of Corporate Social Responsibility, the Board of Directors has the power to set the initiatives to protect the environment and set 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 one alternate member. Most of them are independent. This committee assists the remaining members of the board in their fulfillment of their executive responsibilities, such as overseeing the financial processes, the internal control system and audit processes and verify compliance with the processes established to abide by the applicable laws, regulations and Code of Ethics.

To comply with their 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. For Laboratorios Richmond the compliance with the standards and the ethics in business are essential.

By complying with the Code we support the values of our Company. Thus we enhance our products and ensure the confidence of patients, business partners, suppliers and regulatory agencies.

As prevention and with the aim of detecting non-compliances with the legal and corporate standards inside the company, the Human Resources area makes available the “Ética Empresarial” (Corporate Ethics) link in the company's internal portal. Our employees can inform anonymously any breach to the Code of Ethics.

This method allows an increased efficiency and efficacy in the compliance across the organization. All the personnel receives training about the use of these mechanisms when they join the company.



CORPORATE GOVERNANCE

With the aim of promoting a committed corporate governance which is adapted by the Directors to the specificities of each company, the Comisión Nacional de Valores in its General Resolution number 797, 2019, approved the Corporate Governance Code. The aim of the code is for corporations to provide clear and sufficient responses in the report so that investors, stakeholders and the general public may fully know the way in which corporations implement these practices and if not, why they do not implement them.

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

In February 2021 we received the results of the first evaluation of the responses provided by the issuer in its annual presentation corresponding to the 2019 fiscal year. The results showed that the practices of the corporation and the responses provided were “very good” and “good”.

It is important to highlight that the compliance with the current norms has been verified and the company will include the suggestions made by the Comisión Nacional de Valores with the aim of providing responses of a higher quality.

COVID-19 Situation

In order to adapt to the reality imposed by the COVID-19 pandemic and facing need to adopt work tools to work remotely, the Legal Affairs Department undertook the following actions:

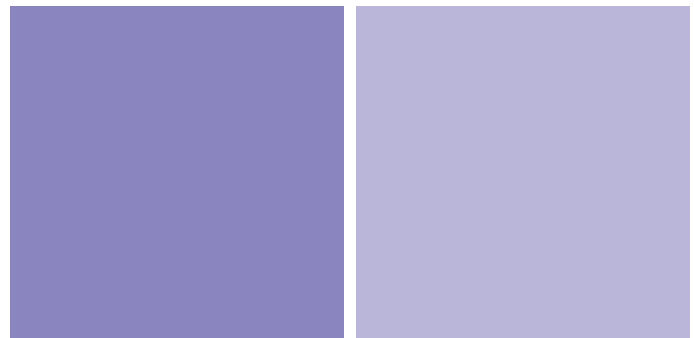
- The digital signature was implemented for some members of the Board of Directors and persons with attorney capacity, for them to represent the Company in legal affairs by digitally signing the documents necessary for the corporate management.
- The Company's bylaws were duly amended to include the possibility of holding remote meetings of the board of directors and shareholders' meetings, in the framework of the provisions issued by the Comisión Nacional de Valores facing the preventive and mandatory social isolation due to the COVID-19 pandemic. This amendment is currently being processed by the Comisión Nacional de Valores.

CORPORATE RELATIONS

Innovation and IP Forum and Awards

The new edition of the “Innovation and IP Forum Awards” was held on January 28, 2020 in Paris, France. This event aims at showcasing the best Intellectual Property directors in issues in connection with patents, trademarks, and IP-related litigation and IT.

More than 500 international attendees participated in the event and Dr. Patricio Carballés, our Legal Affairs Director was among them. In addition to making a presentation and sharing some aspects about the future of the intellectual property, he was invited to be a member of a jury panel made up of more than 80 professionals, who chose the best participants in more than 15 categories.





5 Strategy



Our strategic vision is based on three key pillars supported by our 85-year-old history: Value, Access and Sustainability.



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



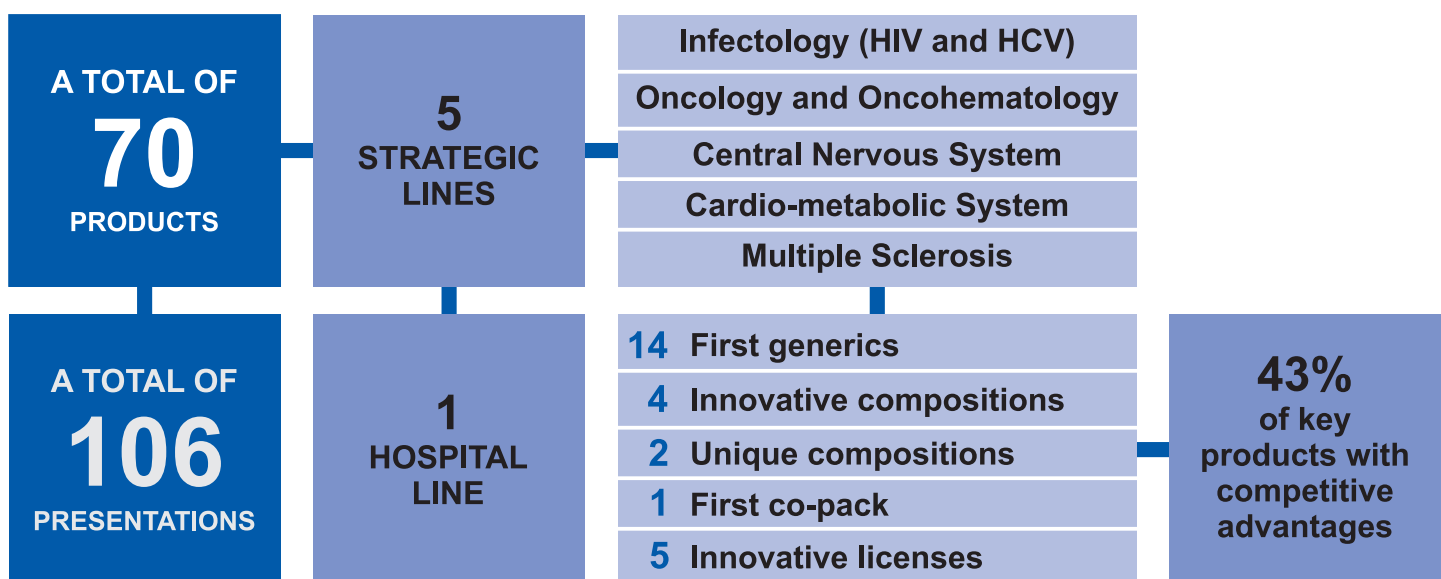
We work to facilitate the **ACCESS** of all sectors of the population to efficient and safe pharmaceutical treatments. To that end, we strive to launch the first generic pharmaceutical product or biosimilar product, develop products enabling treatment adherence and provide innovative therapies through 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 system and with our own contribution to caring for the environment.

Our Products

We focus on the evolution of the medical and social needs of patients in Argentina and in more than 20 countries in the world. We direct our efforts towards five therapeutic areas. All our products are prescription drugs, that is, they have to be prescribed by a physician.



PRODUCTS SUITABLE FOR CELIACS



As a part of our commitment to offer effective, safe and accessible products for all the population, 44 solid pharmaceutical forms (tablets or capsules) do not contain starch in their formulations. These products are gluten free and make them suitable for celiacs. These products show the "Gluten Free" label on their packaging.

TREATMENT ADHERENCE

A pharmaceutical product is effective not only on account 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 special packaging so that individuals may take their treatment medication in full privacy. That aspect is coupled with user friendly packaging to transport and take the medication when necessary, ensuring the product preservation and quality.



NEW LAUNCHES

In 2020 we made available to physicians two new products fully developed by our Research and Development team.



ZEVUVIR® L Pack

This is a novel product for the treatment of HIV. It is the first co-pack not only in Argentina but also in the Latin American region. It contains tablets of two antiretrovirals, Dolutegravir 50 mg and Lamivudine 300 mg in a single blister, die cut to separate the two tablets of the daily dose. In this way the patient can better control the medication intake allowing comfort and privacy in the administration. All that enhances treatment adherence.



KYTZAN®

We added to our Central Nervous System line this atypical Lurasidone-based antipsychotic drug in three concentrations, 20, 40 and 80 mg. The molecule is included in the major international guidelines due to its efficacy in the treatment of schizophrenia and bipolar depression type I, both in monotherapy and adjuvant therapy. It has also an excellent metabolic profile, with almost no weight increase and a lower treatment discontinuation rate in comparison with other antipsychotic drugs.



6 Human Capital



In our Company we are continuously adapting ourselves to the changes and to the health-related needs of the population. Because of that we hire personnel willing to innovate on an ongoing basis and to improve the quality of life of the people. We acknowledge and value the contribution made by our collaborators and strive for them to reach their highest potential and success in their careers.

We are committed to equal opportunities, to the respect, dignity and non-discrimination of our collaborators and the candidates to become our collaborators.

We provide equal employment opportunities and strive to keep fair and stable working conditions. We select, hire, develop and promote collaborators irrespective of their race, skin color, religion, origin, gender, sexual orientation, marital status, age, disability or any other category protected by law.

Total payroll broken down by gender

Gender	Years		
	2018	2019	2020
Women	146	147	151
Men	219	220	253
Total	365	367	404
Evolution	1,10%	0,50%	10,10%

Personnel turnover rate

New hires 69	Outgoing employees 32	Resignations: 22	PTR: 13%
		Agreements: 8	
		Contract expiration: 2	
Reason For Entry	Substitution	21	30%
	New Position	15	22%
	Reinforcement	33	48%
Hiring	No Fixed Term	35	51%
	Fixed Term	4	6%
	Temporaty	30	43%

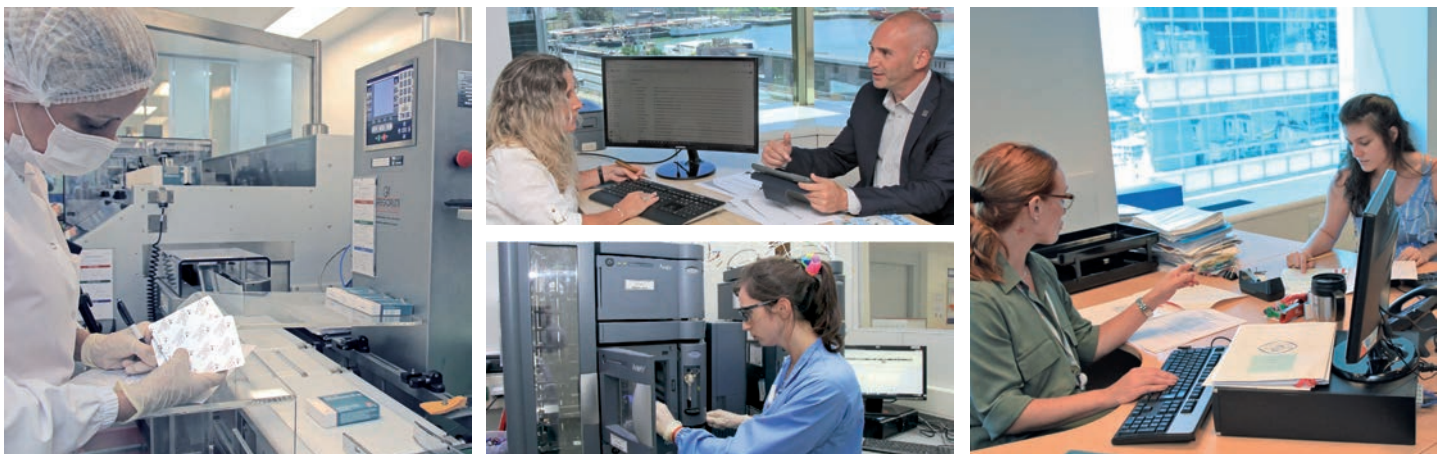
Hiring without a fixed term refers to substitutions of effective posts or to new posts. In turn, the pandemic contingency forced the company to hire personnel on a fixed term basis or hire temporary personnel, to substitute for personnel with a health risk factor or due to a temporary increase of the demand.

Employees according to seniority (in %)

Seniority	2018	2019	2020
1 to 5 years	50%	50%	52%
6 to 10 years	31%	31%	25%
11 to 20 years	15%	15%	18%
More than 20 years	4%	4%	5%

Employees according to geographical area (in numbers)

TOTAL	404	Mendoza	4
Buenos Aires	266	Salta	2
CABA	113	Tucumán	2
Córdoba	9	Corrientes	2
Santa Fe	5	San Juan	1



REMUNERATION POLICIES

The process to determine the level of remuneration entails conducting a comparative analysis against different variables comparing positions and degrees to determine the market movement in each period of the year. In turn, we verify internal equality across the company. There is no difference in the salary of men versus women, that is, the entry-level salary of men is the same as that of women for the each work category.

In the case of collaborators covered 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 in addition to 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, which may increase the minimum salary two-fold and even three-fold.

With respect to the managerial personnel and professionals working outside the collective bargaining agreements, each position is compared with the results of the survey of the remunerations in the market. We then establish a competitiveness parameter of the labor market at different levels and this helps us determine the remuneration for each case.

Percentage of total annual salary increase	Unionized	23,0%
	Non-unionized	25,5%
Ratio of total annual compensation		18:1
Ratio of the standard entry-level salary according to gender versus the local minimum salary		4:1
Senior management hired from the local community		100%



PROTOCOLS IMPLEMENTED DUE TO COVID-19

At Laboratorios Richmond we provide options and opportunities of improvement to face the organizational challenges caused by the COVID-19 pandemic. Considering that the personnel is the most valuable asset of our company, we implemented measures to keep a clear and transparent communication with the personnel to avoid inconsistent messages or increasing the personnel's concerns. These are some of the measures implemented:

- Working remotely for personnel considered a risk factor.
- Working remotely for administrative staff.
- Private transfers using a mobility platform for all employees who had to continue working in person both in the plant and in the laboratory.
- Handing out of a safety kit (mouth covers, masks, 70% alcohol) to all staff performing duties in person.
- We made available a 24 hour telephone hotline to report suspicious / confirmed cases, give guidance as to the steps to follow and activate the safety protocol, if needed.
- We trained all the personnel on the "COVID-19 management protocol" reinforcing the recommendations by the WHO and giving instructions on the steps to take in the presence of signs or symptoms compatible with COVID-19 in the workplace or in the event of a confirmed positive case.
- We segregated the shifts to avoid any possible massive spread of the virus and to guarantee the company's supply.
- We boosted the hygiene and cleanliness of the common spaces (changing rooms, entryway, common corridors, work tops, etc.)

COVID-19 reported cases	% of the payroll
Positive cases: 13	3%
Suspicious cases: 48	12%

The company did not register any contagion at the workspace. The positive cases occurred by contact with family members and/or with close contacts of the employee.

Actions in the event of a COVID-19 positive case in the workspace

- 1) Immediate isolation.
- 2) Thorough cleaning and disinfecting of all the surfaces affected.
- 3) Contact tracing survey to establish possible close contacts.
- 4) Isolation of close contacts, if needed.
- 5) Daily follow up of the positive case and of the isolated contacts to check their evolution.
- 6) Going back to work only with the medical discharge and showing a negative swab test coordinated by the company.

Thanks to the follow up and the control measures established, the first COVID-19 case in our premises appeared only 137 days after the implementation of preventive and mandatory social isolation (ASPO, acronym in Spanish).

WORKING REMOTELY

One of the major challenges posed by the pandemic was the fast implementation of working remotely for the administrative and commercial areas. This enabled us to adapt seamlessly once the lock down measures were in place. It is important to highlight that being considered essential workers the operation and technical areas of our company continued working but in compliance with a stringent protocol, which allowed us to continue with our activity without interruptions.

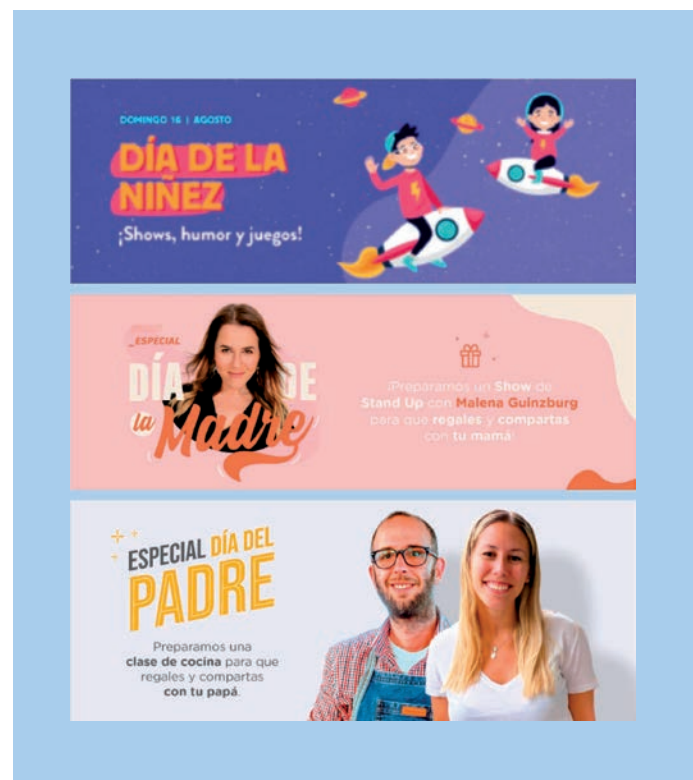
In areas affected by the measure to work remotely, Laboratorios Richmond provided our collaborators with IT tools and equipment. Additionally, the worker's ergonomic chair was sent to the worker's domicile to avoid wrong posture and body pain.



BENEFITS GIVEN TO THE PERSONNEL

Attracting and retaining the best human talent is a critical issue for our competitiveness, since 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 for all our collaborators. There is no difference in terms of contractual modality.

- **Health care insurance** for all collaborators and their close family.
- **Richmond Week** by the end of the year.
- **Health Care Worker's day:** Holiday for all staff, including plant and laboratory personnel, who get one additional day off.
- **Richmond Natal:** Working hours progressively scaled up for personnel on maternity leave. Day care center.
- **Paid vacations:** 21 days of paid vacation after the completion of six months of work in the Company.
- **Flex Friday:** Collaborators are allowed to leave at noon on Fridays if they completed the mandatory weekly hours.



The pandemic accelerated a change in needs and priorities. In this new environment, benefits were changed and some others were implemented to foster employee loyalty and improve the experience of our human capital, thus adapting to the new paradigm.

- **In-company canteen:** This benefit was replaced with reimbursing the equivalent value per day worked established by the labor agreement of the health care workers' union. The benefit was also extended to non-unionized personnel.
- **Shuttle to and from Pilar plant:** The service was replaced with a door-to-door private car service.
- **Special occasion presents:** The gifts for Children's Day, Christmas basket, etc. were substituted with digital gift cards.
- **RichmondUp:** The App offering discounts in different items now adds virtual contents every week.
- **Wellness Section:** Online yoga and meditation classes are offered in addition to the contents aimed at improving the wellbeing and the quality of life.
- **Workshops Section:** Courses and talks given by prestigious universities and training centers.
- **Special Actions:** Music and theater performance streaming to enjoy with the family.



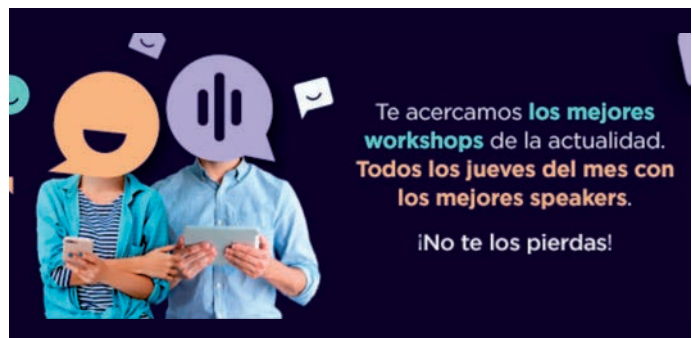
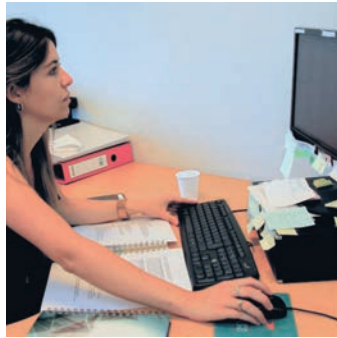
TRAINING

In Laboratorios Richmond we go on providing multi-media and interactive training opportunities. They allow the ongoing training of the personnel in the tasks 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 training subjects are varied and encompass more general subjects and specific activities of the pharmaceutical industry. Two examples of training given during the year are presented below:

"Excel for Office 365" is a course given in 12 forty-minute weekly classes plus 15 minutes for consultation and doubts on the subjects taught. The classes were recorded and uploaded on a training platform to be viewed later by those who missed the virtual class or needed to review the contents and dispel doubts. Forty-nine collaborators participated in the program.

In turn, the members of the Legal Affairs Department participated in the program "Gender, Law and Society" offered by Universidad Torcuato Di Tella as a part of the ongoing training in the sector.

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%



INTERNAL COMMUNICATION CHANNELS

In Laboratorios Richmond we foster teamwork and promote in-company bonds based on the mutual respect and trust, and through a fluid communication with the personnel. Our internal 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, and news in general. We also support the queries of our internal audiences and we streamlined and updated the information exchange channels incorporating new technological tools.

- Corporate intranet
- Corporate emailing lists
- Tu recibo.com platform
- 24 hour Human Resources WhatsApp hotline
- Monthly meetings of sales teams
- Coordination meetings for Chiefs, Managers and Directors

We share COVID-19 related information in our intranet portal and in the section of communications with the personnel of the tu recibo.com platform. The information includes the implementation protocols used to train our teams, and also recommendations for work station and home cleaning.

OCCUPATIONAL HEALTH AND SAFETY

The key indicators involving the aspects of protection, safety, health and wellbeing of our personnel are presented below:

Injury rate – Frequency index

This indicator shows the number of injuries occurred in a period of time in which workers were exposed to the risk of suffering an occupational accident. This corresponds to the total number of accidents with injuries per every million man-hours of risk exposure.

FREQUENCY INDEX	2018	2019	2020
$\frac{\text{Injured workers} \times 1,000,000}{\text{Hours worked}}$	$\frac{13 \times 1,000,000}{799,200}$	$\frac{20 \times 1,000,000}{788,400}$	$\frac{26 \times 1,000,000}{868,320}$
	16,2	25,3	29,9

Lost time workdays

This parameter shows the number of workdays lost in the year per every one thousand workers exposed. The definition of lost time workdays adopted is the definition recommended by the ILO, and it involves the total number of running days existing between the date of the injury and the date of completion of the temporary labor incapacity.

LOST TIME WORKDAY INDEX	2018	2019	2020
$\frac{\text{Lost time days} \times 1,000}{\text{Workers exposed}}$	$\frac{304 \times 1,000}{370}$	$\frac{168 \times 1,000}{365}$	$\frac{402 \times 1,000}{404}$
	8,2	4,6	10,0

In 2020, measures and mechanisms for the early detection of COVID-19 were implemented, as well as different preventive methods and protocols related with work management: mobility of workers, work spaces, segregation of shifts and lunch times. The new measures implemented aimed at ensuring the safety and the health of the collaborators, based on an ongoing monitoring.

It is important to point out that the isolation and recovery days after testing positive, increased the number of days lost in the year. This impacted directly on the indices.

7 Clients



The following target groups constitute the range of our clients: patients, physicians, the members of the commercial distribution channels and the health care management stakeholders.

THE PATIENT

The patient is the person under medical treatment or the user of a health care professional service. Patients are the critical link in our value chain. Consequently our actions are focused on improving the patient's wellbeing enabling an adequate and equitable access to effective, safe and novel pharmaceutical products. However, for one of our products to become the patient's therapeutic option, the rest of our clients need to participate directly or indirectly.



THE PHYSICIAN

The physician is a health care professional who plays a key role in the link between the patient and the patient's access to the pharmaceutical product. Due to regulatory aspects and as a result of their education and expert knowledge of pharmacology and human health, physicians are the persons in charge of prescribing our products. To ensure an adequate prescription, we provide these professionals with a specialized service of technical and scientific information. At present we focus on a target group of about 14,000 physicians selected by their prescription profile based on our product portfolio. The main therapeutic areas covered are Infectology, Oncology, Hematology, Cardiology, Neurology, Psychiatry and Medical Clinic.



THE COMMERCIAL CLIENT

The distribution channel is the link which facilitates the delivery of a product from our company until it reaches the patient. We have two types of commercial clients, the intermediation client and the sale or dispensation client.

INTERMEDIATION: The full service drug wholesaler or special therapy drug wholesalers are the wholesale entities functioning as the last intermediation link with the patients.

SALE OR DISPENSATION: Pharmacies, hospitals, clinics and other health care institutions are the patients' access points to the pharmaceutical product.

Additionally we have different health care management stakeholders or financing mechanisms:

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

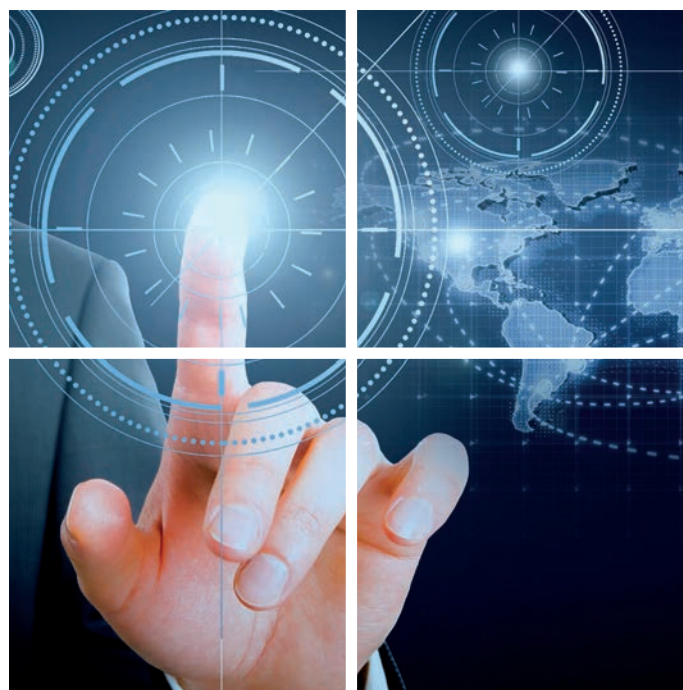
MEDICAL INSURANCES: : The union-run health care systems and the health insurances (HMOs) are the entities geared to provide medical assistance and co-finance the cost of the medication.

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 client portfolio	N°
Drug wholesalers	239
Pharmacies	140
Hospitals, clinics and health care institutions	92
Union-run health care systems and agreements	19
Public institutions	3

INTERNATIONAL CLIENTS

Our products are also sold outside Argentina, in 26 countries of the Americas, Africa, Asia and the Middle East. Our presence in these markets is secured through our subsidiaries or representatives, renowned laboratories in each country. They are part of our work team, be it collaborating with our Regulatory Affairs team to obtain marketing authorizations or with our Foreign Trade collaborators to import our products. Locally we conduct promotion and distribution actions in the public and private sectors. The knowledge of our personnel regarding all the regulatory and commercial aspects as well as their commitment to develop new markets give international relevance to the product lines we manufacture and export.



COMMUNICATION WITH CLIENTS

Starting from a common strategic concept, we structure communication lines geared to each specific type of client based on their role and relevance and within regulatory parameters in place for the pharmaceutical industry.

MEDICAL PROMOTION

Through our medical promotion representatives we provide health care professionals with the technical and scientific information for them to assess the therapeutic benefits and to have a clear understanding of our product prescription and use. This relational marketing management is implemented by the visit to the health care professionals in their private offices or in hospital settings, as well as the participation in congresses, symposia and scientific meetings, or also by providing scholarships to participate in training courses

The physical distancing measures imposed by the COVID-19 pandemic had a major impact on the medical promotion in person. On account of that we reinforced and adapted our work methodology expanding communication channels by the use of IT tools such as email distribution lists, WhatsApp messaging, audio and video chats, etc. We not only adapted the contents of our promotional material to be used on these media; we also held a significant number of virtual meetings to keep ourselves in contact and communicated with our target audience.

Likewise, our salesforce kept themselves updated through training, update courses and the development of new skills to offer a good remote experience.

We also provided support and boosted our presence in various symposia and national, regional and international congresses organized by medical institutions and scientific foundations. All the events were made on virtual platforms with exclusive access to health care professionals, for whom we made available registration grants for them to participate.



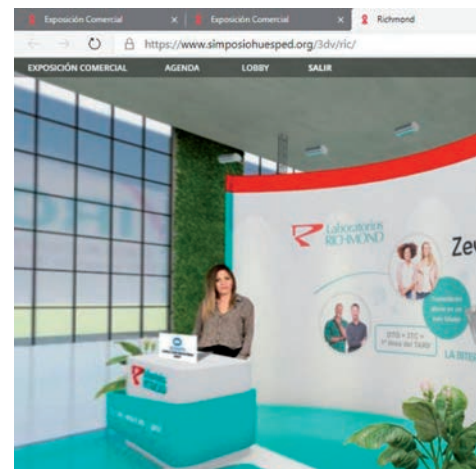
Sociedad Argentina de Infectología (Argentine Society of Infectology)

We participated with a virtual stand in the congress of the Argentine Society of Infectology. Its 20th edition was held in November. The Society is a non-profit scientific society which groups the most prestigious professionals in our country and performs tasks in connection with infectious diseases and their impact on our population.



Fundación Huésped

We accompanied Fundación Huésped in its Seventeenth Scientific Symposium. This event was attended by more than 1,000 online guests including health care professionals and other stakeholders interested in the subject. News and progress made in issues in connection with COVID-19, HIV, vaccines and sexual health among others were presented in this event.



IPTEI Médica

We sponsored a series of four meetings called “Infectology Living Rooms” organized by the multidisciplinary team of health care professionals devoted to investigation, prevention and treatment of infectious diseases.

Stamboulián Foundation

Through their webinar cycles called “Stamboulián Talks” hosted by renowned specialists, we participated together with the Stamboulián Foundation, providing updated information on the pandemic.

FunCerMen

Laboratorios Richmond sponsored the “Neurology for non-neurologists” course organized by the Fundación Cerebro y Mente. The course was divided in four modules with certification of the hours attended, each covering the following subjects: sleep disorders, epilepsy, pain in elderly populations and Alzheimer.

GADA

We supported the Fundación Grupo de Alivio al Dolor de Argentina (GADA) in their training webinar on the “Use of second-step opioids in different clinical scenarios”. The event was attended by 268 physicians specialists in pain. Three presenters shared their experience about the use of codeine in different pain-related scenarios.

European Society of Cardiology

We enabled the virtual participation of several physicians at the European Congress of Cardiology ESC 2020 on August 29 – September 1. The professionals had access to the knowledge disseminated by experts and participated in practical demonstrations which supported their professional development. They received credits for ongoing medical education.

Pharmacosmos

Laboratorios Richmond participated in the actions organized by our partner Pharmacosmos from Denmark. We invited local physicians to follow live streamed sessions of the Heart Failure Association (HFA) of Europe in June, the Hemotherapy, Hemostasis and Thrombosis Network (NATA) in September, and the pre-ASH satellite symposium in December.

EVER Pharma

We accompanied our partner EVER Pharma from Austria in the webinar in July on “Cerebrolysin: Beyond the role of the neuroprotection and its new extraordinary functions” and in the virtual congress of the Society for the Study of the Neuroprotection and Neuroplasticity (SSNN) in October where 14 expert speakers from 8 countries addressed dementia, stroke and traumatic brain injury.

iptei **LIVINGS DE INFECTOLOGÍA**

CICLO 2020
4 ENCUENTROS CON CERTIFICACIÓN

IMPACTO DE LA PANDEMIA POR COVID EN EL PACIENTE INMUNOCOMPROMETIDO

MARTES 13 DE OCTUBRE A LAS 19:00
(HORA DE ARGENTINA)

Coordinador
Dr. Javier Altclas
Director Médico de IPTEI,
Jefe de Infectología en Sanatorio de la Trinidad Mitre y Sanatorio Anchorena

Moderadora
Dra. Claudia Salgueira
Coordinadora de IPTEI,
Staff de Infectología en Sanatorio de la Trinidad Mitre y Sanatorio Anchorena - Coord., Com. de Infecciones en HIC y Com. de TGS, SADI

FUNDACIÓN GRUPO DE ALIVIO AL DOLOR DE ARGENTINA

CAPACITACIONES 2020

WEBINAR ONLINE LIBRE Y GRATUITO

USO DE OPIOIDES DE SEGUNDO ESCALÓN EN DIFERENTES ESCENARIOS CLÍNICOS

24 DE SEPTIEMBRE DE 2020 DE 20 HS.

CUPOS LIMITADOS

Reserve su lugar: fundaciongada.org.ar
(Ingresando a botón CAPACITACIONES)

Auspicio **Laboratorios RICHMOND**

ESC Congress 2020 **ESC**
The Digital Experience European Society of Cardiology

Estimado Dr./Dra.,
Nos complace informarle que el Congreso Europeo de Cardiología 2020 se realizará de forma Virtual con inscripción 100% gratuita. El mismo se llevará a cabo del 29 de agosto al 1 de septiembre.

El congreso ESC 2020, una vez más, será una celebración del descubrimiento y la ciencia innovadora, presentada este año en una plataforma online.

Acceda a conocimientos de expertos y demostraciones prácticas que harán avanzar su práctica diaria, respaldarán su desarrollo profesional y recibirán hasta 24 créditos CME.

En caso de que usted esté interesado en participar, nos solicita el link de inscripción.

Laboratorios RICHMOND

Laboratorios Richmond invita a ud. al webinar:

"How to Manage Iron Deficiency Anaemia in the Surgical Patient"

Día : 28 de septiembre
Hora : 13:00 a 14:15 hs. (Argentina)

Este evento es organizado por NATA
(Network for the Advancement of Patient Blood Management, Haemostasis and Trombosis)

Se requiere preinscripción.
Recibirá un enlace a su correo electrónico que será requerido para acceder al webinar.

Regístrese gratis en la web de NATA
(link adjunto)

Auspicio **PHARMACOSMOS** Invita **Laboratorios RICHMOND**

Hybrid event

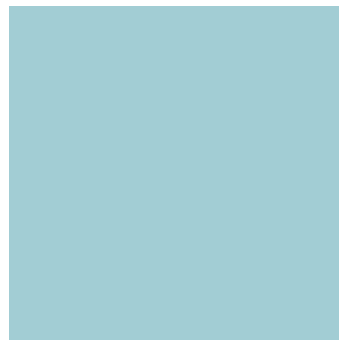
With the easing of some COVID-19 lock down measures towards the end of the year, we organized a conference led by Dr. Ignacio Previgliano on “Captain II trial in traumatic brain injury”. The meeting was hybrid and was attended in person by neurologists and intensive care unit physicians, 25 from the Buenos Aires area and 22 from the rest of the country through an on-line platform.



GIMMICKS IN PANDEMIC TIMES

With the aim of providing a special support to infectologists, one of the medical specialties that is most involved in the pandemic, we gave them as a present a portable acrylic desktop divider for the professionals to go on working and boosting prevention and physical distancing measures in their offices.

We also handed out face masks manufactured with hypoallergenic two-layer 100% cotton fabric with a pouch to add an additional of protection. They have the sentence “Help us care for you”, as an adaptation of our slogan to the new juncture. They were handed out by our representatives to the health-care professionals.



EVALUATION OF THE REMOTE MEDICAL PROMOTION ACTIONS

In order to determine the performance of the new remote working method, we evaluated the delivery of promotional contents through WhatsApp messages to the target group of hematologists in the months of April and June. We had two cycles of three banners each developed specifically for the channel, which were sent out by the team of representatives of the Special Line to approximately 300 physicians enrolled. Subsequently the collaborators entered the feedback received in a form.

The results of the evaluation showed a very good response rate (82%) with a markedly positive degree of satisfaction (good 60%, very good and excellent 19%). As a conclusion we saw that the proposal was fit for the channel and the contents were judged relevant. The remote interaction with the physicians was adequate, interactive and with a good evolution in terms of customer relationship management of our representatives. The experience was extended to other product lines and medical specialties and at present is being tested as a part of a hybrid relational model for the future.

CUSTOMER SERVICE

In such a special year as this one has been, we thought this service was of the utmost importance to listen to and assist our clients: physicians, pharmacists, drug wholesalers and institutions as well as patients or users.

To that end we made available various 24/7 multi-platform communication channels. They are: dedicated email address, telephone numbers, postings on Facebook and Instagram and our web site.

The communication is received and channeled through the collaborators in different sectors of Laboratorios Richmond and responded by the specific area according to the classification given. The service and the evaluation of the queries and claims is also a way of minimizing the risks of the product since we also provide adequate information about the correct use of the product.

As a special feature, we implemented the “Empaticemos” program, whose aim is to provide support and information to all patients who give their consent to be included in it and whose physician has prescribed some of the products of our company to treat Multiple Sclerosis.

From an administrative point of view they receive information for their health care coverage to authorize the treatment and to deliver the prescription medication. It also serves to report the occurrence of any adverse event caused by our products. From an emotional and psychological point of view, patients are listened to and supported to help them continue with their treatments.

Type of query / Total	467	
“Empaticemos” Program	178	38%
Locations to purchase the product	137	29%
Product use information	56	12%
Product request	43	9%
Delivery of personal resume and other Human Resources related issues	43	9%
Claims about products	10	3%

8 Caring for the Environment



In Laboratorios Richmond we have the firm commitment of conducting our operations with the least environmental impact possible. To that end, the management of the environmental issues is based on a continuous improvement process which goes in line with the sustainable growth of the business. The pillars are the Carbon Footprint and the 5 S Program.

We started the measurements in 2016. The measurements are made every six months and we improved the development times by 60%. We expand the scope of the carbon footprint every year, we go deeper in the measurements and include new indicators which allow us to have a better traceability of the environmental variables.

The results of the measurement are shared by all areas of the organization so that they can be included in their decision making processes. The results are also informed in this Report for external stakeholders.



ISO 14001 STANDARD

Due to the fact that IRAM, the certifying entity of Argentina, did not have the necessary auditors to comply with its annual commitments, the audit of the Environmental Management System and Quality Management System was postponed to January 2021.

POWER CONSUMPTION

On account of the expansion of the plant and the fact that the air compressor feeding compressed air to all the premises is about to reach its useful life, we evaluated an alternative which is closer to the needs of consumption and to improve performance. In this way a new air compressor was installed having a less capacity but which adjusts better to the current requirements of air supply, with a performance at 100% capacity. In the event that an increase in consumption or a peak are observed, the old generator is added to cover the supply threshold needed.

The power consumption decreased by approximately 20% (5.7 MW/h month)

Consumption of the industrial complex (in GJ)

2018	2019	2020
15.486	14.174	14.004

Energy intensity

2018	2019	2020
0,085	0,08	0,069

Note: Values are 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 US dollars: annual average, source Central Bank of Argentina (BCRA - actual exchange rate (TCR) and monthly average nominal exchange rate (TCNPM)

WATER CONSUMPTION

Well water withdrawal

We have two water wells to extract ground water, in compliance with Decree 429/13, Resolutions 734/14, 333/17 and 929/17.

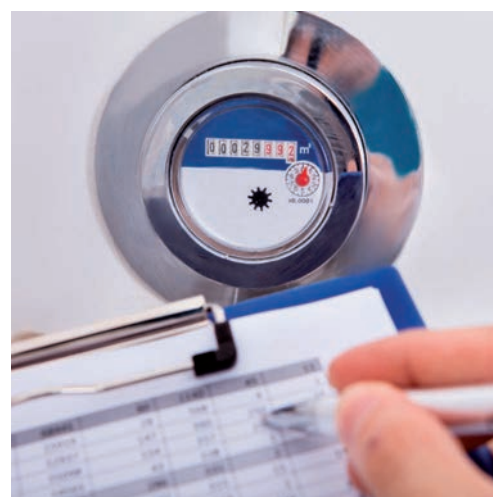
Water recycled and reused

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.

In 2020 we reduced the nominal numbers of water consumption and the indicator of the specific consumption of water versus the two previous years.

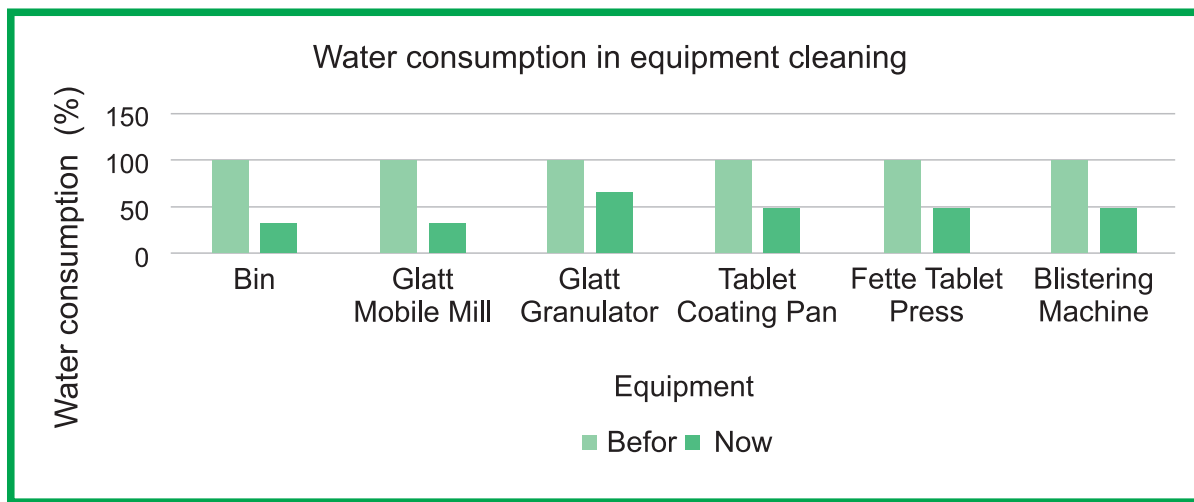
Indicator	Water consumption in m3	Unit	2018	2019	2020
Total water consumption	Absolute in m3	m3	12.661	12.652	10.660
Specific water consumption	x 1000 units	m3 x 1000 un.	3,867	3,983	2,988

One of our environmental objectives is the reduction of the water consumption. To achieve this, we conducted the Validation of Cleaning Method 1 (using hot water). Based on the results obtained in that test we concluded that the new cleaning frequency for batch manufacturing in normal operations continues being efficient and enables a decrease in water consumption.



Aim: In production processes in normal operations the frequency of cleaning between batches will be as described below:

Equipment	MAJOR CLEANING		Water Savings
	Before	Now	
Bin	after completing each batch	every 3 batshes	2/3 less
Glatt Mobile Mill			
Glatt Granulator	every 6 granulation cycles	every 9 granulation cycles	1/3 less
Tablet Coating Pan	every 3 batches	every 6 batches	1/2 less
Fette Tablet Press			
Blistering Machine			



EMISSIONS, EFFLUENTS AND WASTE

In the last three years we observed a reduction in CO2 emissions resulting from the installation of more efficient power and gas equipment.

Ratio	2018	2019	2020	Conversion factor
Power (Kwh/year)	3.938.341	3.339.763	3.274.309	According to the generation matrix in Arg.: 0.39 KgCO2/Kwh
Natural gas (m3)	218.381	251.157	205.424	1,93 KgCO2/m3
Refrigerant gases (kg)	0	0	0	1.810 KgCO2/Kg gas
Special waste (kg)	46.434	44.756	63.515	0,0262 KgCO2/Kg waste
Total Tn of CO2 equivalent	1.959	1.812	1.675	

Significant leaks

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 in the Registry of Special Waste Generators under file number 2145-08519/98. The special authorization certificate is (CHE) 2427.

We have a professional in technical issues representing the company, with registration number OPDS 0111. The transportation and the waste management are provided by MD S.A. and Trieco S.A., respectively, both 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 regulations

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 cannot be recycled. Of all the materials and main inputs only the tertiary packaging material is recycled.

Item	2018	2019	2020
Hazardous waste (t)	46,43 (t)	44,75 (t)	63,51 (t)
Waste for recycling (t)	8,00 (t)	8,09 (t)	10,63 (t)
Regular waste (t)	67,39 (t)	39,9 (t)	36,68 (t)

The increase in hazardous waste generation is due to an increased operation in the Plant due to a significant increase in the production units. As a consequence, there was a larger amount of waste classified as Y2 – Waste resulting from production and preparation of pharmaceutical products. Because of that there was an increase in the waste to be recycled from tertiary packaging material.

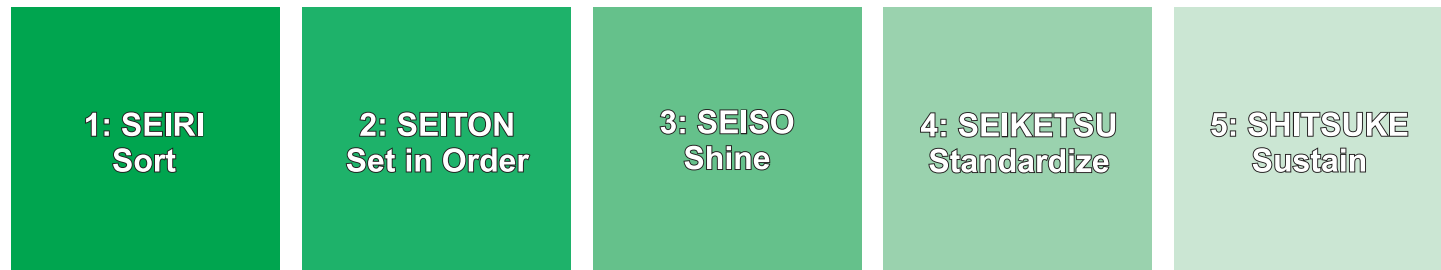
In terms of regular waste, we observed a drop in the amount with respect to 2019 and 2018. This is due to the smaller amount of regular waste resulting from the limited use of the canteen in the plant resulting from the COVID-19 pandemic restrictions.

We established prevention and performance measures to guarantee business continuity, observing the measures to protect the health of our collaborators, according to 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 activities we cancelled 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.

5 S PROGRAM

The 5 S Program is a Japanese technique consisting in a series of activities to create working conditions conducive to the performance of tasks in an organized, orderly and clean manner. The process consists of 5 simple phases, or the 5S of quality: sort, set in order, shine, standardize and sustain.



For its implementation we worked hard to reinforce good habits of behavior and social interaction. Thus we create an efficient and productive environment.

To move to higher stages of the 5S Program the Quality Control area needs to agree with the company's management on the specific resources aimed at fostering its implementation. Meanwhile, we have already implemented this program in the Safety and Hygiene sector this year.

Improvements in the effluent treatment plant

To reach a sustained maintenance and an improvement plan based on priorities we continue performing tasks in our effluent treatment plant to increase efficiency and capacity, reduce treatment times of waste water and comply with the regulatory framework.

Technology updates

The obsolete command and control dashboard was removed and replaced by a state-of-the-art PLC. This task took 36 months to complete and become fully operational in early 2020. We could increase the efficiency and eliminate detours in water treatment.

Equipment replacement and changes in piping and processes

Pumps were removed and replaced. Paintwork was made and the electrical parts and sensors were connected.

Continuous improvement of installations

Water drains were removed and replaced and pipes were changed. The effluent sector was optimized using a monitoring laboratory.

PRECAUTIONARY PRINCIPLE

The precautionary principle guides our policies and is reflected in our strategy and in each procedure and activity of the Company. It is based on two key components:

- Protecting the environment
- Safety of our products

Both aspects are addressed by conducting a risk analysis and devising actions as a response to the hypothetical risk in conjunction with ongoing monitoring of our activity and a continuous improvement plan. From the environmental point of view, this report contains information that underpins our actions. In 2018, for example, we drafted conceptual manufacturing definitions for the plant for high potency active pharmaceutical ingredients. The definitions are focused on “a plant with high containment equipment”, following the international trends, despite it being a totally novel concept in the region.

From the point of view of our products, the best example is our active Pharmacovigilance Program and product follow up which allows us to evaluate the risk and take preventive actions, if needed. In compliance with ANMAT Provision number 5358/12 “Good Pharmacovigilance Practices”, Laboratorios Richmond has a person responsible for Pharmacovigilance and an adequate structure to conduct these tasks. We also have Standard Operating Procedures describing pharmacovigilance activities as well as claim and query follow up.

Adverse reaction reporting

These consultations are received from patients and health care professionals. Because in general adverse reactions are mild or not significant (the assessment is to a large extent subjective and since they are consistent with the information described in the leaflet) we receive a low number of notifications.

		2019	2020
Adverse reaction reporting	Argentina	2	2
	Abroad	–	1
Medication errors	Argentina	–	1
	Abroad	–	–

Periodic Security Update Reports (PSUR)

These documents contain the pharmacovigilance data of a pharmaceutical product obtained in a given period of time, as from the date it is released to the market.

Number of Periodic Security Update Reports (PSUR)

2019	2020
10	8

Risk Management Plan

This document describes the activities designed to identify, characterize, prevent or minimize risks related with the pharmaceutical products.

Number of Risk Management Plans

	2019	2020
Argentina	12	2
Exterior	–	8

9 Community



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

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

Agreement with UMET

We signed a scientific-academic cooperation agreement with the Universidad Metropolitana para la Educación y el Trabajo (UMET). Through this agreement, undergraduate and post graduate students of pharmacy programs practice the knowledge learned combining it with a hands-on practice in the labor world. The agreement between UMET and Richmond stresses the importance of investing in knowledge development as a key driver of social, productive and technological progress of the country.



Renewal of Sadosky Scholarships

As part of our social investment initiatives, we extended the term of the agreement with FUNDACEN (Fundación Ciencias Exactas y Naturales) by 5 additional years to support Dr. Manuel Sadosky scholarship program. Scholarships provide money support and tutoring to students from low income settings who passed successfully 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 to be able to have access to it.



Internship program

Because of the pandemic, only two interns could be engaged in the engineering area. They complemented their academic studies by having hands-on experience in the field. They were active in the construction project of the new plant.



Information sharing on COVID-19 and sleep disorders

We shared updated information to be disseminated among the general public on “the increasing numbers of sleep disorders as a consequence of the COVID-19 pandemic”. The editorial column was published in La Nación newspaper. The article, written in a clear and edifying language, was written by our Medical Director, Dr. Maximiliano Bergman.

Sponsoring investigation: CoviPrep study

We support the Argentine Society of Infectology (SADI) by sponsoring the country-wide investigation study “CoviPrep” on the prevention of COVID-19 in healthy health-care personnel. 1500 volunteers aged 18-70 participated, including physicians, nurses, physiotherapists, laboratory technicians and cleaning staff who work in COVID areas and are in direct contact with coronavirus patients but who have not caught the disease. The medication evaluated is the combination of a single tablet containing the active ingredients tenofovir, alafenamide and emtricitabine, already in use as prophylaxis for the HIV infection in healthy individuals. Laboratorios Richmond's contribution entails providing all study inputs including the medication and the placebo for the control group.



10 Suppliers



The relationship with our suppliers is essential to develop our activities. Because of that our bonds with them are built on the basis of mutual confidence, honesty, respect and integrity.

The supplier management and development are activities which enrich our supply chain, providing a higher value through the mutual benefit for the companies involved. We seek to leverage on the synergies, the knowledge and the procedures to join forces allowing us to build competitive advantages.



CLASSIFICATION OF SUPPLIERS

We have a total of 2,100 suppliers registered, 620 of which are active suppliers. They are classified in production materials and non-production materials.

Production materials

A total of 72 suppliers provide raw materials and packaging materials, accounting for 77% of the annual procurement.

- Raw materials: Active pharmaceutical ingredients (APIs) and excipients. They are critical inputs we use to manufacture our products and account for a significant part of our annual procurement (66%) from 40 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 treatments and further enhance our company's product portfolio.

- Primary and secondary packaging materials: aluminum, PVC, ampoules, boxes, etc. 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, providing protection in the commercial distribution.

We have 32 suppliers of packaging materials which make up 11% of our annual procurement.

Non-production materials

We have 548 suppliers of goods and services which are not involved in the direct manufacture of our products. They account for 23% of the total purchases per year. They are, for example, the security/surveillance service, laboratory materials, maintenance and cleaning services, civil works suppliers, marketing and sales services, among others.

Geographical location of the suppliers

- 573 local suppliers, 95% of them from the Buenos Aires metropolitan area and 5% located in the rest of the country.
- 47 international suppliers, with 12 from India (25%), 10 from China (21.5%), 15 from Europe (32%) and 10 from other countries/regions (21.5%).



COVID-19 and supplier management

Considering that most of the critical materials are imported, the COVID-19 pandemic had a strong impact on our supply and production activities. Significant contingency measures were taken due to delays in the dispatch of materials by providers, less labor available, lack of intermediaries, border closures and other legal constraints. All that brought about delays in our logistics and an increase in prices of transportation, especially from Asia.

In view of this unfavorable context, an ongoing and comprehensive communication with the suppliers was essential to coordinate and monitor deliveries and take critical actions in terms of operations with the aim of avoiding delays in the supply chain as much as possible and to continue guaranteeing a normal and uninterrupted supply of our pharmaceutical products to our markets.

SUPPLIER SELECTION

When selecting our commercial partners, we offer equal opportunities to bid and participate in our supply chain. We make efforts to get the suppliers' involvement and to get them aligned with the key values of the Company.

The process of evaluation, qualification and selection of suppliers is multifunctional, namely, it entails the participation of various areas of the Company. In the case of production materials, the Procurement area compares the certificate of analysis of the material "under evaluation" received by the potential supplier against the procurement specification. If needed convenient, a Supplier Evaluation Survey is sent, in Spanish or in English. Quality Assurance evaluates the new supplier using the technical information received. They also approve, keep updated and file the different entries on the status of suppliers of active pharmaceutical ingredients, excipients or packaging materials issued by the manufacturing laboratories or the analysis made by third parties, maintenance and/or calibration companies and companies related with the environment and general services. The updating frequency of these documents should be periodic according to the changes applied and preferably for a period of no longer than 6 months. The areas of Development, Production, Engineering and Regulatory Affairs also participate in the evaluations, when necessary.



11 GRI Content Index

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