



2021

Sustainability Report



Contents



Words from the President



It is an honor for me to submit this sixth sustainability report where we reaffirm our commitment towards our stakeholders. We present the results of the economic, social and environmental impacts.

2021 has indeed been an extremely complex year: the pandemic upended the way in which we work, establish relationships and communicate.

In the face of such change in the rules of the game, I am proud to say that Laboratorios Richmond has been up to its expectations in responding to such extreme situation. This has been a year of transformations, opportunities and challenges.

One of the major landmarks of the year has been starting the production of the vaccine against COVID-19. Under its most stringent quality control system, the Gamaleya Institute approved the batches of the Sputnik V vaccine of the technology transfer tests which allowed the large scale production. Our continuous commitment is to supply vaccines to the country. With that in mind we manufactured more than 7.7 million doses. We produced 1,647,535 doses of component I and 6,087,250 doses of component II of the vaccine.

Manufacturing a vaccine is a complex endeavor and long production process. All the production stages must be followed carefully. This new scientific and production challenge for the national industry was only possible thanks to the entire team of Laboratorios Richmond involved in it. Thanks are also due to the team of professionals of the Ministry of Health of Argentina and ANMAT, who accompanied and supported the complex health and regulatory processes.

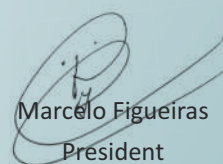
In the economic front, we successfully completed the bidding of the financial trust Proyecto V.I.D.A, whose aim is to finance the acquisition, installation and startup of a biotechnology plant to manufacture vaccines, among then vaccines against COVID-19. We have reached our objective of raising USD 85 million, with more than 60 individual, and public and private institution investors. The placement of the Financial Trust "Proyecto VIDA – Laboratorios Richmond" was considered to be in line with the four main components of the Principles of Sustainable Bonds, creating a positive environmental and social impact.

On December 22nd we held the final opening ceremony of the Unidad Productiva de Alta Potencia (UPAP), which is in the approval process. The new plant has a total surface area of 1,800 square meters giving Laboratorios Richmond the capacity to manufacture high potency solid oral forms, mainly prescribed for oncological treatment and for multiple sclerosis. Boasting a skilled labor force and a pioneering technology in the region, the plant will manufacture state-of-the-art products, thus contributing with the access to new treatments and the substitution of imports.

In line with our investments in infrastructure, technology and human capital, we succeeded in launching 7 new products on the market. Among them is our first biosimilar product for oncology use, two first generic products for high-cost treatments and a new co-pack for HIV medication, meeting our objective of improving access.

Strengthening our commitment with the promotion of science learning and in the framework of the scientific and academic collaboration agreement between Laboratorios Richmond and the Universidad Metropolitana para la Educación y el Trabajo (UMET) we opened the educational laboratory "Jorge Di Pascuale", a space where university students of pharmacy programs can carry out educational hands-on practices. The premises are fitted with equipment and elements replicating the work set up the students will find in their future jobs. In this way we extend our commitment beyond health-care and we strengthen our bonds with the education and the community.

I would like to use this opportunity to thank each member of Laboratorios Richmond, and all our stakeholders for their commitment, in these times of enormous challenges. I would like to invite you all to read through the pages of our sustainability report which shows our strategic vision based on three key pillars: Value, Access and Sustainability. It is our beacon and as an organization it commits us to the wellbeing of the people and the care of the planet.



Marcelo Figueiras
President

Reporting Parameters

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This Sustainability Report was drafted in compliance with the option offered by the Global Reporting Initiative (GRI) Standards, the Sustainable Development Goals (SDG), the United Nations Global Compact and ISO 26000 Standard. It covers the January 1st, 2021 – December 31st, 2021 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 provide a response to the information expectations of the main audiences we interact with. The document is based on an internal analysis of the information received by the Company through a wide range of communications 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.

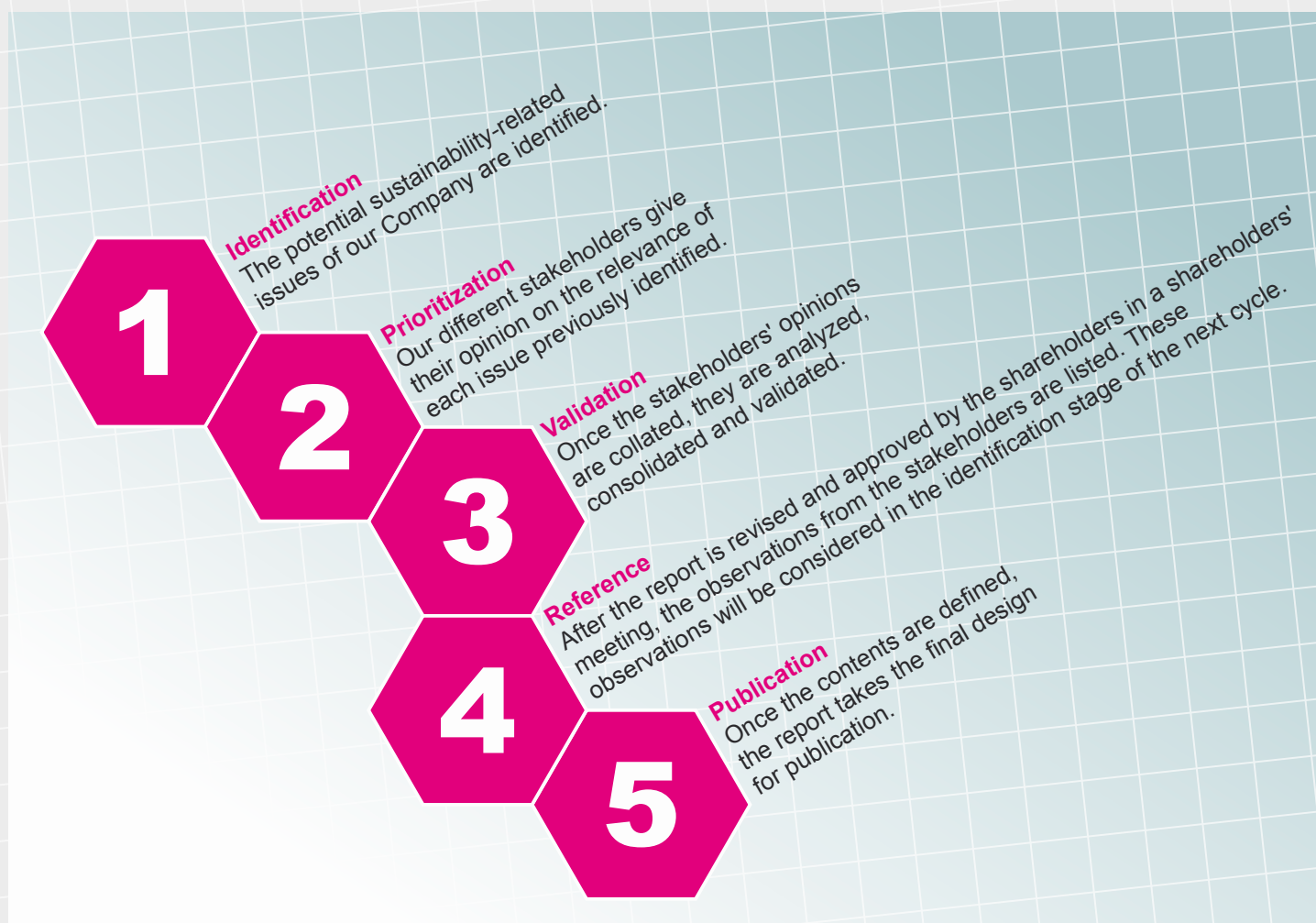
Although the information contained in this report does not have an external verification, many of the processes presented here have been certified by independent third parties against renowned international standards for the fifth year in a row now.

In compliance with the current rules, the text of this 2021 Sustainability Report has been approved by the Board of Directors of the Company, according to the minutes of March 9th, 2022.



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

Our Company



We are a regional pharmaceutical company based in Argentina. We are committed to excellence and to continuous improvement supported by our 86 years of 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. To that end, we wish to help improve, protect and care for the health of persons.



OUR MISSION

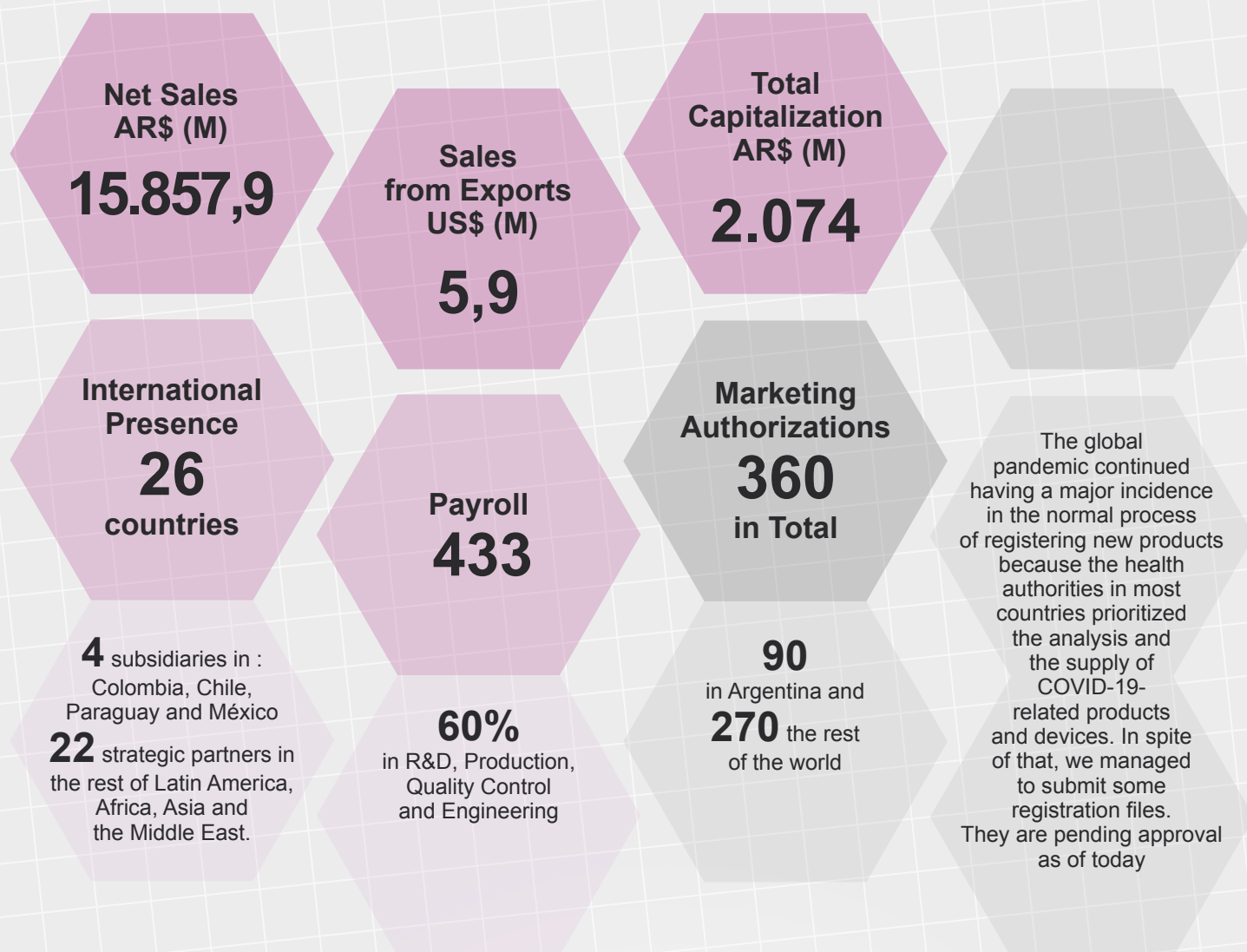
Our mission is to be a competitive, flexible and technologically-innovative pharmaceutical laboratory showing a sustained growth in the local and international markets. Build a work team whose efforts and professional competence are geared to providing quality products and services of excellence with the highest quality. 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 the community.
- Our profits derive from activities which benefit the society.
- We are proud of what we do. While we change to get better, our values remain unchanged.

RICHMOND'S NUMBERS IN 2021



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 a 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, Commercial Planning, 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 and Finance.

Procurement covers Production and Non-Production Procurement.

Human Resources is divided into Human Capital, Labor Relations, Administration and Employee Services.

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

OUR PREMISES AND OPERATIONS

Our headquarters are 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 is home to the departments of Development, Quality Control and Biotechnological Projects.

Our manufacturing plants are located at Pilar Industrial Park, Province of Buenos Aires. It covers a six-hectare plot of land with a built surface area covering 7,400 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 with Production Units

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

TRUST FUND FOR THE CONSTRUCTION OF THE NEW BIOTECHNOLOGY PLANT

The offering of the financial trust fund “Proyecto V.I.D.A” was successfully completed on August 6th, 2021. The fund sought to raise USD 85 million for the construction of a new plant in our Pilar site. Sixty investors participated, among them institutional investors, companies from the health-care sector, provincial governments, stockbrokers and private companies.

The new plant will be dedicated to the production of vaccines and biotechnological products. It will be one of the most modern plants in the region and will provide installed capacity to our local industrial sector. This will bring about job creation, local procurement of critical inputs and will also generate foreign currency through exports.

The plant will have the capacity to manufacture the full cycle of both vaccines based on adenoviral vectors and messenger RNA vaccines. This will offer an opportunity to provide a local industrial application to the various developments made by our scientists, who may otherwise need to seek opportunities abroad.

Laboratorios Richmond will then be in a condition to offer our manufacturing services to international third party companies. This will also allow us to give the research and development made by Argentine scientist of CONICET and other centers of excellence in our country the possibility of applying their knowledge in the industry.

NEW HIGH POTENCY PRODUCTION UNIT AND FUTURE BIOTECHNOLOGY PLANT

The opening ceremony of the High Potency Production Unit (UPAP, acronym in Spanish) took place on December 22nd. The Argentine President, Dr. Alberto Fernández, together with national, provincial and local government authorities toured the premises, accompanied by Mr. Marcelo Figueiras, Mr. Juan Manuel Artola and Ms. Elvira Zini in representation of our company.

The new plant has a total surface area of 1,800 square meters and will enable Laboratorios Richmond to manufacture high potency solid oral products prescribed mainly for oncological treatments or the treatment of multiple sclerosis.

By using skilled labor and pioneering technology in the region, the plant will manufacture state-of-the-art products, enhancing access to new treatment options and substituting imports. The new production unit complies with high quality standards to ensure the safety of the operators and the environment. This facilitates exporting to countries with rigorous regulatory requirements.

On the other hand, it also addresses the needs imposed by the COVID-19 pandemic and the role



assumed by the laboratory. The President of Argentina participated in laying the foundation stone, which will serve as beginning for a new model biotechnology plant. The plant will be equipped to manufacture more than 400 million vaccines per year covering from the raw material all the way to the finished product, to address not only the requirements of the pandemic but also future medical requirements.

Both the opening of the high potency plant as well as the start of the new construction imply a contribution to an industry providing high added value with a lot to offer to the world. This development will make us be ready in the event of future pandemics and to show the positioning of Argentina in terms of research, installed capacity and human capital.

In this way, Laboratorios Richmond continues working for the furtherance of the country's health-care sovereignty. It also ensures that patients can access quality treatment and enhances the creation of new jobs.

REGISTRATION PROGRESS IN MEXICO

In May, the Mexican New Molecule Committee (CMN, acronym in Spanish) issued a favorable technical opinion on the request for registration of the fixed dose combination in a single tablet for the treatment of HIV.

This combination was met with the unanimous approval in terms of quality, safety and efficacy by the CMN experts for registration with COFREPRIS, the Mexican health authority.

Being an exclusive development of Laboratorios Richmond, the product is for sale in Argentina. It is



Corporate Governance



BOARD OF DIRECTORS

The Board of Directors is responsible for the administration and the decision making in terms of 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 our Corporate Social Responsibility, the Board of Directors has the power to set the initiatives to protect the environment and also establish 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 in their fulfillment of their executive responsibilities, such as overseeing the financial processes, the internal control system and audit processes and verifies 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 compliance with the standards and 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 trust of patients, business partners, suppliers and regulatory agencies.

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

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



CORPORATE GOVERNANCE

In June 2021, the Comisión Nacional de Valores (CNV - National Securities Commission) informed us of the decision issued in the framework of the follow up of the report of the Corporate Governance Code corresponding to the 2020 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 general public may have a thorough knowledge of the way in which corporations implement these practices, and if they fail to implement them, to expose the motives.

In that 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.

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 are satisfactory and do not prompt significant comments by the entity.

COVID-19 SITUATION

In 2021 the Company obtained the agreement of the Comisión Nacional de Valores regarding the reforms of its Corporate Bylaws to allow remote board and shareholders' meetings in the framework of the precautionary measures set forth by that agency as a consequence of the preventive and mandatory social isolation due to the COVID-19 pandemic. This amendment was filed at the Inspección General de Justicia (Corporations Authority).

CORPORATE RELATIONS

VISIT OF THE PRESIDENT OF ARGENTINA

In the framework of our five-year investment plan, the Company received the visit of the president of Argentina, Dr. Alberto Fernández. Together with his team of collaborators, the President toured the premises to check the progress of the construction of the new high potency production unit (UPAP) located in Pilar site. The authorities were accompanied by Mr. Marcelo Figueiras, president of Laboratorios Richmond.

This new 1,800 square meter plant to manufacture high potency solid oral products prescribed for oncology treatment and the treatment of multiple sclerosis will enable the production of state-of-the-art products in Argentina, thus easing access to new treatment options and fostering import substitutions.



LOCAL PRODUCTION OF THE COVID-19 VACCINE

On February 26th, Laboratorios Richmond signed in Moscow a memorandum of understanding with the Russian Direct Investment Fund (RDIF) representing the National Gamaleya Center for Epidemiology and Microbiology. The aim is to manufacture in Argentina the Sputnik V vaccine against COVID-19 developed by that Institute. This project was carried out with the participation of Hetero Labs (India), a strategic partner of our company for more than 25 years.

In April we announced the start of the production of the first test batches of the Sputnik V vaccine in Argentina. Thanks to the transfer of technology facilitated by RDIF, the first vaccine batches were sent to the Gamaleya Institute to comply with strict quality certification tests.

In June we informed the approval of the batches and in compliance with the local regulatory requirements, we started large scale production. By late June we completed the first 448,625 doses of component I of the Sputnik vaccine and they were sent to the logistics operator waiting for the final release by ANMAT to be distributed to the vaccination centers.

Continuing with our commitment to supply vaccines in the country, in July we completed the manufacture of 550,000 new doses of component I and the first 153,441 doses of component II. By late 2021 we have made available to the Argentine health authorities a total of 1,647,535 doses of component I and 6,087,250 doses of component II of the Sputnik V vaccine.

This new scientific and production challenge for the national industry was possible thanks to Laboratorios Richmond's team involvement in the project and also thanks to the team of professionals at the Argentine Ministry of Health and at ANMAT, who accompanied and supported us in the complex health and regulatory processes. This will undoubtedly be beneficial to the citizens in Argentina and in the region.

“PROYECTO V.I.D.A.” FINANCIAL TRUST

On April 12th, 2021, the Board of Directors of the Company approved the creation of the financial trust “Proyecto V.I.D.A. – LABORATORIOS RICHMOND”. This trust aims at financing the acquisition, installation and start-up of a biotechnology plant for the production of vaccines, being vaccines against SARS-CoV-2, also known as COVID-19 among them.

To that end a consortium comprising five companies was engaged. The consortium will deliver a “turn-key” solution, installed in the plot of land assigned by the Trustor (Laboratorios Richmond) in the district of Pilar, Buenos Aires province. Once the construction is completed and the plant starts up, it will be managed exclusively by the laboratory.

The appropriate Financial Trust participation certificates were issued and underwritten using a Public Offering Scheme on August 6th, 2021, for an amount of USD 85,000,000 (eighty-five million United States dollars). Under this scheme Banco de Valores S.A. is the trustee and Laboratorios Richmond S.A.C.I.F is the trustor.

The Certificates of Participation of the financial trust were traded under the General Regime of Public Offering, according to the authorization of the Comisión Nacional de Valores, established by means of Resolution RESFC-2021-21279-APN-DIR#CNV of July 12th, 2021. The certificates enable the payment of services resulting from amortization and profit every quarter, according to Article 4.1 of the Trust Contract.

The issuance of the “Proyecto VIDA – Laboratorios Richmond” was considered in line with the four key components of the Principles of Sustainable Bonds, which create a positive social and environmental impact.



EXPERIENCIA IDEA MANAGEMENT 2021

In the framework of the “Experiencia IDEA Management” virtual event on June 23-25 organized by the Instituto para el Desarrollo Empresarial de la Argentina, Marcelo Figueiras, president of Laboratorios Richmond and currently Director of IDEA spoke about the production of the Sputnik V vaccine in Argentina.

It is worth mentioning that this event is the main event of the business community in Argentina, aimed at showcasing current management trends, opportunities and challenges faced at a local and global levels.



FORTUNA 2021 AWARDS

The sixteenth edition of the Fortuna 2021 awards organized by the magazine took place on December 14th, 2021. Every year, awards are given out to the most prominent companies in different fields based on an objective evaluation of the financial statements and information on the management of the participating companies. In this framework Laboratorios Richmond was recognized as Best Health-care Company 2021.

In the ceremony, our president Marcelo Figueiras obtained the award for the Best Businessperson of the Year in recognition for his leadership in initiatives geared towards the common good, his swift response to the pandemic and his unrelenting challenging of the status quo. These achievements reaffirm our commitment to healthcare and to the society as a whole.



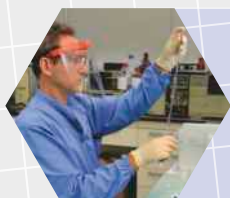
UNIVERSITY OF BUENOS AIRES 200 YEARS AWARDS

On August 12 and in the framework of the Bicentennial of the University of Buenos Aires, our president, Marcelo Figueiras was distinguished among the 200 significant personalities who graduated from the University of Buenos Aires, a public educational institution which extols Argentine quality education for free.

Strategy



Our strategic vision is based on three key pillars supported by our 86-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 for our products to meet the needs of our clients.



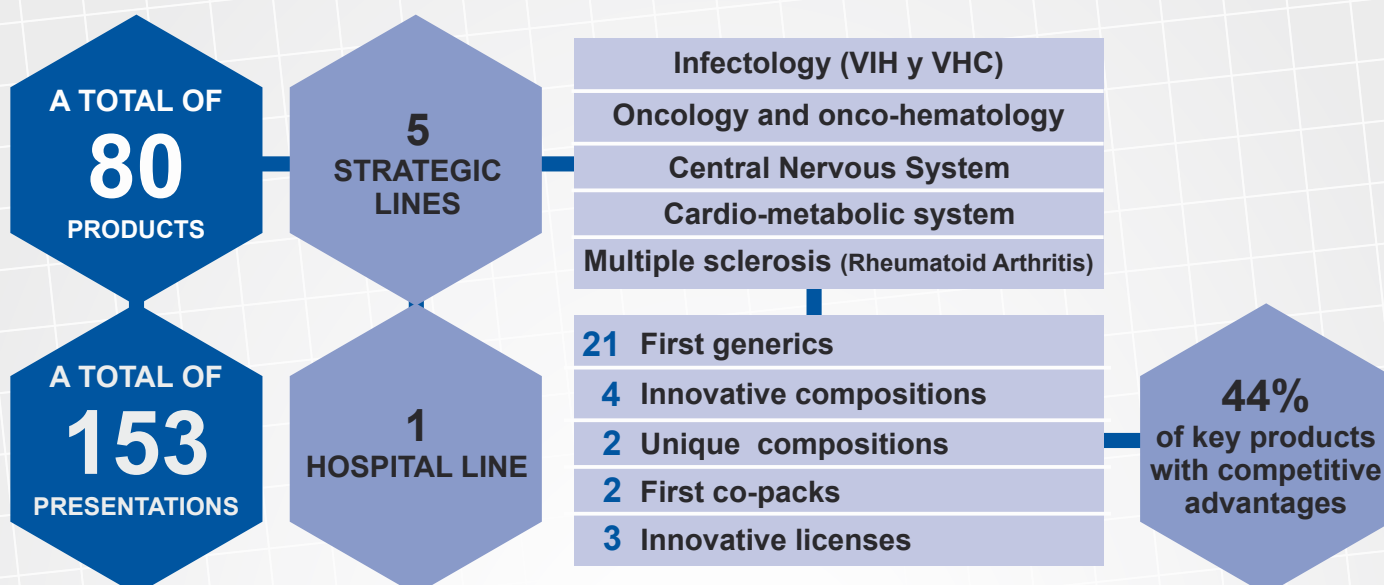
We work to facilitate the **ACCESS** of all sectors of the population to efficient and safe pharmaceutical treatments. To that end, we strive to launch the first generic pharmaceutical product or biosimilar products, develop products improving treatment adherence and provide innovative therapy options 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-caresystem 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 people suffering 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 and make 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 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 spite of the difficulties posed by the pandemic, we succeeded in launching 7 new products: the first biosimilar oncology product, two first generic products for high-cost treatments and a new co-pack for HIV are among them, in line with our aim of easing access to medication options.



ZUTRAB®

ZUTRAB® is Laboratorios Richmond's first biosimilar product. Its active ingredient is Bevacizumab, a monoclonal antibody for injection for oncological use. This event is the first landmark of the ambitious biotechnological project our Company has been working on for years. Taking into account that the raw material for these medications are living organisms (and not chemical compounds), their development and production requires heavy investments in innovation and technology.

For the development of ZUTRAB®, more than forty tests were performed using state-of-the-art analytical technology. We obtained more than a hundred physical, chemical and functional parameters in order to ensure a similar safety and efficacy to the reference product. With the inclusion of our first biosimilar product, we enable more patients to access a quality treatment, manufactured in Argentina with the support of clinical studies also made in the country. In this way we collaborate with having more efficient health-care expenses for both private individuals and public institutions. Additionally it signals the beginning of our laboratory's expansion in the biotechnology area thanks to the constant investment in human capital, research and development and the expansion of the manufacturing capacity for high potency drugs for the local market and also for export, especially to Latin America.



EURIT®

EURIT® is the first generic in Argentina and other countries in the region for Cladribine 10 mg, prescribed for the treatment of relapsing-remitting multiple sclerosis. The drug is effective in relapse reduction and disease progression, with a significant impact on the quality of life of patients.

The fact that it is administered orally, and that it has a short treatment with a long lasting effect imply a significant therapeutic difference with respect to other drugs requiring frequent IV infusions. This is especially important in the context of the COVID-19 pandemic, since it improves treatment adherence because the patient can take the medication at home. It is also less demanding on the health-care system since going to the infusion center is not required.



HIPERVAL PLUS®

HIPERVAL PLUS® is the first generic in Argentina and in other countries in the region consisting of the combination of two antihypertensive drugs, Sacubitril plus Valsartan in a single tablet. The synergy of both components is recommended by major local and international medical societies for the treatment of heart failure.



ZEVUVIR® ABC

ZEVUVIR® ABC is used for the treatment of HIV and it is the first co-pack in Argentina and in Latin America containing the tablets of the three antiretroviral drugs: Dolutegravir on one side and Lamivudine plus Abacavir on the other, presented in a single blister. The blister is die cut and allows the separation of the two tablets corresponding to the daily dose. In this way, the patient can keep track of the intake improving ease of use and privacy in the administration. These features contribute to the treatment adherence. The combination of the three drugs is considered the first line of treatment according to the guidelines of SADI and guidelines in the United States.



ADDENTA®

ADDENTA® is our first product indicated for Type 2 diabetes and a product of our cardiometabolic line. The coated tablets contain Teneligliptin 20 mg, a new class of prescription medication used in conjunction with diet and exercise to stabilize fluctuations in blood glucose levels.



TELCARDIA®

TELCARDIA® is another product launch in our cardiometabolic line. These are Telmisartan tablets, offering 24 hours of protection and control of the blood pressure. Among the antihypertensive drug group, this product has the longest plasma half-life, especially in the early hours of the morning, the period with the highest cardiovascular risk.



INIBCO®

INIBCO® is a product whose active ingredient is Pazopanib. It belongs to Laboratorios Richmond's oncology line and is indicated for the treatment of renal cell carcinoma and soft tissue sarcoma. The product is presented in 200 and 400 mg coated tablets.



INTRART®

With the launch of INTRART®, a product based on Tofacitinib 5 mg, our laboratory enters the oral treatment of rheumatoid arthritis. In addition to the main therapy for that condition, in which the body attacks its own joints causing pain, inflammation and loss of function, this product is indicated for psoriatic arthritis and ulcerative colitis.

Human Capital



We reaffirm our commitment to create a fair, agreeable and respectful work environment, which allows 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	Años			
	2018	2019	2020	2021
Women	146 40%	147 40%	151 37%	170 39%
Men	219 60%	220 60%	253 63%	263 61%
Total	365	367	404	433
Evolution	+1,10%	+0,50%	+10,10%	+7,17%

Personnel turnover rate

New hires: 82	Outgoing employees: 53	Resignations: 36	PTR: 0.69%
		Agreements: 16	
		Contract expiration: 1	

Reason for Hiring	Substitution	31	38%
	New Position	39	47%
	Reinforcement	12	15%

Hiring	No-Fires Term	66	80%
	Fires Term	1	1%
	Temporary	12	15%
	Internship	3	4%

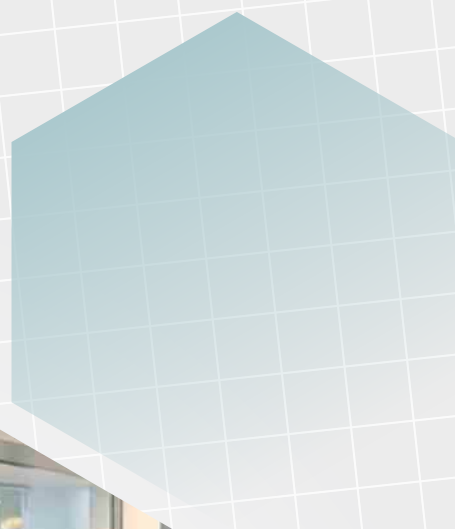
Hiring without a fixed term refers to substitutions of effective posts or to new posts. In turn, the pandemic contingency forced the company to hire personnel on a fixed term basis or hire temporary personnel, to substitute for personnel having a health risk factor or due to a temporary increase of the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

Employees broken down by seniority (in %)

Seniority	2019	2020	2021
de 1 a 5 years	50%	52%	53%
de 6 a 10 years	31%	25%	24%
de 11 a 20 years	15%	18%	19%
More than 20 years	4%	5%	4%

Employees broken down by geographical area (in numbers)

TOTAL	433	Tucumán	2
Buenos Aires	263	Corrientes	2
CABA	142	Chaco	1
Córdoba	10	Entre Ríos	1
Santa Fe	6	Salta	1
Mendoza	4	San Juan	1



REMUNERATION POLICIES

The process to determine the level of remuneration entails conducting a contrastive 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 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, which may increase the minimum salary two-fold and even three-fold.

With respect to the managerial personnel and professionals working outside collective bargaining agreements, each position is compared with the results of the remuneration market survey. 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	44,5%
	Non-unionized	31,2%
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

In last year's Sustainability Report we provided detailed information of the measures implemented in connection with COVID-19.

In 2021 protocols have been shifting based on the provisions established by the health authorities, the national government and the progress of vaccination rates.

As a result of the improvement of the epidemiological situation of the country and after a lengthy period of working in transition schemes, as of October 25th, we started a new stage in our working method.

To define these changes we considered the new market practices, the current normative framework, the degree of development achieved within Laboratorios Richmond in terms of remote work and the operation needs of each work area or team.

HYBRID WORK

The following relevant changes were implemented in Bouchard offices:

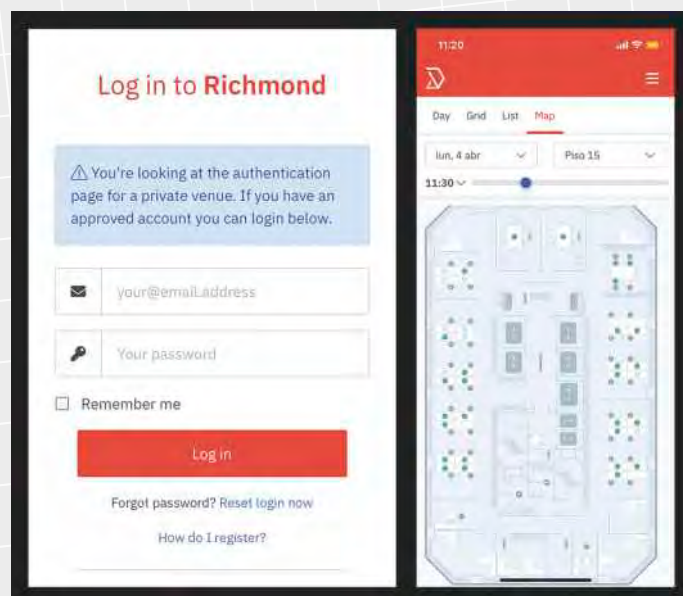
- We implemented a hybrid work system, consisting in alternating in-person vs remote working days. The system is applied to workers who as a result of the features of their work allow for this modality. On the fifteenth floor of the building we have 42 work stations (there is no possibility of complying 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 work station in advance using a dedicated application called Skedda.
- Jointly with their leader, each team defined the work method based on the operation needs of the sector, ensuring compliance with the hybrid scheme. To reach a balance between in-person and remote working, we privileged the criterion of the location from where work becomes more effective.
- On the other hand, people included in the definition of at risk population (pregnant women, colleagues 60 years old or older or people with chronic conditions, etc.) will continue working exclusively under the remote/virtual scheme.
- Since the transportation system has been reestablished in all its modalities and without maximum occupancy, we discontinued the transfer service provided by the company.
- Note that this hybrid work modality may be reversed if it is evaluated as less effective for the sector, in the event of non-compliances with the work obligations or if new restrictions are reinstated as a result of an increase in contagion rates.

Since we are still under a pandemic scenario, Laboratorios Richmond continues promoting the care of our collaborator's health through different actions. Inside office spaces, the following preventive measures have to be observed:

- When entering office premises the following actions must be completed: checking the temperature using the authorized digital thermometers available at the Reception, sanitizing hands using alcohol 70% from the dispensers provided before the entrance, using masks and keeping a 1.5 meter physical distance recommended by the health authorities.
- In case of having symptoms compatible with those of COVID, workers are required not come to the office, to inform their boss and to have the recommended tests. 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. The fact of not having to be in person every day in a certain location enhances the following aspects:

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



BENEFITS GIVEN 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	Provided to all collaborators and their immediate family.
 Richmond Week	By the end of the year we offer free days to bridge end-of-year holidays.
 Health-care Worker's Day	One holiday per year 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 scale them up. We 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.
 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 amount per day worked established by the labor agreement of the health-care workers' union. The benefit was also extended to non-unionized personnel.
 Shuttle	Shuttle to and from Pilar plant: We provide a shuttle service to the personnel to improve mobility. This benefit is provided to all the personnel working in the plant. The cost of the service is covered by the company.
 Gifts	Gifts on special occasions: The gifts for Children's Day, Christmas basket, etc. were substituted with digital gift cards.
 Richmond Up	The App offering discounts in various items added virtual content every week.

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 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 training subjects are varied and encompass more 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%

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, 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 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 occurring 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	2019	2020	2021
$\frac{\text{Injured workers} \times 1,000,000}{\text{Hours worked}}$	$\frac{20 \times 1,000,000}{788,400}$	$\frac{26 \times 1,000,000}{868,320}$	$\frac{25 \times 1,000,000}{972,000}$
	25,3	29,9	25,7

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 the temporary labor incapacity ceases.

LOST TIME WORKDAY INDEX	2019	2020	2021
$\frac{\text{Lost time days} \times 1,000}{\text{Workers exposed}}$	$\frac{168 \times 1,000}{365}$	$\frac{402 \times 1,000}{404}$	$\frac{381 \times 1,000}{450}$
	4,6	10,0	8,4

In 2021, measures and mechanisms for the early detection of COVID-19 implemented last year continued to be 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, which we observed started to descend by year end. Since it is not considered a labor-related condition, these indices will show only our lost time days due to accidents.

Recognition as Best Employers 2021

For the third year in a row we have been listed as Best Employers published by Apertura magazine. On this occasion we moved up one notch and ranked number 17 in the category of companies with fewer than 100 employees.

Our progress reinforces the commitment with our values, the professional development and the wellbeing of our collaborators.

Ranking	Company	Ranking	Company	Ranking	Company
1	Google	101	Alfaro & Alfaro	201	Alfaro & Alfaro
2	Facebook	102	Alfaro & Alfaro	202	Alfaro & Alfaro
3	Apple	103	Alfaro & Alfaro	203	Alfaro & Alfaro
4	Microsoft	104	Alfaro & Alfaro	204	Alfaro & Alfaro
5	Amazon	105	Alfaro & Alfaro	205	Alfaro & Alfaro
6	Netflix	106	Alfaro & Alfaro	206	Alfaro & Alfaro
7	Twitter	107	Alfaro & Alfaro	207	Alfaro & Alfaro
8	LinkedIn	108	Alfaro & Alfaro	208	Alfaro & Alfaro
9	Spotify	109	Alfaro & Alfaro	209	Alfaro & Alfaro
10	Uber	110	Alfaro & Alfaro	210	Alfaro & Alfaro
11	Dropbox	111	Alfaro & Alfaro	211	Alfaro & Alfaro
12	Slack	112	Alfaro & Alfaro	212	Alfaro & Alfaro
13	Zoom	113	Alfaro & Alfaro	213	Alfaro & Alfaro
14	Zoom	114	Alfaro & Alfaro	214	Alfaro & Alfaro
15	Zoom	115	Alfaro & Alfaro	215	Alfaro & Alfaro
16	Zoom	116	Alfaro & Alfaro	216	Alfaro & Alfaro
17	Zoom	117	Alfaro & Alfaro	217	Alfaro & Alfaro
18	Zoom	118	Alfaro & Alfaro	218	Alfaro & Alfaro
19	Zoom	119	Alfaro & Alfaro	219	Alfaro & Alfaro
20	Zoom	120	Alfaro & Alfaro	220	Alfaro & Alfaro

Year-end lunch celebration

To conclude such a special 2021, we shared a lunch with all the team of Laboratorios Richmond to bid farewell to the year.

This event was organized at Pilar Palace in Del Viso in December. We organized draws, gave out prizes and it was the perfect opportunity for all collaborators to celebrate our achievements and to make vows to continue working every day and be proud to make products that help people live more and better lives.



Clients



Our commitment to quality and providing service improves the wellbeing of patients and provides ease of mind to physicians and health-care institutions.

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 professionals in charge of prescribing our products. To ensure an adequate prescription, we make available 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, Cardiometabolism, Neurology, Psychiatry and Medical Clinic.

THE COMMERCIAL CLIENT

In 2021 and as part of the distribution channel, we sought to improve and expedite processes. To that end we included a distribution company acting as a link and facilitating the movement of a product from our company until it reaches the patient. We have two kinds of commercial client, intermediation and sale or dispensation.

INTERMEDIATION CLIENT: 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	Nº
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 in the Americas, Africa, Asia and the Middle East. Our presence in these markets is secured through 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 organize 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 for 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 professional 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.

During a significant time of the year, restrictions to the face-to-face medical promotion due to COVID-19 were in place. 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. As the epidemiological situation improved in the country, we moved progressively to a hybrid system, in compliance with the current normative framework, the new market practices and the protocols in place in different institutions. At the same time, our sales force was kept updated using online training courses to receive current information and for the continuous development of new skills.

Our Marketing sector provided support and maintained our presence in different symposia and national, regional and international congresses organized by medical institutions and scientific foundations. With the exception of a few instances towards the end of the year, when face-to-face meetings were organized, most of these actions were conducted using virtual platforms having a dedicated connection to the health-care professionals, who were given free access to participate in them.



- **AAHITC Webinar – Practical alternatives in handling gynecological obstetric anemia**
(June 30th)
Argentine Association of Hemotherapy, Immunohematology and Cell Therapy
Presentation by Dr. Oscar Torres (president of AAHITC) and Dr. José Ferro.
- **First Regional Meeting and XXIII Inter-District Symposium of the Greater Buenos Aires**
(August 21st)
Argentine Association of Cardiology (SAC)
Institutional sponsor of the Roundtable on Heart Failure.

- **Neurology Course for Clinicians** (August and September)
Taught by Dr. Daniel Zuin - FunCerMen
Mendoza, four modules covering Central Nervous System aspects.
- **National Meetings on Diabetes** (September 8th through 11th)
Argentine Society of Diabetes (SAD).
- **XVIII Scientific Symposium – Fundación Huésped 2021** (August 30th-September 3rd).
Fundación Huésped
- **Thirteenth Cuyo Region Symposium on Cardiovascular Disease in Women**
Golden Sponsor
(September 30th-October 2nd).
Cardiology Society of Mendoza province jointly with the Argentine Federation of Cardiology
- **ICBA Pre-Congress** (October 13th)
Cardiovascular Institute of Buenos Aires (ICBA)
Sponsor of the symposium on heart failure
- **XXI Congress of SADI** - (October 25th through 27th)
Organized by the Argentine Society of Infectology
Presentation by Dr. Isabel Casseti on “The impact of the COVID pandemic on HIV populations: different outlooks”
- **Conversation on heart failure – Hotel Alondra, Corrientes province – Face-to-face activity** (October 28th)
Taught by Dr. Eduardo Perna, president of the Argentine Federation of Cardiology (FAC)
- **Annual Cardiology Meeting 2021 – Advances in heart failure – Face-to-face activity** (November 2nd),
Fundación Clínica El Castaño – San Juan province
- **Virtual Symposium on Myocardiopathy** (November 4th).
Instituto Cardiovascular de Buenos Aires (ICBA)
- **Virtual Meeting – International meeting of Cardiology 2021 – Golden Sponsor** (November 12th)
- **Argentine and International Congress of Intensive Care** (November 16th-19th)
Argentine Society of Intensive Care (SATI)
Participation as Platimun Sponsor with two exclusive workshops “Post Intensive Care Syndrome: Neurotrophic Factor Hypothesis”, Dr. Martín Carreras, and “Is there evidence that initial treatment influences the neuro-rehabilitation and the quality of life with serious traumatic brain injury and stroke? Dr. Ignacio Previgliano
- **Ninth Infectology Meeting 2021** (November 18th-20th)
Civil Association of Infectious Diseases of Mar del Plata
- **VIII Congress of Endemo-Epidemic Diseases – The Pandemic, an opportunity to reflect on the public health-care system** (November 24th and 25th)
Hospital de Infecciosas Francisco J. Muñoz, CABA
- **International Webinar ELANS 2021- Post stroke y traumatic brain injuryNeurorehabilitation** (November 24th and December 2nd)
EVER Neuro Pharma (Austria)
Activity with international speakers from the USA, Argentina, Chile and Mexico
- **ICR Annual Congress – In-person activity** (November 26th)
Instituto Cardiovascular de Rosario
- **41st Cardiology Inter-Residency Congress CONAREC** (November 26th and 27th)
Argentine Counsel of Cardiology Residents
Sponsorship of roundtable in Heart Failure Symposium

CUSTOMER SERVICE

As a result of the continuation of the COVID-19 pandemic, we think that the customer service is 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 multi-platform communication channels available 24/7. They are: a 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 its correct use.

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 and whose physician has prescribed some of our products 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 and this helps them continue with their treatments.

Type of query / Total	511	
“Empaticemos” Program	193	38%
Locations to purchase the product	131	26%
Questions about the Sputnik V vaccine	56	11%
Delivery of personal resume and other Human Resources-related issues	50	10%
Product request	47	9%
Indications about product use	17	3%
Claims about products	17	3%

Caring for the Environment



Our corporate genes are embedded with the awareness and the commitment to preserve the natural capital of our planet and the ecosystems supporting it.

The environment sustainability is an important part of our activities. Therefore, we carried out actions whose goal is to offer a measurable social and environmental value. Among them is having a clean and non-polluting production system and a policy of waste reduction. They reduce the impact of our activity and help reduce the environmental challenges, such as our carbon footprint. Additionally, we carry out countless tasks involving safety and hygiene and we implement actions to contribute with the education in the care for the environment.

ISO 14001 STANDARD

En 2021 the Argentine Standardization and Certification Agency (IRAM) conducted a Re-Certification Audit for compliance with standard ISO 14001:2015 at our premises in Pilar. Based on the aspects evaluated in previous audits and the evidence provided remotely and in person in the review held on November 29th-December 3rd, the certifying agency granted the renewal of the certificate of compliance with that standard for a three-year term. It covers the whole of our environmental management system.

POWER CONSUMPTION

Consumption of the industrial complex (in GJ)

2018	2019	2020	2021
15.486	14.174	14.004	15.021

Energy intensity

2018	2019	2020	2021
0,085	0,080	0,069	0,065

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 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.

As reported in Chapter 3, in 2021 Laboratorios Richmond built a plant to manufacture solid oral products of high potency (UPAP). The new premises are located in the plot at Pilar industrial park, owned by the company. All utilities used in the current plant will be available and operational. Among other services, the new plant is equipped with potable water coming from the existing water tanks. A new water purification plant was procured to have the required capacity to service the new High Potency Production Unit (UPAP)

The water supply service for the new plant started to be used by mid-2021. This explains the increase in nominal consumption of m3 in the current year, since water is consumed in two independent pharmaceutical plants.

In any case, the specific water consumption x 1000 units produced in 2021 is similar to that of years 2018 and 2019, as a result of the improvement in production processes

Indicator	Water consumption in m3	Unit	2019	2020	2021
Total water consumption	Absolute in m3	m3	12.652	10.660	25.072
Specific water consumption	x 1000 units	m3 x 1000 un.	3,983	2,988	3,938



EMISSIONS, EFFLUENTS AND WASTE

Ratio	2019	2020	2021	Conversion factor
Power (Kwh/year)	3.339.763	3.274.309	4.172.676	According to the generation matrix in Argentina: 0.39 KgCO ₂ /Kwh
Natural gas (m3)	251.157	205.424	184.948	1,93 KgCO ₂ /m3
Refrigerant gases (kg)	0	0	0	1.810 KgCO ₂ /Kg gas
Special waste (kg)	44.756	63.515	58.620	0,0262 KgCO ₂ /Kg waste
Total Tn. of CO₂ equivalent	1.812	1.675	1.986	

The power supply in the new UPAP plant started to be operational by mid-2021. This explains the increase in nominal consumption of KW in the current year, since now power must be supplied to two independent pharmaceutical plants. Although the number of Tn of Co₂ equivalent in 2021 is higher than the number in 2020, it is in the same range than the years 2017, 2018 and 2019 with the caveat that we now have an additional production unit in operation.

Over the last three years we observe a decrease in gas consumption due to the installation of more efficient equipment.

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 are not authorized to be recycled. Of all the materials and main inputs only the tertiary packaging material is recycled.

Item	2019	2020	2021
Hazardous waste (t)	44,75 (t)	63,51 (t)	58,62 (t)
Waste for recycling (t)	8,09 (t)	10,63 (t)	22,97 (t)
Regular waste (t)	39,9 (t)	36,68 (t)	37,59 (t)

We observe a reduction in the generation of hazardous waste with respect to 2020 as a result of improvements in the secondary packaging process of the Pharma line.

As the secondary packaging materials of pharmaceutical products are not allowed to be recycled for safety reasons, we implemented a program to reduce the size of boxes and blisters three years ago. Thanks to the new Uhlmann boxing machine, we streamlined the secondary packaging process which helped us lower the amount of hazardous waste.

In turn we reduced the consumption and waste of aluminum foil, used as primary packaging material, by installing an in line printing system.

In terms of regular waste, the generation is similar to the amounts in 2020 and lower than in previous years. This is due to having less regular waste as a result of the drop in the use of the plant canteen due to the COVID-19 pandemic. We established preventive measures and actions to ensure the continuity of the activities, thus we observe the measures to protect our collaborators' health, according to 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 discontinued 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.



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 underpinning our actions. By way of example, in 2018 we drafted conceptual manufacturing definitions for the high potency active pharmaceutical ingredients plant. The definitions are focused on “a plant with high containment equipment”, in line with 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, and claim and query follow up.

Adverse reaction reporting

These reports 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 are consistent with the information described in the insert) we receive a low number of notifications.

		2019	2020	2021
Adverse reaction reporting	Argentina	2	2	9
	Abroad	–	1	9
Medication errors	Argentina	–	1	–
	Abroad	–	–	–
ESAVI ((Event Supposedly Attributable to Vaccination or Immunization)	Argentina	–	–	4

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	2021
10	8	14

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	2021
Argentina	12	8	11
Abroad	2	–	–

Laboratorios Richmond is deeply committed to the promotion of the comprehensive 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 key. With that in mind we carry out different activities as listed below:

Opening of Educational Laboratory jointly with 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. This space allows students of pharmacy programs to perform educational practices.



With the aim of promoting scientific learning, we equipped a space in our Elcano premises with equipment and elements which replicate the working conditions students will later find in their work environments. This action is part of our long-lasting Corporate Social Responsibility strategy which includes multi-scope initiatives.

In Laboratorios Richmond we take our commitment beyond health-care and strengthen our bonds with 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) within 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

This year we received interns in Engineering and Biotechnology areas and in Development, Product Care and Quality Control sectors. They complemented their academic studies by having hands-on experience in the field. They were active in the construction project of the new plant.

Training on Comprehensive Sex Education

Continuing with the commitment that strengthens our bonds with the community, since 2016 we have organized actions involving technical high schools (E.E.S.T.) of Pilar and surrounding areas.

To that end, Richmond Foundation provided two virtual training sessions chaired by Fundación Huésped, regarding the legislation for the Comprehensive Sex Education, based on Law number 26,150/2006. These meetings targeted teachers and authorities in the areas of Health-Care and Adolescence involving 17 services (15 EEST and two training centers) in the areas of Pilar, Zárate, Campana, Exaltación de la Cruz and Escobar.

Note the importance of being able to access and share actions which allow gaining knowledge, which improves teaching practices and promotes dialog and reflection among adults and adolescents in schools where the construction of youth identities is taught, learned and shared.

Sponsoring the 2021 Buenos Aires Marathon

This year we had the privilege of being an official sponsor of the Buenos Aires marathon. More than 13,000 runners participated in the run on October 10th, comprising both 21K and 42K runs.

We organized a draw so that our collaborators could win free tickets for both distances. The Buenos Aires marathon is a prestigious event due to its important turnout and the possibility to classify for other competitions.

In Laboratorios Richmond we support sports as a way to continue reinforcing our commitment to health related aspects. Sport is a key factor contributing to the physical and emotional wellbeing.



Interviewing Fabián, a marathon runner

Our participation in the Buenos Aires Marathon gave us the possibility to meet people who are a role model to all. Fabián was one of the runners of the 21K run.

He tested HIV positive twenty-five years ago. He learned to co-exist with his condition and despite moments of discouragement, he never gave up.

His commitment to sports led him to engage in highly demanding training sessions. As many, whenever he competes he has the feeling of: "I can't believe I am doing this". Fabián stresses that early detection and adherence to the antiretroviral treatment were key to live his life to the fullest.

Laboratorios Richmond accompanies thousands of HIV patients and we are proud to support those who would like to better themselves.



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 trust, honesty, respect and integrity.

The supplier management and development are activities that enrich our supply chain, providing a higher value through the mutual benefit for the companies involved. We seek to leverage on those 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, 520 of whom are active suppliers. 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 materials 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 account for a significant part of our annual procurement 74% 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, 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 units, providing protection in the commercial distribution.
We have 32 suppliers of packaging materials which make up 11% 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 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

- 458 local suppliers: 95% of them from the Buenos Aires metropolitan area and 5% located in the rest of the country.
- 62 international suppliers: 21 suppliers from China (34%), 16 from India (26%), 15 from Europe (24%) and 10 from other countries/regions (16%).



The challenges of the UPAP plant and the COVID-19 vaccine project

Since the UPAP plant is a brand new construction, it required moving forward using a tendering system. This made us look for new suppliers taking into account our experience and the references they could provide in addition to their commercial proposals. We organized visits to our Pilar plant to dispel doubts and queries directly on the spot where the works would take place.

The suppliers of equipment were also validated by our Engineering Department.

Regarding the Sputnik V vaccine Project, the Procurement area was involved from its very beginning. We consider that in order to advance with the product production it was necessary to accurately coordinate the supply of all materials included in the product composition. Given its specific nature, some new suppliers were added. The time constraints were key, since it required a very intense follow up to comply with the commitment.

We held meetings with Biotechnology, Planning, Finances and Accounts Payable sectors with the aim of harmonizing criteria and align policies to comply fully.

The challenges assumed by Laboratorios Richmond in the year forced all sectors to be up to the expectations of a company in constant growth and handling major projects. The professionalism and experience of our collaborators helped us meet the goals we set and contributed actively with the efforts of our company.

GRI Content Index



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

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