EMS Sustainability Report

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1 About the Report

GRI 2-2, 2-3, 2-5

EMS S.A.'s Sustainability Report is published annually and covers the period from January 1 to December 31, 2023, and is scoped only to subsidiaries operating in Brazil.

The content was developed in accordance with the Global Reporting Initiative (GRI) Standards 2021 guidelines and incorporates elements of the Integrated Reporting Framework (IIRC). The report was evaluated by the Global Reporting Initiative, obtaining the Content Index – Essentials seal.

The financial statements are also audited by Deloitte and were published on May 15, 2024, in the Data Mercantil newspaper. If you have any questions or additional information about this report, please contact us at relatorio.sustentabilidade@ems.com.br.

Presentation of Materiality

GRI 2-29, 3-1, 3-2

The materiality study was carried out in 2023 through three steps.

1st step

Review of the context:

At this stage, we review the entire internal and external context of EMS. Internal and external documents reviewed included:

- Financial Statements
- ESG Diagnosis
- Bylaws, codes, and policies
- Rating S&P
- Press releases
- The Sustainability Yearbook S&P (2023) – Pharmaceuticals
- SASB Healthcare: Biotechnology & Pharmaceuticals
- The Global Risks Report 2023 – World Economic Forum (WEF)
- MSCI - ESG Industry Materiality Map – Pharmaceuticals
- Sectoral Benchmarking

The result of the first stage was the identification of the main topics related to EMS and its sector of activity.

2nd step

Identification and analysis of impacts:

At this time, the process of classifying and identifying the actual and potential, positive and negative impacts related to each theme identified in the first step of the process was carried out.

The result of the second step was the classification and scoring of the most relevant ESG (environmental, social, and governance) impacts according to EMS's business context.

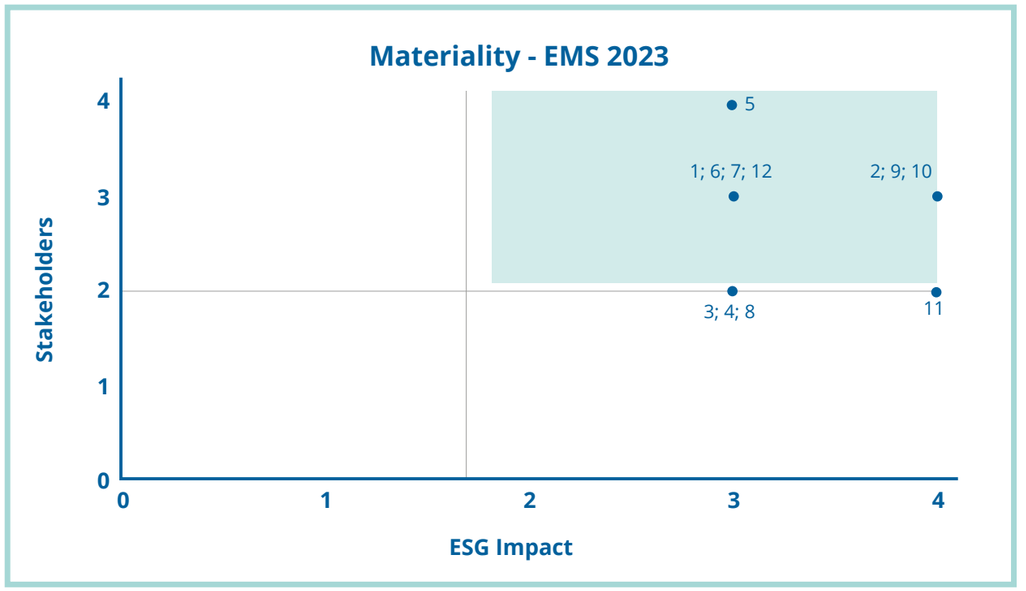
3rd step

Validation of topics and impacts:

At this step, seven hundred representatives of EMS stakeholders (Academy, with undergraduate, graduate, master's, PhD, specialist professors, master's degree students and doctorates; Customer; Pharmacy/Distributor; Employees; Scientific community; Consumer; Pharmaceutical sector entity; Pharmacist; Supplier; Hospital; Physician; Regulatory body and Media) participated in the public consultation process and selected the topics that most influence them, taking EMS into account.

The process was validated by EMS's senior management and the material topics defined for the 2023 Sustainability Report were:

- Access to medicines (1)
- Human capital (2)
- Innovation (5)
- Integrity & Risk (6)
- Social Investment (7)
- Eco-efficient operation (9)
- Customer satisfaction & health (10)
- Financial sustainability (12)



2 Message From the Chairman

GRI 2-14, 2-22

We are very pleased to publish this report with integrated data from the entire EMS business as we are known in the Brazilian pharmaceutical market and within the reality of the year 2023, a period in which we still experience, in some way, the economic and financial effects of the pandemic, despite our good profitability. Our annual goals were audacious, but our main highlights were others: we made important leaps in the professionalization of senior leadership, in commercially balanced industrial production, in research for the peptide platform, and even in the introduction of sustainability concepts to the chief officers of the organization. In addition, we entered the Mexican market through the purchase of Grupo Imperial, Kosei and Companhia Internacional de Comércio (KSK) and their entire industrial complex and portfolio, which consists mostly of over-the-counter medicines. And we showed our great appetite for growth in OTC (Over-the-Counter) with the important acquisition of the famous intimate soap brand Dermacyd in Brazil, Mexico, Peru and Argentina.

On completing six decades of operation in 2024, we are proud to remember the pioneering spirit and boldness of the founder of EMS and the successful trajectory that this family business has been building also under the command of its successors, who now see internationalization as the main driver for strategically planned and perennial growth. Reaching higher flights outside Brazil also proved to be inevitable for such a bold, dynamic company that has been setting trends and paving the way since its birth. EMS continues to be the largest national pharmaceutical industry in the face of a very competent sector regulated by equivalent parameters in the country and abroad and, with this, it envisions enormous potential for expansion to new frontiers.

Furthermore, we believe and invest consistently and increasingly in innovation and scientific research as a basis for the development of our health business, recognizing that this posture is a differential factor for us to continue facing sectoral competitiveness inside and outside Brazil. An example that materializes this statement is the launch of liraglutide nationally, scheduled for next months, a product which active ingredient will be manufactured by our own unit in Serbia – a great achievement and an incredible achievement for us, for our employees and also for our own country – as we will detail in this publication.

As Brazil's first and largest manufacturer of generic drugs, EMS will continue its quest to expand access to effective and cost-effective treatments. But we live in other times and we continue to write the next chapters of our history also in this new era, going far beyond the place where we have already arrived and for which we are recognized. The EMS that is around the world and that will expand the international scope is that of innovation on all its fronts of action. In prescription, Brand and OTC generic drugs and in the hospital area (Non-Retail), maintaining the commitment to the quality, safety and efficacy of its products. It is the EMS of incremental studies and innovative, disruptive, pioneering technologies, constantly applied so that therapies can be launched that are increasingly comprehensive and adherent to the needs of the population. This already is the EMS, but this is the way we want to be increasingly perceived by all our audiences as well. Get used to calling this 100% national company, which was born from a humble pharmacy, "the great Brazilian pharmaceutical company of innovation". To our great pride.

Luiz Carlos Borgonovi
Chairman of EMS

3 Our Business

GRI 2-1, 2-6

Boldness and pioneering spirit accompany a trajectory that dates back to 1964, when entrepreneur Emiliano Sanchez founded the pharmaceutical industry EMS, with its first factory built in São Bernardo do Campo (SP): a genuinely national, family-owned and privately held company. The EMS business as we know it today has expanded over time, to the point that since 2006 we have occupied the main place of prominence among the largest companies in the Brazilian pharmaceutical market. In six decades of consistent investments and development, we have consolidated our operations and leadership in Brazil and even expanded our borders to other countries.

We are part of the Grupo NC, the 132nd largest economic conglomerate in Brazil (Valor Grandes Grupos, 2021, the last year of publication of the yearbook), officially created in 2014 with the following pillars of operation: pharmaceutical, biotechnology, logistics, communication, energy, and real estate development, in a team of more than 11 thousand employees. It is the largest pharmaceutical group in Brazil, with 680 million units sold and BRL 23.4 billion in value demanded in 2023 at factory price (IQVIA PMB, Dec 2023).

GRUPO NC

Business Brands

NC Farma	NC Par	Logistics	Communication	Energy	Real Estate Development

EMS
Uma empresa do Grupo NC

BRACE pharma
Uma empresa EMS

VÉRO BIOTECH

RBBL
RIO BIOFARMA BRASIL

Galenika

monteresearch
PHARMACEUTICAL DEVELOPMENT SERVICE

Germed

U.Skdermatology

Legrand
Uma empresa do Grupo NC

ofta
Vision Health

MULTILAB FARMA

NOVAMED
Uma empresa do Grupo NC

NOVA QUÍMICA
Genéricos

bracepharma
embracecare

Biotecnologia

bionovis
BIOTECNOLOGIA FARMACÊUTICA

Snellog
Armazéns Gerais e Logística Ltda

nsc
COMUNICAÇÃO

nsc TV
nsc total
DC
AN
SANTA
HORA
ATLÂNTIDA
CBN Floripa
CBN Joinville
itapema

ads
energias renováveis

3Z REALTY

As an exponent of the Grupo NC, EMS represents about 63% of the corporate business share within the pharmaceutical segment (IQVIA PMB Dec 2023 – data in PPP) and operates together with other brands of the conglomerate that, year after year, conquer more space in the Brazilian market.

1950
Emiliano Sanchez founded Farmácia Santa Catarina, in Santo André (SP)

1964
Creation of the pharmaceutical industry EMS

1991
Legrand
With more than 50 years of existence and acquired in 1991, the laboratory has a strong presence in points of sale throughout Brazil.

1996
Nova Química
Incorporated in 1996 as Rathiopharma, it became Nova Química in 2010. It is also among the largest Brazilian pharmaceutical companies.

2002
Germed
It is one of the largest national laboratories in the sale of generic drugs, since its creation in 2002, with a focus on the Brazilian and European markets.

2006
Monteresearch
Monteresearch, EMS's laboratory in Italy, has maintained since 2006 an intense research exchange with the Research & Development Center in Brazil, contributing with expertise and the best of technology in formulations.

2013
Brace Pharma
Founded by EMS in Maryland, United States, in 2013, it invests in healthtechs and biotechs of disruptive technologies, such as gene therapies, RNA, cell therapies, and monoclonal antibodies.

2014
Novamed
Installed in the Manaus Free Trade Zone (AM) since 2014, it is one of the largest and most modern solid medicine factories in the world.

2015
Under Skin (U.SK)
Premium dermocosmetics brand launched in 2015.

2017
Ofta Vision Health
The Grupo NC brand is projected from 2017 onwards with innovative products exclusively in the area of ophthalmology.

Galenika
The acquisition of one of the largest pharmaceutical companies in the Serbian market in 2017 represents a significant step in the internationalization of EMS. Today, Galenika occupies the second position in the Serbian market and is a recognized brand with a strong presence in the region.

2018
Multilab
The traditional pharmaceutical laboratory in São Jerônimo (RS) was purchased by the Grupo NC in 2018.

2021
RBBL
Rio Biopharmaceuticals Brasil Ltda., a pharmaceutical biotechnology company created by EMS, will be the first to produce medicines in Brazil to serve the United States, Serbia and other European countries, in addition to benefiting the Brazilian population as well. With a plant built in Hortolândia (SP), it was inspected by the FDA in 2022.

2022
Vero Biotech
An EMS-controlled biopharmaceutical company headquartered in Atlanta (USA), is specialized in the production and distribution of Genosyl, approved by the FDA in December 2019, a revolutionary portable inhaled nitric oxide device for the treatment of pediatric patients with pulmonary hypertension.

Brace Pharma
It arrives in Brazil in 2021 as a new prescription laboratory to offer physicians and patients innovative solutions that go beyond medicine.

This is the Essence of EMS

We value life in its essence and trust in a future in which we will live more and better. We invest to grow and we grow to take care of people.

GRI 2-1, 2-6

With a long history of pioneering, solidity, reinvention and currently fully inserted in the era of innovation in the production of medicines, we constitute the main brand of the Grupo NC in the pharmaceutical pillar, with national leadership in the sector for 18 consecutive years and breadth to serve practically all areas of Medicine, in addition to strong international competitiveness. In 2000, we were the first to manufacture and market generic drugs in Brazil, which led us to the position of leaders in this specific segment as of 2013, according to IQVIA data, currently maintaining in this category about 200 molecules and more than 400 product presentations, which supply 96 therapeutic classes and represent the largest portfolio of generic drugs in the country.

Thus, we continue to contribute to the greater access of the Brazilian population to more economical, safe, effective, and quality medicines.

We have a genuine and strong characteristic of internally developing our portfolio based on research and innovation within a highly technological manufacturing park with a broad and differentiated production capacity in the sector. By maintaining this dynamic, we generate promising ideas for the production of unprecedented and revolutionary medicines that will bring more quality of life to Brazilian people, even in the face of the growing aging population. Innovation becomes a key element for us to consolidate our expansion strategy in Brazil and in the global market.

Our Business fronts

- **Prescription**
- **Generic Drugs**
- **Brands**
- **OTC** (over-the-counter medications)
- **Non-retail**

Our Profile:

Installed production capacity of more than 1 billion units (boxes) of medicines per year

370.4 million units (boxes) sold
(Source: IQVIA PMB Dec/2023)

Market share of about 7% on the national scene

Pioneer in the manufacture of generic drugs in Brazil in 2000

National laboratory with one of the highest numbers of clinical studies in Brazil

The largest and most modern Research & Development Center in the pharmaceutical sector in Latin America, inaugurated in 2002 in Hortolândia (SP), currently with more than 600 researchers and investments of around 5% of EMS's annual revenue.

6,700 employees

Assistance to practically all areas of Medicine

Presence in more than 95% of the points-of-sale in the national territory

Over 1.1 thousand product presentations, representing the largest portfolio in the pharmaceutical sector

Four industrial plants in Brazil and one in Serbia

The only manufacturer of the generic drug cyclosporine microemulsion (high complexity) in Latin America for more than 24 years

First Brazilian pharmaceutical company to sell medicines to Europe since 2005

Business in 56 countries

281 active registrations abroad

Approximately 100 patents granted or under review in Brazil and around the world, including the United States and Europe

4 Corporate Governance

Our brand connects with people to prioritize what is most valuable: health and quality life. We have guided our comprehensive presence in Brazil for 60 years, and now also in the world, reaffirming our mission and our values in administrative and process governance and in the relationship with our target audience.

Mission, vision and values

Mission

To take care of people. To be the best partner to create, enhance, produce, and deliver innovative and affordable products that promote people's health and well-being.

Vision

To be admired and recognized as the largest and best pharmaceutical company.

Values

Simplicity
- Direct communication
- Austerity with resources
- Simplify everyday life

Action
- Make it happen
- Hands-on
- Agility with excellence

Innovation
- Thinking outside the box
- Create unconventional solutions
- Pioneering

a. Corporate Governance

GRI 2-9

We continuously evolve in our governance principles and practices with market benchmarks and maintain high standards within the scope of privately held national companies.

Princípios da nossa Governança

1. Transparency

- To ensure internal communication between Shareholders x Board x Management
- To ensure legitimate institutional communication that generates value

2. Equidade

- To ensure fair treatment for all BUs and other businesses of the Grupo NC with regard to the management of minutes and deadlines for the actions

3. Responsibility

- Assertiveness in hiring board members
- To ensure the holding of all strategic meetings of the Grupo NC – Board, Committees, N1, Working Groups, etc.
- To ensure the content of the presentations requested by PresCon and other shareholders

4. Accountability

- To ensure the good performance of the board committees
- To conduct board members evaluations and board and committee meetings, presenting the results and improvement plans
- To ensure accountability of the management of the Grupo NC to shareholders by defining agendas and presentations

The EMS governance system is entirely linked to the Grupo NC. Since 2018, we have professionalized the structure of the Grupo NC's Advisory Board, which represents our highest administrative level, reporting directly to shareholders and the Board of Directors. Appointed G15 (group of executives directly linked to the Chairman of the Board of Directors), they have, through weekly meetings called ELO (Leadership Alignment Meeting), the role of executor/approver of the organization's strategies when the topic is not within the purview of the chairman of the Board of Directors, who accumulates the position of Chief Executive Officer (CEO) of the Grupo NC. GRI 2-11

With the function of advising business macromanagement, our board members are also responsible for specific management committees and for complying with the deliverables and goals established in each sphere with a view to obtaining positive results for the business and supporting the main decisions. The Grupo NC has two Advisory Boards – the NC Group Board and the NC Farma Board – which meet regularly on an ordinary basis and extraordinarily in case of need.

Regarding conflict of interest, we have a specific form for this purpose available for the positions of officers. Possible conflicts are mapped and taken to shareholders for knowledge and deliberation, when necessary. The board members and employees of the holding company/committees must act impartially, and in case of conflict, the rules established in the Code of Conduct of the Grupo NC must apply. GRI 2-15

Advisory Board

- Members: shareholders, independent board members (hired as a legal entity), executive officers of the holding company
- Accountability to shareholders/ Chairman of the Board of Directors
- Monthly meetings
- Quarterly meetings between independent directors to exchange internal practices

Number and status of actions in meeting minutes:

265	604
Deliberation	Solved
159	27
In progress	Pending

Governance meetings in 2023: 338

Performance indicator of the Board Committees: 95% **(within target)**

Deliberative committees coordinated by independent board members, executive officers of EMS's business units, reporting to the board

- CCE
- Operations
- Strategy
- Commercial Strategy
- Digital and cyber
- People and Management
- Finances
- Tributary
- Risks/ Compliance
- Audit
- Crisis (new)

Commissions and Working Groups

NC Farma Brasil

- (EMS) Prescrição
- (EMS) Genéricos
- (EMS) Non-Retail
- (EMS) Marcas
- (EMS) OTC
- Under Skin
- Ofta Vision Health
- Brace Pharma
- Legrand
- Germed
- Multilab
- Nova Química
- RBBL
- Novamed

NC Services

- NCTech
- CSI
- Academia NC
- Snellog

International

- Galenika
- Brace Pharma
- KSK
- Rio Biopharma Inc.
- Vero Biotech

Other Businesses BRA

- Bionovis
- Ads Energias Renováveis
- NSC Comunicação
- 3Z Realty

Shareholders and Board of Directors
They shall decide on: (i) to elect and dismiss the Executive Officers and establish their duties; (ii) authorize the making of investments and the contracting of any business, services and acquisition of goods on behalf of the Group's companies, the value of which exceeds that defined in the MDP; (iii) to approve the contracting of loans of any nature by the Business Units, as well as deposits or guarantees of amounts that exceed the amount defined in the MDP per operation; (iv) approve the incorporation and acquisition of companies and/or the acquisition of shares or quotas of a company, of any value.

Chairman of the Board of Directors
It is responsible for chairing the meetings of the Board of Directors, deliberating on the matters assigned to it, deciding on issues concerning the Advisory Boards and/or omitted cases not provided for in other governance documents, related to its level of decision-making authority.
They shall, in general terms: 1. to coordinate the activities of the Board, defining the agenda of the work as well as the priority of the matters; 2. to share with the board members and members of the committees up-to-date knowledge about challenges and opportunities related to the markets in which the Grupo NC and NC Farma operate, as well as aspirations for the Group's business; 3. to evaluate the performance of the Board, the board members and the committees in order to continuously improve, as well as propose changes in their composition and/or model.

Grupo NC Advisory Board and NC Farma Board
They shall: 1. to approve the strategy presented by the Business Units, which are aligned with the guidelines defined by the shareholders and the Board of Directors; 2. to supervise the Business Units, through controls and reports, previously and expressly agreed, the progress of projects, matters, investments approved by the Board; 3. to establish the general orientation of the business, to define the guidelines, strategic, financial and operational goals of the Group and of each Business Unit; 4. to resolve on the composition of the executive boards of the leaders of the Business Units and of the NC Holding, in accordance with the policies defined by the People Management area of the Grupo NC; 5. to deliberate/approve on topics whose competences have not been delegated to the Business Unit or to the NC Holding. The topics to be resolved shall be presented in the agenda of the meetings, as defined by the board members with the support of the Corporate Governance Board and resolved by the Chairman of the Board; 6. to deliberate/ratify decisions on topics forwarded and/or previously analyzed in the various committees of the Board.

Grupo NC Board Committees
In order to ensure the best possible contribution by the board members in the various matters within the competence of the Grupo NC Board, the Board, with the support of the Corporate Governance Board, will have the prerogative to approve the structure of committees and subcommittees to which it will report ("Committees"), as well as to suggest the implementation of new ones or changes in the scope of action of any of the Committees already established, as well as proposing discussion agendas and recommending the hiring of advising companies when they deem it necessary.

NC Holding
It is composed of Corporate Departments, which have performance and visibility over all the Group's businesses.

Business Units
They are the companies or group of companies under which the business of the Grupo NC is organized, in order to organize the management, perform its activities and seek to achieve the goals established by the shareholders and the Board.

The selection of board members, including for necessary replacements due to performance criteria or succession cases, takes place from databases of candidates that have been created by the Corporate Governance of the Grupo NC, which includes EMS, and has several levels of approval by shareholders of the profile, experience and skills presented. The annual contracts with the board members provide for the absence of conflicts of interest and non-competition, among other legal requirements. GRI 2-10

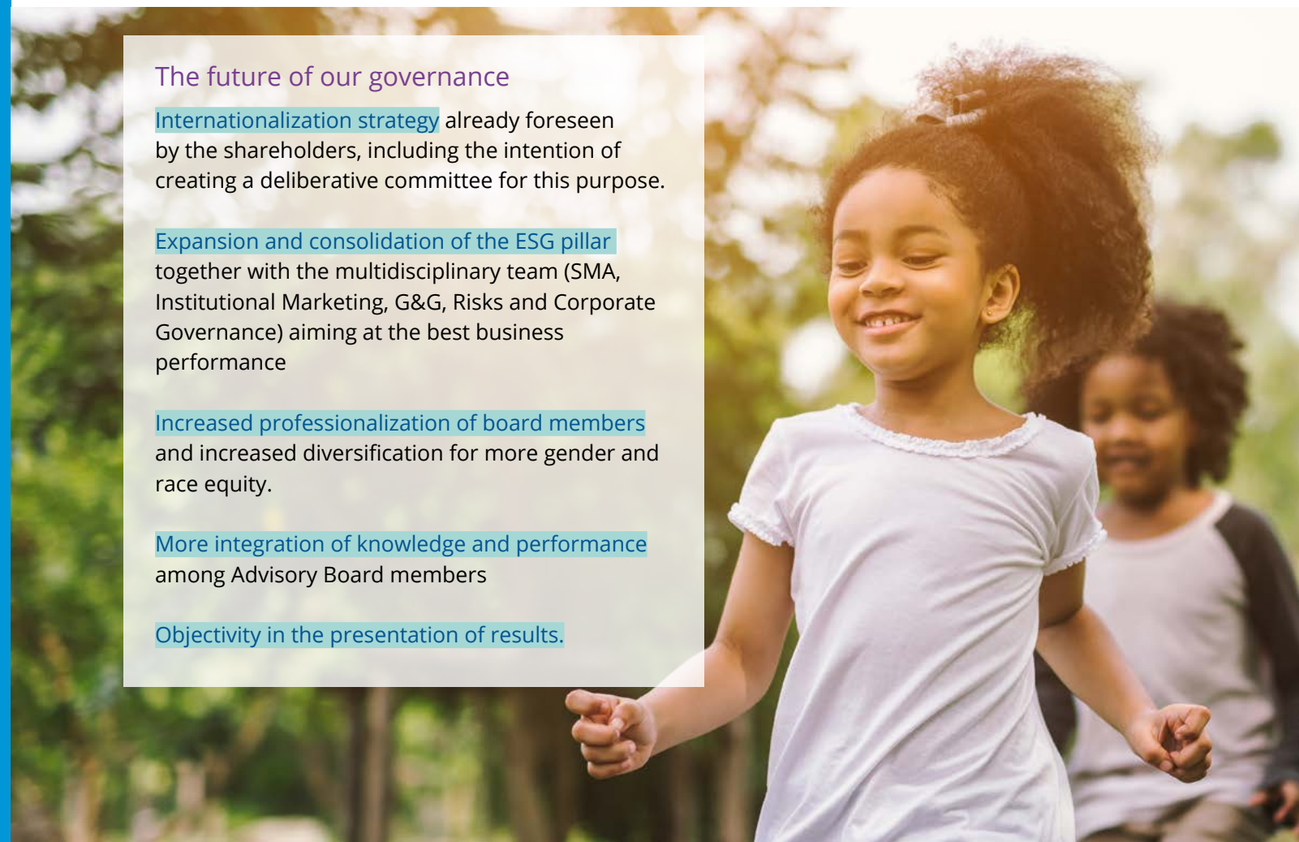
A new expectation is to expand gender and race equity in the recruitment of board members, considering that, at the end of 2023, the Advisory Board was made up only of white men. GRI 405-1

The members of the Advisory Board undergo an annual performance evaluation based on the metrics of the Brazilian Institute of Corporate Governance (IBGC) and with the participation of shareholders. The final notes provide the reference and evidence for the preparation of action plans and individual and collective improvements that are systematically monitored by the Advisory Board. This mechanism helps to monitor practices and assess the degree of maturity of corporate governance levels. GRI 2-18

All EMS executives, including the members of the governance committees, receive a variable compensation called Short-Term Incentive (ICP) linked to the achievement of strategic and financial goals linked to EBITDA and specific to their areas, some of them with requirements directly or indirectly linked to risks and the ESG theme. GRI 2-19, 2-20

From a practical point of view, in 2023, we implemented a governance dashboard fed periodically from shareholder deliberations and made available via the corporate intranet for monitoring and alignment of all managers.

Learn more about this subject in the Human Capital section.



The future of our governance

Internationalization strategy already foreseen by the shareholders, including the intention of creating a deliberative committee for this purpose.

Expansion and consolidation of the ESG pillar together with the multidisciplinary team (SMA, Institutional Marketing, G&G, Risks and Corporate Governance) aiming at the best business performance

Increased professionalization of board members and increased diversification for more gender and race equity.

More integration of knowledge and performance among Advisory Board members

Objectivity in the presentation of results.

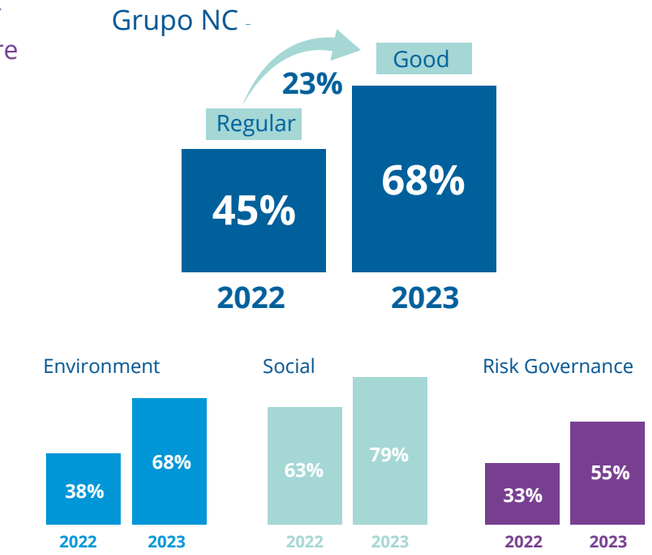
ESG gains strength GRI 2-12

The ESG (environmental, social, and governance) agendas have also definitively entered the Board's strategic agenda and, consequently, the EMS discussion agenda based on a diagnosis contracted between 2022 and 2023 for an organizational evaluation in these three pillars and structuring a specific program to fully guide our ESG journey. Due to the increasing importance and robustness of this topic in decision-making and in the conduct of the company's practices, we identified the need to create a deliberative committee for this matter, subordinated to the Strategy Committee and the Risk Committee. Meanwhile, decisions at the executive level are under the responsibility of a multidisciplinary group of professionals from the three areas – environmental, social and governance.

EMS' ESG Committee	
Boards involved and responsibilities	▸ Health and Environment (for "E" subjects) ▸ Institutional Marketing (for "S" topics linked to social responsibility) ▸ People & Management ("S" subjects related to employees) ▸ Risk Management and Corporate Governance (for "G" issues)
Participating professionals	13
Committee meetings held since 2022	30

The organization's impacts on the economy, the environment and people are monitored bimonthly by the executives of the Risk and Compliance Committee. GRI 2-13

Evolution Of The Esg Score



b. Sectoral Regulation

As actors in a highly regulated market, our attention to the milestones of the Brazilian National Health Surveillance Agency (Anvisa), the Drug Market Regulation Chamber (CMED) and the international regulatory bodies (FDA, EMA and Cofepris) turns to four basic fronts for EMS, ranging from the first authorization to market medicines, food supplements, cosmetics and health products to its maintenance in the market and service to the final consumer. Changes in formulation, production process, inclusion of new manufacturers of Active Pharmaceutical Ingredients (API) and packaging changes also require the updating of these registrations with Anvisa, which is also responsible for granting the Certificate of Good Manufacturing Practices (CBPF). HC-BP-510a.2

EMS constantly monitors the national and international regulatory scenario, observing the analysis periods and deadlines established by Anvisa. With the adoption of this strategy in 2023 and joint work between the Regulatory Affairs, Research and Development (R&D) and Portfolio areas, among others, it was possible to optimize the time to grant new medicine registrations more quickly and maintain compliance with the technical requirements expected for each product category within Anvisa's rites and requirements. EMS has clearly been expanding its portfolio of innovative medicines, with major brands such as Patz, Toragesic, Arpejo, Bexai, Esogastro IBP, not to mention other established names such as Multigrip, Lacday, Bálsamo Bengué, Caladryl, Naridrin, Gerovital, Energil and Dermacyd – its newest acquisition.

Current portfolio of the Grupo NC, mainly considering EMS:

EMS Registrations - Anvisa		
Molecules	Existing medicine registrations (including generic drugs, similar drugs, and innovations)	New registrations granted in 2023
346	**650**	**65**

With the beginning of the Covid-19 pandemic in 2020, some changes implemented by Anvisa itself made it possible to create a favorable environment for the approval of new medicines and a greater speed in post-registration changes; for the implementation of virtual hearings and the creation of a new regulatory framework for the approval of new manufacturers of Active Pharmaceutical Ingredients (APIs) of medicines in order to avoid shortages of products, especially for the treatment of Covid-19. The agility to include new API manufacturers made it possible to create a regulatory tool called the Post-Registration Change Management Protocol (PGMP), which allows for faster, safer approval and continuous monitoring of these post-registration changes, thus avoiding shortages of essential medicines for public health.

Another point worth mentioning was Anvisa's adherence to the International Council for Harmonization (ICH), allowing Brazilian regulations to be aligned with international best practices, in order to facilitate the submission of medicines developed in Brazil in other international markets, such as the United States and Europe. As a result, EMS also started to adopt the submission of its drug registration dossiers in the Common Technical Document (CTD) format, which favors the company's internationalization process.

In view of this scenario, EMS has been working with an internal international and multidisciplinary group in order to promote in an integrated and simultaneous way the submission of registrations of the same medicine to different regulatory agencies such as Anvisa, FDA and EMA, among others described below.

Main regulatory agencies for EMS relationships	Location
Brazilian National Health Regulatory Agency (ANVISA)	Brazil
Food and Drug Administration (FDA)	United States
National Authority for Medicines and Health Products I.P. (Infarmed)	Portugal
European Medicines Agency – EMA	Europe
Comissión Federal para la Protección contra Riesgos Sanitarios (Cofepris)	Mexico
Medicine and Medical Devices Agency of Serbia (ALIMS)	Serbia

POST-MARKETING

We take care of each consumer individually. Therefore, we receive through our various service channels all market manifestations in the after-sales, in order to ensure an adequate service and solution for each case. Each service requires a systematic registration, monitoring and formal verifications in the search for the best solution, always within strongly established internal and normative quality parameters.

Internal health surveillance
(with the regulatory body)

- On-demand quality deviation notifications from hospitals, distributors, and consumers
- Recall by determination of Anvisa from inspections, complaints or notifications
- Voluntary recall

Customer Service (SC)

- Technical team with 12 attendants with training in Pharmacy
- 0800-0191914
- Contact Us
- Reclame Aqui
- Chatbot
- Social Media

Contact channel	Percentage of services
0800/Telephone	72%
Contact Us	24%
Social Media	2%
Reclame Aqui	2%

Pharmacovigilance

- Adverse drug reactions
- Adverse events due to quality deviations
- Therapeutic ineffectiveness
- Use of medications for purposes not approved in the registration
- Abusive use
- Poisoning and drug interactions

The recalls of medicines, when necessary, follow specific legislation and a risk classification order ranging from 1 (most serious) to 3 (least serious), in addition to accountability and communication rites for Anvisa and the consumer. All medicines recalled must be incinerated. In the case of batches exported to other countries, EMS is obliged to also report to the regulatory agency abroad within the deadlines provided by it.

EMS's recall history reveals low-risk and small numbers. In 2023, EMS recorded only one voluntary low-risk recall after a report received via Costumer Service. In cases like this, areas such as Quality Assurance are activated to adopt quick and practical measures to ensure consumer safety and respect.

SC (opening of occurrences of market complaints, therapeutic ineffectiveness, adverse reactions)

Internal investigation by Quality and/or Pharmacovigilance and reporting to Anvisa, if necessary

Feedback to the consumer
(financial refund, exchange, collection, clarification of doubts by a doctor or technical professional)

Analysis of the medication received according to CBPF

Problem-solving capacity by EMS can generate long internal dismemberments such as reformulation, packaging change, post-registrations

c. Legal framework and compliance

GRI 2-24, 2-25, 2-27, 3-3

Our legal governance has been transformed and consolidated in recent years, following EMS's stage of maturity in its market leadership and focus on internationalization. The path presupposes legal support and advice for important strategy and risk-taking decisions and for the challenges of competition in any scenario. Internally, we promote partnerships with the administrative areas to provide due legal support in corporate, labor, commercial, environmental, tax and regulatory issues. Externally, we strengthen relations with the Ministry of the Public Labor Prosecution to provide information on labor claims and with sector associations for legal discussions of common interest.

As we operate in a highly regulated market, our legal team monitors EMS's participation in public tenders and in the management of contracts arising from these processes, as well as in technical-commercial defenses with the Brazilian National Health Surveillance Agency (Anvisa) and the Drug Market Regulation Chamber (CMED).

In cases of disagreement or any reservation or contribution in relation to the current regulations, EMS adopts a public posture of reflection in order to contribute to the debate in the competent bodies.

Affordable Medicine

In 2021, the Brazilian pharmaceutical sector, including the active participation of EMS, led the movement called "Affordable Medicine: this fight for more health belongs to all of us!", together with the press and society in general, with the aim of mobilizing the Federal Supreme Court (STF) for the consideration of the Direct Action of Unconstitutionality (ADI 5.529) referring to the sole paragraph of article 40 of Law No. 9.279/1996 (Industrial Property Law – LPI), which extended the patent terms (exclusive right of sale, without having competition in the market) beyond the 20 years already protected by the National Institute of Industrial Property (INPI).
With the support of more than 31 thousand people and a manifesto signed by former ministers of Health, physicians and important jurists, the review of the extension of medicine patents had its favorable judgment in May of the same year, representing an important sectoral milestone. The decision by the STF favored the entire national pharmaceutical industry, including the generic drug industry, and indirectly benefited consumer and public health system access to more than 2,000 medicines for cancer treatment, diabetes, HIV and viral hepatitis, whose patents lost control. In the case of EMS, the manufacture of the anticoagulant rivaroxaban, one of the medicines most prescribed by cardiologists for the prevention of stroke, thrombosis and embolism, was released, which arrived on the market at the time with a price at least 35% lower than the reference product.

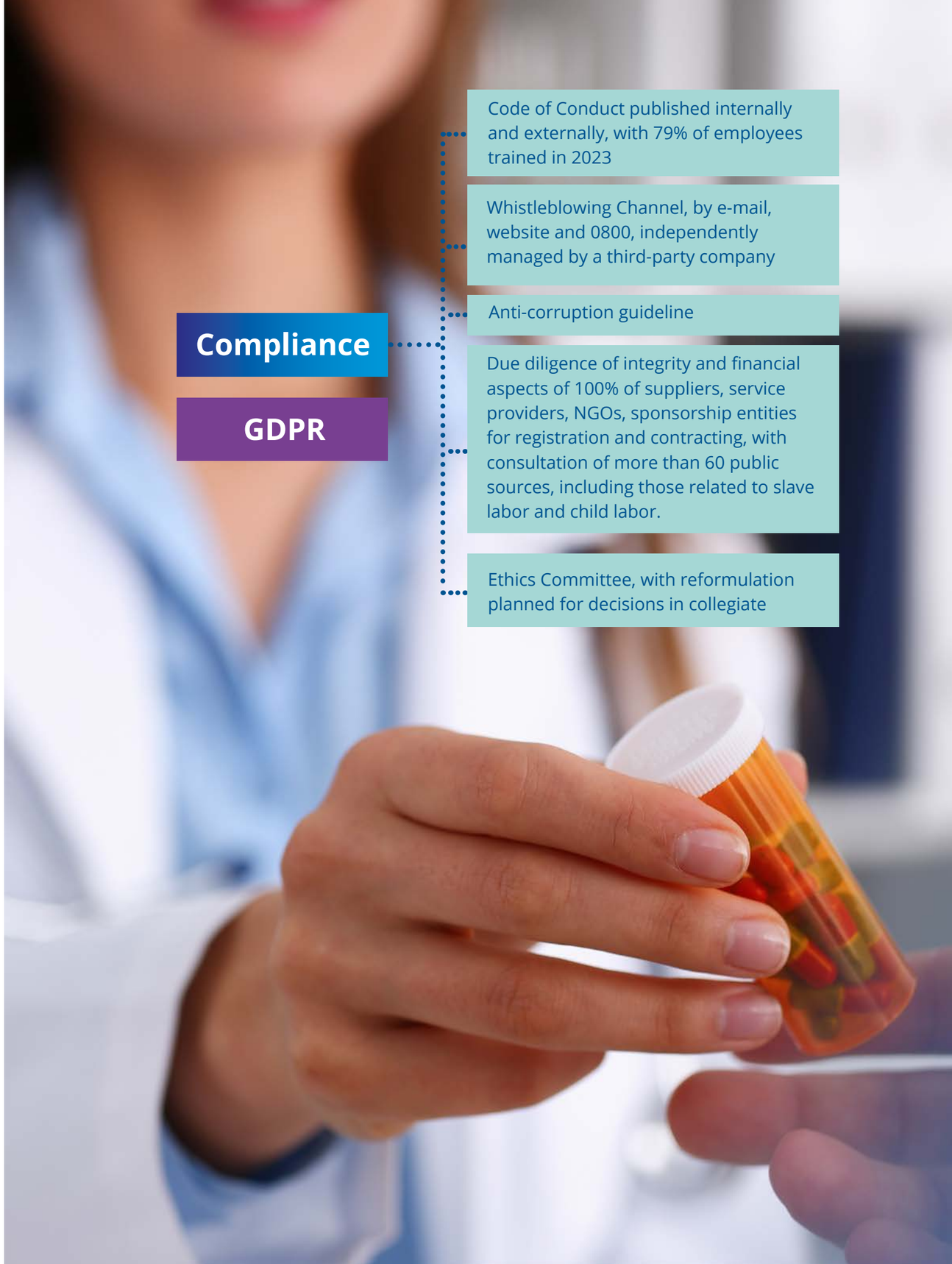
Learn more in the Generics section.

Our compliance management seeks to increasingly align itself with EMS's ESG agenda and plays a guiding role in the adequacy and compliance with internal policies by our stakeholders from a healthy and harmonious perspective of good practices in governance and in the conditions of the work environment, including respect for and preservation of human rights. GRI 2-23

Compliance

- Code of Conduct published internally and externally, with 79% of employees trained in 2023
- Whistleblowing Channel, by e-mail, website and 0800, independently managed by a third-party company
- Anti-corruption guideline
- Due diligence of integrity and financial aspects of 100% of suppliers, service providers, NGOs, sponsorship entities for registration and contracting, with consultation of more than 60 public sources, including those related to slave labor and child labor.
- Ethics Committee, with reformulation planned for decisions in collegiate

GDPR



Biennial training on Code of Conduct	2021	2022	2023
Total of EMS employees	5.492	n/a	6.714
Trained employees	5.257	n/a	5.298
Adherence	95,7%	n/a	79%

EMS maintains the Grupo NC's anti-corruption guideline active, which is available in the company's official document repository for consultation and access by all employees. The dissemination of its content was reinforced through internal communication channels, and there were no complaints related to occurrences of this nature in 2023. GRI 205-2, 205-3

Also in 2023, to strengthen the topic with senior leadership, we promoted the event "Compliance: change begins in leadership", aimed at the directors, shareholders and board members of the Grupo NC and conducted by an important figure in the anti-corruption scenario. 71 people attended out of 98 guests, representing an adherence of 72.4%. GRI 2-17

The Whistleblowing Channel, which receives occurrences through the website, by e-mail, by calling 0800 and by the specific app during uninterrupted hours and in an anonymous format, is managed independently and preserves direct, internal and secure analysis and investigation flows. GRI 2-26

Whistleblowing Channel	2023	Percentage of total
Website	197	64,17%
Telephone (0800)	74	24,11%
Email	32	10,42%
App	4	1,30%
Total EMS	307	100%

In 2023, we recorded six cases of discrimination, which were analyzed and finalized. For cases identified as valid or partially valid, we implement action plans.

EMS plans to reformulate the performance and governance model of the Ethics Committee, which will deliberate in the form of a collegiate, with a plurality of views and more fairness and maturity in the process, based on legal and compliance opinion for each case analyzed. The accountability to shareholders of the Ethics Committee's indicators already takes place quarterly through the Advisory Board, and severe cases are reported immediately. Another planned advance is the digital administration of compliance issues and the General Data Protection Law (LGPD) for access by senior leadership with total transparency and agility. GRI 2-16

We also aim to create a monitoring system for all suppliers approved by legal and integrity requirements, improving the currently existing process, in which an outsourced company conducts due diligence and presents the inherent risks of contracting. GRI 205-1

We plan a bold future for our industry, with a focus on internationalization and innovation, and, therefore, our goal is to raise the degree of maturity of EMS professionals for compliance and internal regulations to the same extent. Externally and more broadly, we understand that it is necessary to update the legal framework and drug regulation aimed at innovation, creating a regulated environment conducive to new investments.

d. Institutional Relations

GRI 2-28

Our business requires us to maintain institutional relationships with the executive and legislative public authorities of the municipalities and states where our factories are located, in addition to the federal sphere, in which the Brazilian National Health Surveillance Agency (Anvisa) also fits. The internationalization of the company's business has already required and provided gradual contact with embassies and consulates of the countries in which EMS operates to deal with specific issues.

We address and receive demands that involve EMS as an institution and, therefore, we seek the necessary technical foundations to define the best political and strategic tone of our responses to all entities involved. The technical differential in EMS's positioning, placing attention on the sector in general and the needs of patients, is already a reference even for other competing companies.

We are also part of the main associations in our sector to seek a common position on the agendas of interest, including:

- Pharmaceutical Products Industry Union (Sindusfarma)
- Brazilian Association of Generic and Biosimilar Medicines Industries – PróGenéricos
- Farmabrasil Group
- Association of National Pharmaceutical Laboratories (Alanac)
- Brazilian Pharmochemicals Manufacturers Association (Abiquif)
- Brazilian Association of Fine Chemical Industries – Abifina

Institutional Relations

Relationship with target audience
(public authorities, health surveillance agencies, health departments, among others)

Legal documentation
(licenses/documents necessary for the operation of the factories issued by Cetesb, regional and federal councils, regulatory agencies, Fire Department and others)

Technical compliance
(technical management of the chain of investigation of complaints and notifications and institutional interaction with Anvisa in these cases)

Outstanding sectoral institutional agendas in 2023

Agenda	Scope	Connection to EMS
EMS Health Forum	RHeld in Brasília on September 27, the event aimed to debate the future of health in the country and its great challenges for innovation, with thematic panels of sectoral agendas in progress in the legislative houses. The topics "Intellectual property as a promotion of Brazilian industry"; "Clinical research and the obstacles in innovation"; and "Health industrial complex. How and when will Brazil be considered the country of innovation?" entered the agenda.	Annual event organized by EMS to promote public debates on issues of interest to the pharmaceutical sector in general.
Bill No. 7.082/2017	It provides for clinical research with human beings in Brazil and tends to give more predictability and speed to response times in scientific research. Approved by the Chamber of Deputies in 2023, it went to a vote in the Senate.	Agenda interacts with the Medical Board of EMS, Brazilian Association of Organizations Representing Clinical Research (Abraco) and Clinical Research Alliance Brazil.
Expansion of the list of medicines of the Brazilian Unified Health System (SUS)	The agenda meets the basic pharmaceutical assistance in the public health system (list of medicines delivered free of charge to the population, including those for chronic use for treatments, e.g. of hypertension and diabetes) and has been worked on with other national medicine industries.	Supply and access to medicines for SUS patients.
Digital package insert for medicines	Approved in 2022, Law No. 14.338 implements the digital package insert for medicines, a fact that entered Anvisa's regulatory agenda in 2023. The regulatory agency must define, through public consultation CP No. 1.224/2023 (started on 12/20/2023, lasting three months), the mechanisms for implementing the measure and the classes of medicines first affected. The law establishes that the electronic version of the package insert, hosted on links authorized by Anvisa, must be inserted in the packages through QRCodes. The new format also allows the transformation of the text of the package insert into audios, videos and illustrations.	One of the precursors of the digital package insert even before its regulation, EMS has already adopted this model since 2023 in all its medicines, even keeping the package inserts printed on the boxes. QRCodes lead to the **www.sara.com.br** website, an intelligent and interactive EMS platform for more inclusion and patient information about medicines from across the pharmaceutical sector. The digital package insert with audios and videos facilitates accessibility for people with visual and hearing impairments, illiterate people and the elderly, in addition to other aspects of sustainability.

Learn more in the Technology section.

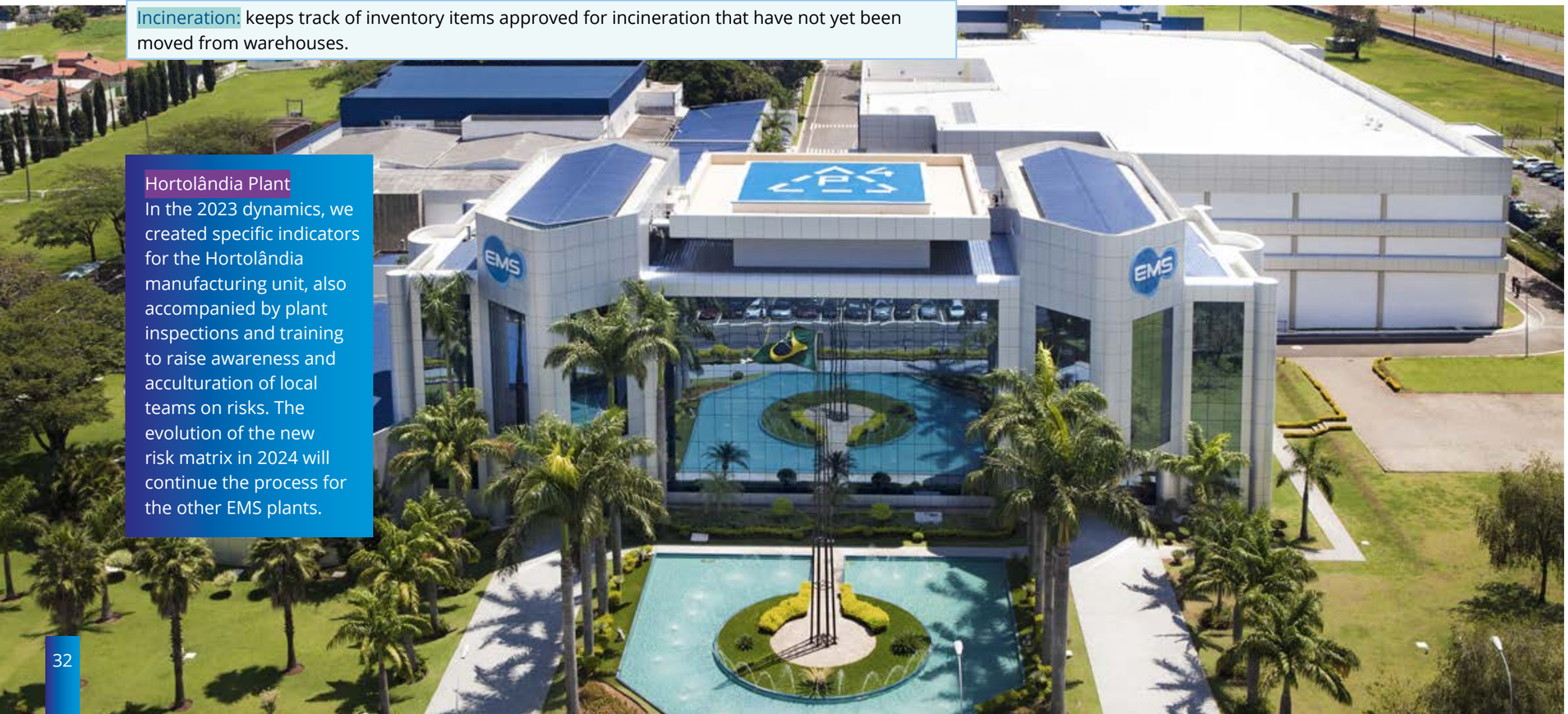
e. Risk management and internal audit

Also, as part of a strengthened and transparent governance system is the management of risks that may impact the business to some extent, such as system failures, cyber-attacks, fires, strikes, stoppage of operations (industry, administrative and logistics) and credit cuts.

In 2023, EMS restructured the area that holds this attribution and, with that, came the immediate need for a comprehensive review of the corporate risk matrix with a focus on the analysis of structural threats that, if materialized, can cause severe damage of a financial, operational, legal, and image nature. The challenge was set for completion in the first quarter of 2024, with submission to the executive directors for validation. This document must be continuously updated, given that the criticality of risks can be affected by changes in processes, systems, or even external scenarios.

Main risk categories addressed in 2023
Stoppage of operations: risk inspections in manufacturing parks to identify causes that can directly impact the operation of production.
Fires: identification of the causes that can start and/or spread fires.
Financial: evaluation of the process and identification of the main causes that can generate financial impacts.
Compliance: risk assessment and tests of internal controls related to the import process for adherence and maintenance of the AEO Certification (Authorized Economic Operator) and survey of mandatory licenses and certificates with regulatory agencies.

Risk matrix indicators updated in 2023
Risk Action Plan Management: monitors the implementation of action plans, expirations, arrears, by areas and units of the company.
Insurance – equity coverage: analyzes the level of exposure in financial value per business unit of the Grupo NC versus the maximum indemnifiable limit of the insurance policy.
Shipment for repair: controls the number of items and their financial value that have been sent to third parties and have not yet been returned.
Advances to supplier: evaluates the financial volume and term of the open advances.
Protective systems: measures the adherence of the items of the protection systems of each site.
Environmental constraints: measures the adherence to environmental constraints of each production unit.
Water collection rate: records the amount of water collection from the wells versus the limits of the grants.
Mean Time to Repair (MTTR) /Mean Time Between Failures (MTBF): monitors the rate of equipment breakdowns and time to repair, evaluating the reliability of the manufacturing park.
Warehouse occupancy: controls the occupancy rate of each warehouse.
Blocked inventory: tracks the number of blocked items in inventory and their respective reasons.
Incineration: keeps track of inventory items approved for incineration that have not yet been moved from warehouses.



Hortolândia Plant
In the 2023 dynamics, we created specific indicators for the Hortolândia manufacturing unit, also accompanied by plant inspections and training to raise awareness and acculturation of local teams on risks. The evolution of the new risk matrix in 2024 will continue the process for the other EMS plants.

The integration of internal information within the same methodology for assessing and treating risks is another new demand of the process to align the forms of control and its effectiveness, cross possibilities of events and, thus, establish the necessary protections.

The goal is to create an integrated platform of existing risks for EMS's business, even if management is decentralized or shared with the areas of the company that have their share of responsibility for a given risk.

This corporate and aggregate vision tends to offer clarity, dynamism and evolution to the current management model, which, through the Risk Committee, already includes the bimonthly accountability currently made to shareholders and the Chairman of the Board of Directors. Communicating this movement to executive leadership is also on the radar. GRI 2-16

For 2024 and after the matrix review, the challenge is to adopt the model of the three lines of defense: a) management of procedures and controls; b) risk management; c) audit.

In parallel to risk management, but completely independent and impartial, our internal audit, which reports directly to the Chairman of the Board of Directors and the Audit Committee linked to the Advisory Board, is guided by the headquarters to audit risks, controls and inconsistencies in EMS processes and has the autonomy to point out unforeseen occurrences and events.

No. of Audits 2023: 44

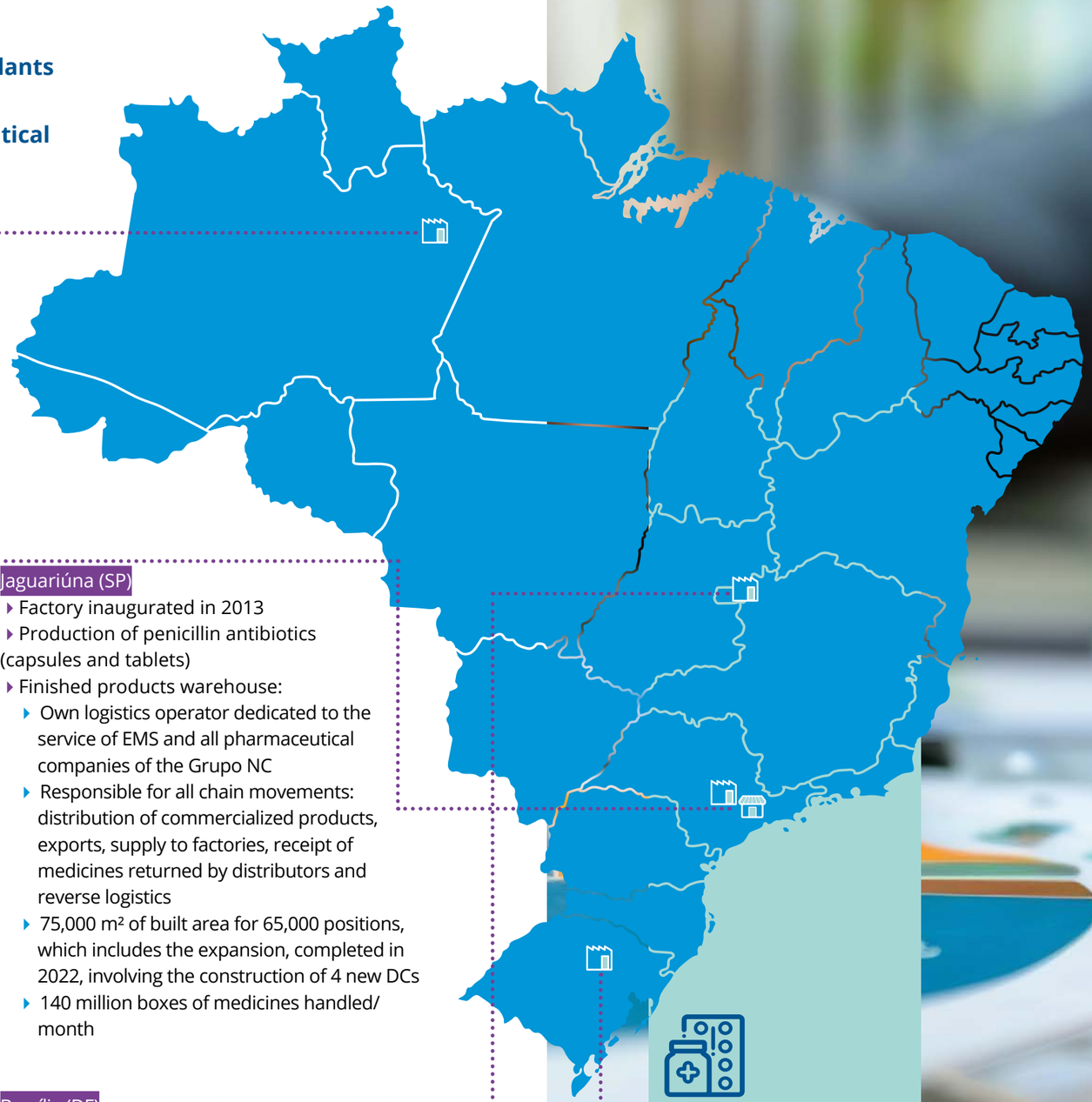
The rapid changes in processes and technologies, e.g. Artificial Intelligence, and external factors such as the globalization of risks (pandemic, supply chain crisis, war in Eurasia) bring important challenges for the implementation of adequate internal controls, currently and in the near future. Thus, risk management by EMS requires an increasingly predictive posture, with early attention to potential threats, since the risk of the present must probably already be mapped and controlled.

Our Value Generation

5 Manufactured Capital

Our administrative and operational headquarters are located in the city of Hortolândia (SP), where EMS maintains its modern industrial complex, responsible for the production of liquid, solid, semi-solid, for injection, oncological (solid and, in the near future, for injection) and eye drops. There we also established the fully robotized unit for packaging solid medicines and one of our own logistics centers, expanding production and shipping capacity in the last decade to accommodate the expansion of operations. In the same complex is our Research & Development (R&D) Center, the largest and most modern in Latin America.

EMS's manufacturing park comprises plants strategically positioned in the national territory, in addition to the pharmaceutical company Galenika, in Serbia.



Manaus (AM)

- Inauguration of the factory called Novamed in 2014
- Production of solids (tablets and capsules)
- First company to produce medicines in the Manaus Free Trade Zone
- Robotic raw material weighing system
- Expansion of production areas and the warehouse between 2023 and 2024

Hortolândia (SP)

- Administrative and operational headquarters
- Opening in 1999
- Production of liquid, solid, semi-solid, for injection, oncological (solid) medicines and eye drops
- Research & Development (R&D) Center
- Fully air-conditioned logistics center with 12,000 m² of storage space and 8,000 positions
- In construction: an injectable oncology plant
- Construction in 2021 of RBBL (Rio Biopharmaceuticals Brasil Ltda.), EMS's pharmaceutical biotechnology company. It was inspected by Anvisa in 2021 and 2023; by Infarmed in 2022 and 2023; and by the FDA in 2022 and between April and May 2024. It is awaiting approvals from regulatory bodies to start manufacturing medicines for obesity and diabetes.

Jaguariúna (SP)

- Factory inaugurated in 2013
- Production of penicillin antibiotics (capsules and tablets)
- Finished products warehouse:
  - Own logistics operator dedicated to the service of EMS and all pharmaceutical companies of the Grupo NC
  - Responsible for all chain movements: distribution of commercialized products, exports, supply to factories, receipt of medicines returned by distributors and reverse logistics
  - 75,000 m² of built area for 65,000 positions, which includes the expansion, completed in 2022, involving the construction of 4 new DCs
  - 140 million boxes of medicines handled/month

São Jerônimo (RS)*

- Incorporation in 2018, with the acquisition of the Multilab factory by the Grupo NC
- Production of solids, semi-solids and liquids, as well as penicillin antibiotics (powder for suspension)

Brasília (DF)

- Factory installed at the JK hub, in the satellite city of Santa Maria (DF), under EMS control since 2017
- Production of cephalosporin hormones and antibiotics

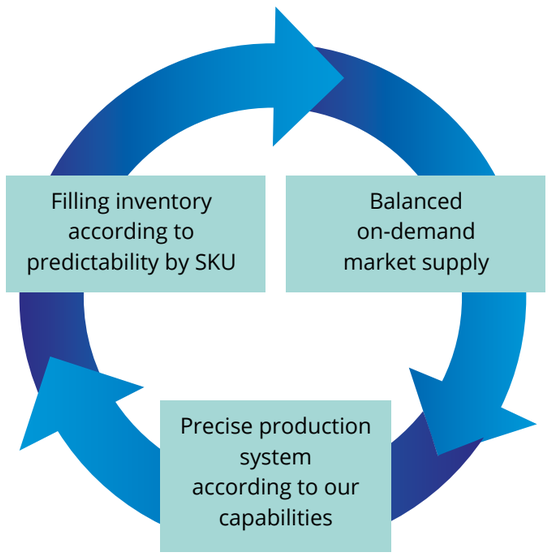
EMS's installed production capacity in Brazil: **more than 1 billion units (boxes)** of medicines/year

* This plant dedicates only part of its production line to EMS medicines.

OPERATIONAL MANAGEMENT

Since 2020, we have adopted a unique operational intelligence from the pharmaceutical sector and our previous cultural model, as EMS's production sites in Brazil have become integrated, so that processes connect within a routine production system to generate demand-driven inventoy. The plants started to follow a sales and operations (S&OP) management plan that consolidates internal policies of: demand, inventory, capacity/performance and quality, in addition to maintenance at the other end. Under this management, the entire operational flow is still in charge, from the purchase and storage of raw materials, receipt and manufacturing process to the shipment of products, managed by Snellog's own exclusive logistics company.

The operating system of the pharmaceutical pillar of the Grupo NC is the backbone of our production, with more than 3,000 employees, and enables efficient operation throughout the supply chain. Driven by demand, we adjust our capabilities to the needs of the market. This influences our inventory and manufacturing capacity policies, which are designed to respond to variations in the sourcing and selling processes. We maintain a constant pace of manufacturing, using cycle times and demand pace (takt time) to ensure optimal service, which avoids waste and operates on a level basis.



Operations system intelligence

- It evolves and equalizes production versus working capital even with the complexities of the corporate business.
- It benefits the planning model, anticipating innovations and in accordance with our capabilities.
- It brings performance gains according to operational capacity, looking from R&D to the end of the production cycle.
- Increases annual productivity in the long run.
- Improves service level and routine management to ensure quality.
- It helps maintain operational longevity with the same structure.
- It generates significant results such as: a 24% increase in the volume of units produced in the first year of implementation at the sites; an increase of 8% in the Global Efficiency Indicator of equipment that had bottlenecks; 37% reduction in machine setup time; 37% increase in the stock quality index.

In addition to the new operating model, the modern technology of imported machinery and the recognized methodologies such as lean manufacturing, Kaizen and Six Sigma applied to the operational teams to increase our performance in:

- Rationalized use of raw materials and natural resources.
- Reduction of losses during the production process.
- Selective collection in the production lines and proper disposal of residual waste.
- Reduction of work accidents.
- Cleaning efficiency of the lines within the sanitary requirements.

In recent years, we have gained robustness and accuracy in the control of operational processes and data with the implementation of the electronic batch record (EBR), a mechanism that compiles information on materials, dates, equipment, people, analyses, inspections, labels, and events during the manufacture of products and that meets the regulatory requirements of regulatory agencies in the pharmaceutical industry around the world.

Operational challenges in the future

- Achieve the goal of 7% in productivity gains in our operations, with integrated quality, routine management, digitalization.
- Bring this same operating model to any corporate step of international production.
- Enable the aspiration to certify Brazilian plants by the FDA.
- Continue to invest in the production of oncological for injection, as a support for R&D.
- Start the production of RBBL, already inspected by Anvisa, FDA and Infarmed, and insert it into the larger-scale production model.
- Implement scalability and governance for Serbia's productive model.
- Train leaders, also within a matrix of positions for succession.

a. International expansion

Subsidiaries and commercial offices

- Serbia
- Portugal
- Italy
- Mexico
- United States
- India
- China
- The company's presence and operations also in Montenegro, Bosnia (Kosovo), Macedonia, Albania and Hungary.

Export to 56 countries

Albania	El Salvador	Macedonia	Czech Republic
Angola	United Arab Emirates	Mexico	Republic of Congo
Argentina	Ecuador	Mozambique	Dominican Republic
Azerbaijan	Slovakia	Montenegro	Serbia
Benin	United States	Nicaragua	Switzerland
Bolivia	Philippines	Panama	Togo
Bosnia	Ghana	Papua New Guinea	Tunisia
Cameroon	Greece	Paraguay	Turkey
Chile	Guatemala	Peru	Ukraine
Cyprus	Honduras	Poland	Uruguay
Colombia	Solomon Islands	Portugal	Vanuatu
Ivory Coast	Iraq	United Kingdom	Venezuela
Costa Rica	Lebanon	Central African Republic	Vietnam
Croatia	Liberia		
Cuba			

Our international operations, which began with the first exports to Europe in 2005, have gained strategic relevance for EMS's growth, especially in the last five years, with the link to the Grupo NC, and currently represent one of the main sources of business development and expansion of the company, including plans defined by shareholders for the medium- and long-term. To face the strong competition already established for a long time in foreign markets, EMS must envision opportunities for future revenues by focusing on the portfolio of innovative and highly complex generic drugs with multimarket licensing and putting its technological, productive and research know-how in the baggage to add value.

EMS's exports occur through business-to-business (B2B) sales to partner pharmaceutical companies and distributors and through direct-to-consumer (B2C) sales from transactions via Grupo NC offices or companies outside Brazil. The other modality of international action is in new acquisitions in commercial regions of interest, including those with the potential to introduce Brazilian products in these foreign markets.

Business in 56 countries

- To 56 countries in Latin America, Africa, Asia, Europe and Middle East
- New distributor for Central America with increased products
- 281 active registrations abroad and another 50 new products in the process of registration in 2023
- Updates of eight existing products for registration with international surveillance agencies for new exports, such as cyclosporine microemulsion (immunosuppressant)
- More than 10 million people served worldwide in the last three years
- Five major licensing intent agreements signed in 2023 involving the launch of a complex medicine produced by EMS from peptides:
  - Latin America
  - Europe
  - Morocco
  - Russia
  - Azerbaijan

Creation of multimarket product portfolio

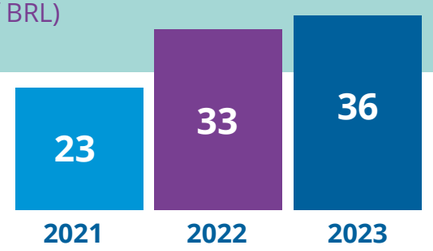
- Innovative and generic drug products of high complexity
- Definition of the portfolio for the next five years
- Registrations with Anvisa, Food and Drug Administration (FDA), European Medicines Agency (EMA) for international commercialization in the medium-/long-term
- Global Protocol of the first product group of the peptide platform in 2023

New acquisitions

- Internationalization strategy
- Use of EMS's portfolio, technological and productive know-how to add value
- Prospection of markets with potential to introduce EMS's Brazilian products

Main products exported by EMS (in revenue and units)

By revenue (in millions of BRL)



By volume (Boxes)

Product	2021	2022	2023
Azatioprina	-	48.124	238.816
Ciclosporina	166.977	240.752	227.344
Isotretinoína	296.619	419.494	407.130

The international teams are also responsible for exporting and registering licenses and medicines abroad, meeting strict standards not only from the Brazilian National Health Surveillance Agency (Anvisa) but also from the main global surveillance agencies, such as the European Medicines Agency (EMA) and the Food and Drug Administration (FDA), of the United States, which provide for compliance with standards of a high degree of complexity and factory inspections. These processes of high regulation by the agencies, especially the new Anvisa dossiers, expand the potential of exports to more countries and meet the aspirations of EMS.

We have 281 products with active registrations outside Brazil, including cyclosporine microemulsion, an immunosuppressant that prevents rejection of transplanted organs and is the first medicine marketed by EMS for Europe.

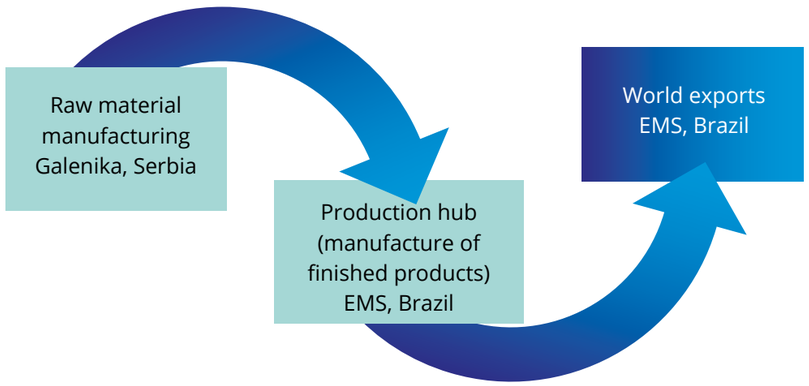

Snellog

GALENIKA IN SERBIA

Our internationalization had already taken an important qualitative leap with the acquisition of the Serbian pharmaceutical company Galenika in 2017, which today has risen to second place in the market in the country. With a portfolio of around 120 brands and 250 presentations of over-the-counter (OTC) medicines, hospital and prescriptive use and two manufacturing plants, the Serbian subsidiary started operating with sales directly in Hungary in 2022, Croatia and Slovenia in 2023 and is expected to be in the Czech Republic and Slovakia in 2024, with its own commercial and sales structure. At the end of 2023, Galenika's factories, which operate with around 250 employees in the production area, received the Certificate of Good Manufacturing Practices (CBPF) from the National Health Surveillance Agency (Anvisa), which is a first step towards enabling them to market their products to Brazil. The certification is specific to the line of solids (coated tablets).

EMS plans to invest, by 2025, more than BRL 195 million in Galenika to expand its presence on the European continent, which has already been applied in the expansion of manufacturing infrastructure, technology transfer from Brazil to Serbia for the production of new medicines, modernization of the operational and commercial process, marketing, in addition to increasing the portfolio and hiring.

One of Galenika's advances will be in obtaining registrations with the main international agencies for the production of the Active Pharmaceutical Ingredient (API) for the specific production, in this case, of liraglutide and, perhaps in the future, of semaglutide in its new plant. The verticalization of this chain to such a pharmochemical aspect increases the autonomy, flexibility and competitiveness of EMS in the market in question.



Another EMS initiative at the end of 2023, through Galenika, was the purchase of the Serbian-Slovenian company Lifemedic, which imports and distributes natural products from the Italian pharmaceutical company Pharmalife Research in the markets of Serbia, Bosnia and Herzegovina, North Macedonia and Montenegro. The acquired portfolio includes 22 products, such as herbal medicines, cosmetics, multivitamins and probiotics, and is complementary to Galenika's pipeline.

Galenika			
Product categories	▸ Solid drugs for the systems: metabolic, immune, nervous, cardiovascular, respiratory, urinary tract, hormonal, muscular, among others ▸ Dermatological products ▸ Hormones ▸ Food supplements ▸ OTC products ▸ Others		
Installed capacity	Solids factory: 40 million units/year Secondary packaging factory: 23 million units/year, which includes the new area of food supplements and probiotics		
Portfolio size (brands sold)	2021	2022	2023
	103	110	118
Number of active products in the portfolio	111 SKUs/monthly average		
Boxes of medicines produced	4.5 million/monthly average		
Operational Management	▸ Lean manufacturing Implementation, visual monitoring, safety KPIs, quality, deliveries, maintenance, absences, among others ▸ Kaizen ▸ Six Sigma: yellow and green belt training ▸ Future project: implementation of the Grupo NC (pharmaceutical business) operating system		
Operational efficiency ratio	OEE* 2023: 27,4% OEE 2022: 24,5% **Overall Equipment Effectiveness*		
Employees	2021	2022	2023
	720	763	789
Work accidents	2021	2022	2023
	3	2	0

		2021	2022	2023
Financial results	Gross Value	€ 71 milhões	€ 82 milhões	€ 85 milhões
	Units sold	44 milhões	49 milhões	46 milhões
	Market share	5,9%	5,8%	5,6%
Exports	24 countries			
Licensed products (domestic market vs. exports)	750			
Products in the process of registration (2023-2024)	222			
Main investments (2023)	Solids factory ▸ Line upgrades (2021-2023) totaling € 1.4 million Secondary packaging factory ▸ Construction of a new plant with an investment of € 1.3 million Engineering ▸ Replacement of the heating system with an investment of € 1.2 million and reduction of gas consumption by 25% (112sm³) Food supplements and probiotics ▸ Construction of a new production plant for food supplements and probiotics with a capacity of 12 million boxes/year			
Market differentials	WIPO National Award Galenika was recognized by a legal entity in Serbia as the largest user of the 2023 international brand registration system, when the company achieved the highest number of international registrations in the domestic market. We registered 32 brands for 143 territories.			

	2021	2022	2023	Reduction 2023 X 2022	Increase 2023 X 2022	Rationale
Amount of residual waste	t	t	t	%	%	
Secondary raw material	287,82	134,64	122,38	9,10%	/	Recycling
Unit of measurement	m³	m³	m³	%	%	
Water consumption	613.038	616.470	592.938	3,80%	/	
Unit of measurement	sm³	sm³	sm³	%	%	
Gas consumption	7.274 96,54	5.775 751,64	6.042 110,93	/	4,61%	New gas-connected factories (Secondary packaging factory and Rio Pharmaceutical)

MEXICO, UNITED STATES AND EUROPE

At the end of 2022, the acquisition of Imperial Group, Kosei and Companhia Internacional de Comércio – KSK, in Mexico, by Grupo NC had reinforced the internationalization movement. Founded in 1938, the Mexican pharmaceutical company manufactures OTC (Over-the-Counter) products.

Our transnational presence, however, is not new. The founding of Brace Pharma in the United States in 2013 enabled EMS to take a significant step forward in terms of radical innovation, with focus on the development of disruptive therapies and treatments for diseases not yet treated. Installed firstly in the state of Maryland, today located in Atlanta, Brace Pharma currently has ongoing partnerships to seek the best and most innovative in therapeutic areas such as oncology, virology and immunology.

Also in Atlanta, in the United States, is Vero Biotech, a biopharmaceutical company controlled by EMS. With the same dedication to radical innovation, this company launched in 2019 the first innovative EMS product approved by the Food and Drug Administration (FDA), a revolutionary chemical, engineering and software device designed to treat pulmonary hypertension in newborns – the Genosyl Delivery System (DS), positioning EMS as an innovation company in the global market. Launched in 2020, the product is used in the main North American hospitals, and should be sent for evaluation by regulatory agencies in Europe and Brazil.

Genosyl: Covid-19 treatment

EMS's Genosyl device was used by US doctors to treat a patient with Covid-19 in home isolation, who could be monitored remotely by doctors, avoiding hospitalization and more intensive respiratory support. This case report was published on-line in the renowned American Journal of Respiratory and Critical Care Medicine. Because of this, the FDA authorized "expanded emergency access" so that the equipment could be useful in fighting the disease in the country.

The exchange of knowledge and technology by EMS also takes place in Italy, where we maintain one of the best and most renowned research laboratories in the world, Monteresearch, which specializes in complex formulations. The laboratory connects with the team of the Brazilian R&D Center for the complete development of medicines with a global vocation for registration in Europe, Brazil and the United States.

As an international context of recent years, it can also be said that the economic effects during and after the pandemic, such as the increase in the dollar and the costs of imports, exports, and international freight, somehow affected the world industry, including pharmaceuticals and EMS, which had to adjust to the moment and demands to continue supplying the market and ensuring people's access to important medicines.

Access to medicines GRI 3-3

Partnership with the World Health Organization (WHO) to eradicate yaws

Since 2017, through a partnership signed with the World Health Organization (WHO), EMS has been the pioneer and only pharmaceutical company in the world to commit to the donation of the antibiotic azithromycin in support of the initiative to eradicate yaws by 2030 in the 15 countries that have endemic areas of the disease mapped by their Ministries of Health with the support of the WHO. It is expected that a total of 153 million azithromycin tablets will be donated by EMS in this period.

The disease, a chronic tropical bacterial infection that affects the skin, bones and joints and is transmitted between humans, especially affects children from poor and rural communities in African, Asian and Pacific countries.

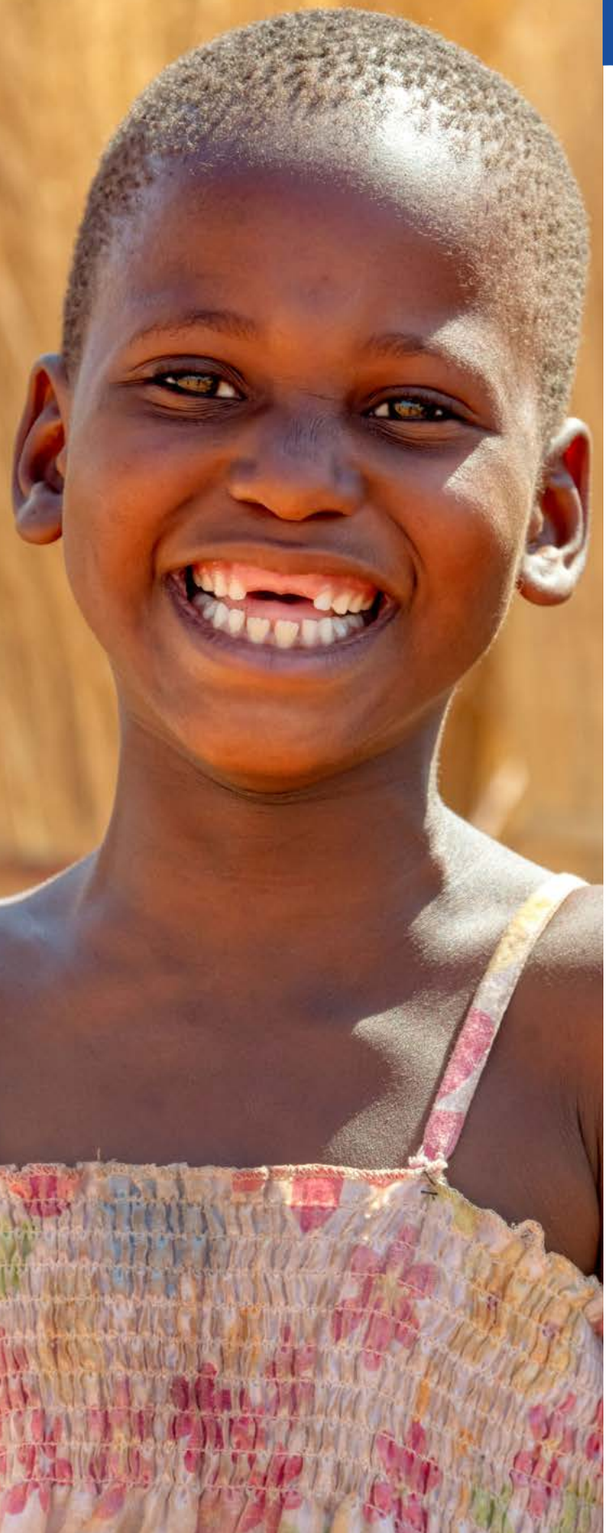
Countries served by 2023

Vanuatu, Cameroon, Central African Republic, Congo, Papua New Guinea, Solomon Islands

Amount of medicine already donated by 2023

8,3 million tablets

Learn more in the Social and relationship capital section.



b. Supply chain

Our supply chain has undergone transformations dating back to 2022, when, in alignment with the corporate operational and commercial areas, we have redesigned the structure and work planning since that time, which resulted in significant reductions in inventory and inventory even with the high volume and pace of production that year and in 2023. We also work in harmony with the direct supply teams for the proper optimization of resources in national and international acquisitions.

Sales administration

- Order management
- SIP - Promotional Investment System
- Customer Service
- BPM - Medicine Benefit Program

Corporate operational planning

- All factories

S&OE
(Sales and Operations Execution)

- Corporate business execution
- Strategic portfolio management

S&OP
(Sales and Operations Planning)

- Operational execution with a focus on predictability and seasonality
- Maintenance and training of internal staff

What was highlighted in 2023:

- Integration with Operations within the new production model
- Team restructuring
- Significant stock and inventory reductions, with SKU replenishment policies
- Continuous inventory management to avoid incineration of expired medicines, with a physical-accounting audit carried out in 2023 with full adherence to data
- Strategic reorganization of the portfolio, with the elimination of 350 SKUs together with the Commercial area
- Governance through indicators and systems, such as Power BI
- Use of statistical models and market studies for commercial and production planning with a strategic vision
- Reduction of production costs and price intelligence to have better profit margins
- Third place in performance generic drug EMS and OTC EMS in the Pharma Quality Award of the distributor SC (Santa Cruz and Panpharma) Group, the largest in the Brazilian pharmaceutical market

One of the main goals already defined for the short term is to deploy this same supply chain intelligent management to the factories that EMS acquires outside Brazil, including not increasing the work teams.

The dynamics of this governance also include the need to improve the balance between donations of medicines and expired/incinerated products, since the incinerations of finished products that occurred in the past are outside the current and future plans of EMS.

Likewise, it is still a challenge for EMS to evaluate and promote the sustainability practices adopted by suppliers of aluminum, paper, glass and plastic packaging.

Product traceability, including to prevent counterfeiting, is a future trend for the pharmaceutical market in general, which will reinforce security for the consumer.

c. Direct supplies

EMS relates to a wide range of national and international suppliers that supply the company in the acquisition of raw materials (active ingredients and excipients) and packaging materials, in a total of 5,664 different items. We maintain a business intelligence system fed with all operations and indicators in this area in real time.

International logistics manages the import of materials from hundreds of manufacturers. In the case of active ingredients, for example, 95% of our demand is met by other countries, mostly Asian, as is the case with the entire national and international pharmaceutical industry. The inclusion of new active raw material manufacturers is interconnected with the New Business area and happens based on growth in demand, revenue, importance of products and company needs, in a process that can last from two to three years.

	Active suppliers	Total volume purchased	Origin
Local raw materials	106 suppliers	15,925 tons	Brazil, India, China, Italy, Mexico, United States, Spain, Uruguay, Germany, Switzerland and United Arab Emirates
Imported raw materials	169 suppliers worldwide		
Packaging	71 local suppliers	3,378 tons (equivalent to 5.1 billion units)	Brazil, Uruguay, Germany, France and China

- 5,664 items purchased overall
- 268 supply trade agreements
- 46% of the procurement budget is spent on Brazilian suppliers
- 54% of purchases are made in foreign currency

All national and international suppliers are audited in loco and certified by Quality Systems, so that they meet technical, regulatory and production requirements. EMS, however, is working to implement a program to assess the supply chain with respect to environmental and social aspects.

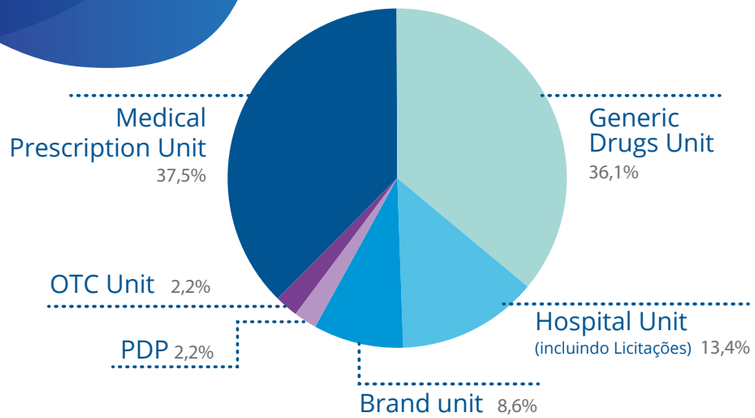
The years of the Covid-19 pandemic were very challenging for the pharmaceutical industry in general in relation to the difficulty in supplying raw materials, especially active pharmaceutical ingredients, which foreign trade by air and sea required optimized logistics, so as not to run out of supply in our factories. Along with other issues, the lower dependence on imported ingredients has become a crucial topic debated over the last few years by the sector and by EMS itself.

In 2023, the river route that supplies the Manaus (AM) plant was impaired due to the severe drought in the region, which impacted the distribution of items brought from India and China to this plant. The solution was to find other transshipment ports and complete the routes with air or land routes so as not to interrupt the industrial operation.

However, we currently have the lowest rate of ruptures and we are in first place in the ranking of goods clearance at the Guarulhos airport terminal (SP), as our foreign trade team follows the process from shipment to final delivery.

d. Business units

Net Revenue – EMS (by business unit)



Source: internal data

BUSINESS UNIT: PRESCRIPTION

Our Medical Prescription unit occupies the fourth position in the national market with a portfolio that covers 58 therapeutic classes, which represent 50% of the market in value in PPP (Pharmacy Purchase Price - source: IQVIA PPP Dec 23). The focus of action is on cardiovascular, neurological, metabolic and bone diseases, among others.

We increasingly seek to build a robust pipeline with incremental innovation that offers EMS other opportunities to establish a presence in the healthcare sector. Since 2015, we have invested in promising research and we have already achieved the results: between October 2023 and June 2024 alone, there are 16 medicines intended for the treatment of cardiovascular diseases, metabolic diseases, mental diseases, diseases of the gastrointestinal tract and musculoskeletal health, all launched in line with the needs of patients.

Our new page will be marked, however, probably in the 2024-2025 calendar, with a molecule that will mean a new milestone in the history of EMS: liraglutide, an injectable drug to be launched in two versions – one aimed at treating diabetes and the other for obesity. EMS's liraglutide will be manufactured in Hortolândia (SP) and will become the first GLP-1 analogue product to be produced in Brazil. In addition, an additional great achievement is that, in the near future, the manufacture will take place with Active Pharmaceutical Ingredient (API) produced by EMS itself in its plant in Serbia.

The factory that EMS built in Brazil exclusively for the production of liraglutide (RBBL) already

received the Food and Drug Administration (FDA), which will create opportunities to exports. The product is awaiting registration by the Brazilian National Health Surveillance Agency (Anvisa). We will offer the patient a new medicine, a new safe option, and with a different form of production, which will give access as it will make the product more available to the patient.

In view of a critical launch for the treatment of diseases that affect a large part of the population, the EMS provides educational guidelines for the medical profession and the general population regarding the new products, emphasizing that nutritional changes and physical activity continue to be critical measures for the efficacy of these treatments with liraglutide.

Due to this new context, we created an area in the internal structure of the Medical Prescription business unit called Cardiometabolic, with specific attributions.

Sales force	▸ On-line and in-person technical-scientific training, via business university, on the drug synthesis route and on the obesity/diabetes market, what is the journey of the pathology and the patient, in addition to the dynamics and market prospection. ▸ Synthetic matrix opens new ground and expands to the global market.
Representantes e gerentes regionais	▸ Technical training for 400 propagation representatives and 20 regional managers of strategic customers, which increases capillarity. ▸ Expectation of hiring 500 medical visitors and demand managers.
SC	▸ Special training on liraglutide.
Physician/Patient	▸ Identification of eligible physicians and patients. ▸ Product presentation.
Population	▸ Sale under Anvisa's prescription rules ▸ Usage awareness ▸ Access via availability

Business Unit Prescription	2021	2022	2023
Gross Revenue (BRL)	1.7 billions	1.9 billions	2,1 bilhões
PPP Demand (BRL)	2.0 billions	2.3 billions	2,6 bilhões
Units sold	44.7 millions	45.5 millions	46.3 millions
Market share (PPP demand)	4.3%	4.3%	4.5%
Brands marketed	81	86	89
Marketed SKUs	228	234	242
Team (including medical visitor)	1,599	1,774	1,947
Entries	5 Patz SL 10 Condres AH Vynaxa Fixare Flex Moriale ODT	4 Kollis Neutrofer Folato D Condres Performa Konduz	7 Xakilis Niki Conect Condres Longbio Condres Force Linadib Linadib Duo Lefor
6 strategic franchises	Cardiology, Metabolic, Neuroscience, Musculoskeletal, Clinical and Diverse Healthcare		

We monitor patients' adherence to treatment through the EMS Health Program, a digital platform that enables the purchase of products and customer service with access through our website and an App.

EMS Health Program	Single-visit patients
2021	1,510,369
2022	1,582,475
2023	1,568,701

Relationship with physicians

Our relationship with physicians and healthcare professionals is governed by the Marketing Actions guideline of the Grupo NC and strictly complies with current legislation based on a "phygital" strategy, i.e. sometimes physical and sometimes digital. All EMS actions have the exclusive purpose of promoting and stimulating continuing medical education and scientific discussions.

The new virtual journey, accelerated by the 2020 pandemic, boosted our relationship with the medical profession with the creation of the Médico exponencial portal, which brings together 48 thousand registered professionals from 18 medical specialties. The digital format serves even more easily the new generations of physicians entering the market.

But we also continue with visits to clinics. Currently, our commercial representatives visit approximately 150 thousand physicians in more than 1,500 Brazilian cities with a population of over 80 thousand inhabitants. However, the

sectoral audits show that there is a public of approximately 230 thousand physicians with the possibility of new approaches.

In this sense, our first digital movement aimed to reach the medical class located outside the physical space of visits in person to present our portfolio. We closed the year 2023 with an open relationship with 10 thousand physicians outside the existing area of expertise, when our representative made the first visit and registered on the platform, and then the professionals started to receive our samples. The next goal is to reach 20 thousand new physicians visited and registered.

The digital relationship makes several activations per month from WhatsApp and email messages, in addition to sending personalized product kits according to the specialty, performance and potential of each doctor.

Our sales conventions have also entered the digital wave since January 2020, with the advent of the pandemic. From then on, the meetings in person took place only for the training of new representatives and for the management preparation modules. Even the meetings of district managers with commercial representatives gained a hybrid dynamic, with virtual contacts and in person. Everything indicates that the trend is here to stay.

***Médico exponencial* Portal**
48,000 registered physicians

New approaches in 2023
10,000 physicians

Visitas físicas a consultórios
150,000 physicians/year

BUSINESS UNIT: GENERIC DRUGS

A pioneer in the production and commercialization of generic drugs in Brazil in 2000, with the enactment of the Generic Drugs Law (Law No. 9.787/1999), EMS has transformed the national pharmaceutical market and, therefore, has maintained the leadership in this category for more than eleven consecutive years, with a strong role with large and small pharmacies and drugstores throughout the country and the significant trust of the population, who already has a different perception of the brand.

We have established ourselves as the gateway for the generic drug consumer at the points-of-sale. We also innovated by encouraging the development of entities such as the Brazilian Association of Retail Pharmacy and Drugstore Chains (Abrafarma) and the Brazilian Association of Distribution and Logistics of Pharmaceutical Products (Abradilan), among others, including offering technical training and content on management, service and healthcare for the leaders of pharmaceutical establishments.

Along the same lines, we implemented in 2023 a new technical training program, called Em Foco, for pharmacy professionals with the seal of the Federal Council of Pharmacy, in which a knowledge trail in the areas of cardiology and ophthalmology aims to guide patient care at the counter.

Our portfolio covers 96 therapeutic classes, which ensures more access to health and savings for the consumer/patient. To have such a reach, in addition to our wide capillarity, we invest heavily in research and development of new products that expand the spectrum of medical treatment. Our pioneering history makes us always seek to launch the first generic drug on the market after the expiration of patents.

Leader in the generic drugs category since 2013: 16.8% de market share (PPP) in 2023

Largest generic portfolio in Brazil, with about 200 molecules, of which 60 are in the lead

More than 400 product **presentations**

14 molecules **molecules launched** in 2023, with **31 new presentations**

Operations in 91 thousand points-of-sale, which represents 90% of the total POS in Brazil

Generic drugs represent 69% of EMS's demand in units/year.

Approximately 250 employees

Farmácia Popular
(Ministry of Health)

Presence of EMS in all Brazilian states in 16 presentations

Hypertension	8
Cholesterol	1
Respiratory system	2
Diabetes	1
Other pathologies	2

EMS generic drugs cover 46% of the total molecules participating in the program.

Highlights of EMS's performance in Generic Drugs	Molecules	Differentials	Market share (PPP/2023)
Central nervous system	39	Important products, such as Donepezil + Memantine, for the treatment of Alzheimer Main molecules marketed in analgesics and antidepressants: Escitalopram, Alprazolam, Clonazepam and Dipyrone Portfolio with 92 SKUs	19%, with market lead
Cardiovascular	29	Largest Brazilian portfolio of generic drug presentations in cardiology, with 94 SKUs Main molecules: Losartan, Enalapril Maleate and Hydrochlorothiazide	20%, occupying the lead

Generic drugs gain market penetration year after year and, currently, in most cases, are prescribed directly by physicians, which endorses the quality, efficacy and safety that the category has achieved over 25 years of existence in Brazil, leading the growth in percentage terms. The world's view of mental health has opened perspectives for the treatment of psychiatric and neurological diseases, a strategic pillar for our portfolio, with relevant launches in these areas in 2023, alongside products for neuropathies and chronic pain. Painkillers, on the other hand, still have a lot of potential for expansion in the market, as well as blood pressure medication.

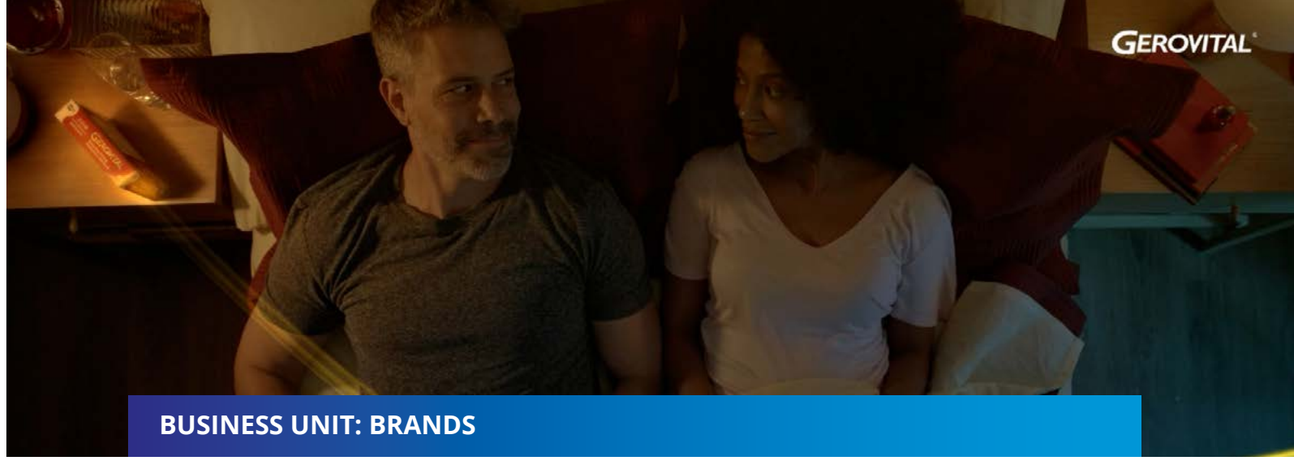
Business Unit Generic Drugs	Units sold	Demand in BRL/ PPP	Growth	Market share (PPP)
2021	234 millions	2.3 billions	13%	17.5%
2022	237 millions	2.6 billions	13%	16.4%
2023	255 millions	3 billions	16%	16.8%

Source: 202405_PMB_PPP + FMK_202406_w3 IQVIA

Learn more in the Legal framework and compliance section.

Going back to the calendar, the judicial victory of the patent break of rivaroxaban in 2021 was a very important differential for EMS at a crucial moment of the pandemic, as the molecule had been widely used in Covid-19 treatments, and we were once again the first to supply the generic drug product in the sector. We lead with 32% of the total market. Rivaroxaban came to represent 32% of the total market, with EMS leading.

The generic drug category in Brazil, which today represents 35% of total medicine sales, has a long way to go, with a great possibility of growing in market penetration from the expansion of government programs, portfolio increase and improved distribution. Expanding the share of generic drugs in the medicine market is the guarantee that more people will have access to healthcare treatments that are high-quality, safe, effective and more economical.



BUSINESS UNIT: BRANDS

EMS brands supply pharmaceutical retail in categories of labeled, over-the-counter products, herbal medicines, food supplements and cosmetics and reach shelves throughout Brazil through regional distributors and large pharmacy chains.

Brands marketed: 71

Marketed SKUs: 134

Points-of-sale served in Brazil: 87,998

Position in the national market: 5th place

For the first time, the consumer perspective guided the operating strategy of this business unit in 2023 and promoted significant changes in EMS's performance and, consequently, in the annual results. The work throughout the year was restructured to reposition the company's brands based on the needs of those who consume each product and with a higher quality of execution at the points-of-sale.

Consumer → Execution in pharmacies

Quantitative and qualitative research was the essential tool for EMS to know consumer behavior in depth and readjust its planning for 2023 in order to make the brands that are already known be even more desired by our target audience. Our work plan included integrated communication between commercial teams, consumers, customers, pharmacists and Trade Marketing professionals, also to ensure adequate visibility in pharmacies.

From this perspective, the new advertising and commercial communication model housed an exchange of signatures between retail brands and the manufacturer EMS, generating a better identification for the consumer for their product choices.

In this strategic restructuring, we strengthen the sales channels according to the relevance for each category, i.e. we seek to build quality in the distribution networks (small, medium and large pharmacies) by overcoming quantity.

The review of the brands' strategy in 2023 also served to ensure a territory of strong brands with good commercial performance in their respective categories. Portfolio innovation based on consumer demands and recognition of these brands by the user are in EMS's annual goal.

7 consumer surveys

2,004 consumers interviewed

BRL 800 thousand invested in consumer surveys

Marcas pesquisadas

Sominex
Best-in-class retention rate.

Gerovital
4th best-known brand in a scattered market.

Naridrin
Brand considered effective, powerful and complete for meeting every consumer need due to a line of several subcategories: labeled decongestant, spray and nasal wash.

Allexofedrin
With a complete family (adult tablet version, pediatric suspension and D-grade prescription drug), 9% of those who know the brand remember it first (top of mind).

Gerovital's Campaign

In 2023, the Brands unit carried out several communication actions and directed one of the most robust amounts of resources to a single product, Gerovital, aiming to reposition this very expressive brand for the area and for the company. BRL 60 million were invested in a broad marketing and commercial strategy, also including a campaign on open signal TV and pay-to-view channels that emphasized the benefits for the disposition and physical and mental vitality of men and women over 45 years of age and highlighting other positive points, such as root energy, due to the presence of ginseng in Gerovital's exclusive formula.

Brands unit campaigns: impact

Brands	Campaign (nationwide)	Impacted people (general)	TV station
Gerovital	1	92 millions	Open signal TV (SBT) and individual insertions on cable TV
Naridrin (nasal wash)	1	85 millions	Open signal TV (SBT)
Allexofedrin	1	84 millions	Open signal TV (SBT)

Business unit Brands	2021	2022	2023
Sell out (BRL PPP)	653,196,739	728,698,168	772,975,439
Growth in PPP demand	3.6%	11.6%	6.1%
Units sold (millions)	69.1	67.1	61.6
Market share	8.4%	7.8%	7.9%

Source: IQVIA PMB 07/2024

BUSINESS UNIT: OTC

The OTC portfolio includes the commercialization of several products and this business unit underwent a general strategic review in 2023, also following the principles of active listening to the consumer, with robust research to get to know them, know what is relevant and makes sense to them, in addition to structuring the channels and entering the most important points-of-sale for each category. The consumer and execution pillars drove all of EMS's efforts and investments throughout the year in this category, in addition to major acquisitions, resulting in the following major annual numbers:

OTC brands marketed*: 6

Marketed SKUs 68

Points-of-sale served in Brazil 76,695

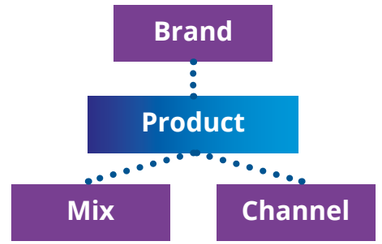
Market share 5,1%**

OTC Demand
BRL 174,843,495

OTC Demand (units)
6,816,072

*In 2023: Multigrip, Bálsamo Bengué, Lacday, Caladryl, Penvir, Energil C.
** Considering the active market of EMS in OTC.

Such results come from a composition of efforts between:



Throughout 2023, we learned from the consumer and repositioned ourselves in the market according to these learnings. We revisited the commercial and communication strategy of our mature brands from the point of view of those who use our products in order to build innovation and new positions that support this path.

We also design future innovations that meet the expectations of what each brand promises to offer to the market.

8 consumer surveys completed

2.885 consumers interviewed

BRL 550 thousand invested in consumer surveys

Brands searched

MultiGrip

- 3rd best-known brand in a very relevant market
- 67% of consumers know the brand
- 81% of those who know the brand consider buying
- Brand seen as effective for relieving multiple flu symptoms

Lacday

Assalto no digestão da Lactose

- Top of mind brand in the category with 26%
- 80% know the brand
- Best retention rate in the category (52% of those who have already bought have the brand as the most frequent)
- Brand recognized as a market leader and worth paying extra for it

Bálsamo Bengué

Gel, ointment and spray versions

- 3rd best top of mind rate in the category (9%) in a very scattered market
- 69% of consumers know the brand
- 59% of those who know it have already tried the brand

The brand has a very prominent position among users of Bálsamo Bengué, with a significant distance from other brands in terms of efficacy, recommendation and sensory aspects.

In addition, the business unit made a high investment in media, reminding consumers about the brand and converting to use. In 2023, it impacted almost half of the Brazilian population through its campaigns:

Brand	Campaign (nationwide)	Impacted people (general)	TV station*
Multigrip	2	93 millions	Open signal TV (SBT) and individual insertions on cable TV
Bálsamo Bengué	2	94 millions	Open signal TV (SBT) and individual insertions on cable TV
Lacday	1	87 millions	Open signal TV (SBT) and individual insertions on cable TV
Caladryl	1	86 millions	Open signal TV (SBT)

Thus, OTC reached a significant sales volume in 2023 and continues to cover more brands in 2024.

Business unit OTC	2021	2022	2023
Sell out – PPP	BRL 153,621,187	BRL 172,040,083	BRL 174,843,495
Market share (PPP)	5.5%	5.1%	5.1%
Units sold	7,116,664	7,480,772	6,816,072

In addition, the 2023 calendar also marked the important acquisition of Dermacyd®, the leading brand in the feminine intimate hygiene category in a BRL 300 million market between the pharmaceutical and food channels, with Dermacyd having the highest brand awareness (73%) among consumers, which adds competitiveness to our portfolio and opens up possibilities for EMS to boost the OTC business unit with several other women's healthcare-focused options. The brand arrived at EMS in 2024 and achieves exponential growth since then.

In 2023, the business unit also decided to resume its operations in the gastro category, with a current value of BRL 1 billion in the Brazilian market, rescuing, in 2024, the traditional Gelmax brand.

BUSINESS UNIT: NON-RETAIL

We seek to expand patient access to products, technologies and information in the areas of oncology, neurology, hematology, immunology, and others. We also work to raise awareness and greater equity in the treatment of rare and neglected diseases, such as sickle cell disease, the most common genetic and hereditary condition in Brazil and in the world, diagnosed in the heel prick test and which still suffers from misinformation and lack of adequate treatment, which results in a drastic reduction in the life expectancy of these people.

We are a reference in the area of solid organ transplants and we have the largest portfolio of immunosuppressive products in Brazil to prevent acute and chronic rejection of these organs, ensuring greater graft and patient survival. Since 2001, we have been the only manufacturer in Latin America of the generic cyclosporine microemulsion, occupying the leadership in this category. The product is also internationally registered for export to Europe and is one of the main medicines marketed by the Grupo NC abroad.

With a directly institutional business-to-business performance, aimed at the public and private sectors, this unit brings together promising prospects for further advances in these markets thanks to an internal reorganization of its structure that took place in 2023.

Our work fronts, reintegrated into a single board of directors within the corporate organizational chart, are:

Large Accounts

Commercialization of the entire portfolio of pharmaceutical products of the Grupo NC through federal, state and municipal biddings, with specialized and dedicated service to the Ministry of Health of Brazil and the São Paulo State Health Department.

PDPs (Partnerships for Productive Development)

Partnerships between public institutions and EMS with the purpose of promoting national public production from the development of the pharmaceutical park and pharmochemical with the transfer and absorption of productive and technological training, expanding access to strategic medicines for national public health and enabling the incorporation of new technologies in Brazil.

The company occupies the second position in the national ranking of investments with private laboratories (synthetics) and the fifth position in the national ranking of investments with private laboratories (synthetics, biotechnology, blood products and vaccines) and, by the end of 2023, had 15 partnership contracts in force in different therapeutic areas, such as oncology, neurology, virology, and others.

Small Accounts

Commercialization of the entire portfolio of pharmaceutical products of the Grupo NC in the public and private sectors.

In the public sector, we operate through municipal biddings in cities with up to 200,000 inhabitants.

In the private sector, we serve more than 5,800 hospitals, standardizing and commercializing the intra-hospital Grupo NC's portfolio of pharmaceutical products through personalized and pharmacoeconomic value propositions to institutions.

Outras ações de Non-Retail:

- *Em Frente* Program, a support program for patients with multiple sclerosis using fingolimod hydrochloride.
- Since 2021, sponsorship of the three transplanted Brazilian triathletes.
- Donation of medicines, sunscreen, equipment (coolers and software for Doppler and, in the near future, for electrocardiogram) and other items to public and private institutions with the aim of minimizing the bottlenecks of the patient's journey and promoting more awareness and empowerment about treatment and self-care.
- Sponsorship of the 2022 and 2023 *Cicatrizes* Project, an initiative that aims to raise awareness among the population about the importance of self-declaring an organ donor and promoting a donor culture for the entire population.

The Brazilian institutional market is multifaceted and requires understanding and dynamism from all those who work in it, especially regarding the public sector, since the supply of products to public agencies requires the company's productive capacity; in-depth knowledge of the patient's journey; commitment to the delivery of products and market monitoring, with the express purpose of ensuring access and continuity of supply with no risk of rupture or shortage for patients treated by theBrazilian Unified Health System (SUS), from products of the basic health component, such as blood pressure medications, to products of specialized components, such as immunosuppressant to avoid rejection of a transplanted organ, the lack of which could lead to the death of the patient.

The governance of our production chain, with deliveries being improved year by year, is a priority and is added to the quality, safety of our products and value delivered at the end to our customers and patients.

Launch in 2023	**Rocab® (cloridrato de erlotinibe):** Lung cancer, one of the most lethal cancers and very prevalent in Brazil. At the time of launch, there was only a single manufacturer in Brazil.	
Main products, out of a total of 800 SKUs	**Large Accounts:** ▸ Mycophenolate sodium ▸ Entarkin® (entacapone) ▸ Gliclazida	**Small Accounts:** ▸ Tepev® (hydroxyurea) ▸ Dipyrone ▸ Methyldopa
Immunosuppressant portfolio	▸ Cyclosporine ▸ Mycophenolate Sodium ▸ Mycophenolate Mofetil	▸ Imussuprex® (azathioprine) ▸ Tacrolil® (tacrolimus) ▸ Everolimus
New projects	In 2023, 60 projects were submitted and approved for new products that will support the Non-Retail business unit in the coming years and 32 for EMS's New Business area.	

The efforts of the Non-Retail teams in 2023, with approximately 100 employees, focused on:

- Strategic commercial repositioning based on the integrated management and internalization of commercial and data intelligence areas.
- Excellence in processes and automation, intelligent data mapping and strategic analysis to enable sales in the public and private channels.
- Information, price and margin management.
- Commercial restructuring with opening of positions for the North and Northeast regions.
- Greater dialogue with patient associations, promoting educational and informative communication.

The future promises more advances and prospects for financial growth, with a forecast of 20% more compared to the previous period.

EMS perceives the existing opportunities and intends to achieve in the private sector the same relevance and breadth that it has already achieved in the public sphere from:

- Adaptation of the current strategic portfolio to existing business models, relaunching branded products in the generic version.
- Strengthening of the portfolio for intra-hospital use with products for injection.
- New products through internal development, licensing, and/or acquisitions of other products for diseases prevalent in the areas of interest.

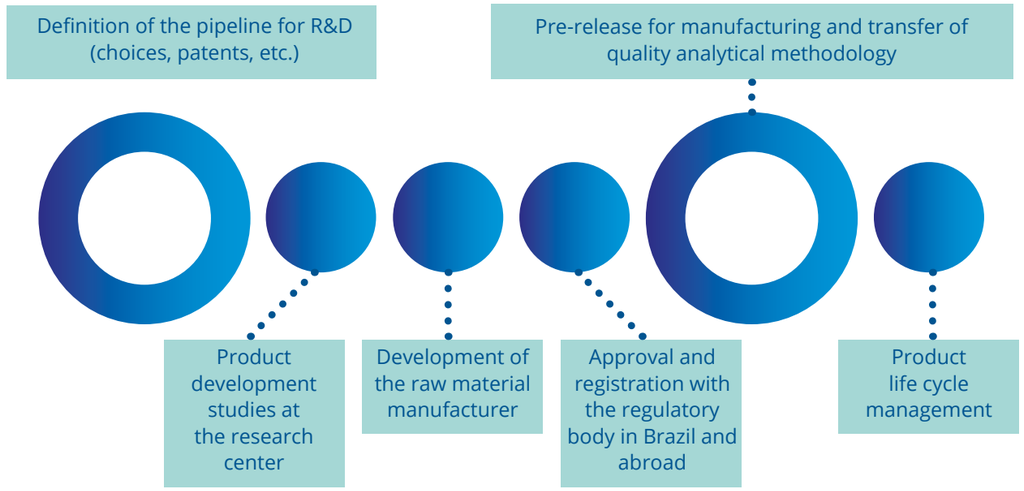
6 Intellectual Capital

a. Research & Development (R&D) and innovation

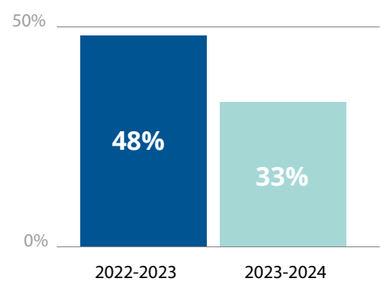
Innovation is promoted with science. Future technologies are born in academy, universities, and research laboratories, and there is nothing more important than science and research to dictate the future and new discoveries in every area of knowledge, especially in healthcare.

We bet on this concept, anticipating opportunities to improve the life quality of the population and decided to bring high-quality researchers and scientists from Brazil and abroad to our environment to bridge the gap between the scientific advances published by the academic literature and our business, so that the company could investigate future and disruptive mechanisms and begin to develop these technologies internally. HC-BP-330a.1

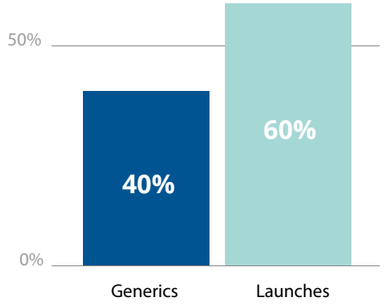
The year 2023 was the milestone for the internal restructuring of our areas involved in R&D and innovation, envisioning a more integrated positioning focused on the possibilities of opening the market not only in Brazil, but also in Europe and the United States. The challenges are many and include: the strict requirements of the sectoral regulatory agencies of each country, partnerships with Brazilian and foreign universities, partnerships for shared research with competing laboratories and even the trust and credibility with patients who are willing to participate in the clinical studies conducted by EMS.



Product life cycle management



EMS - Brazil Portfolio



SCIENTIFIC ADVISORY BOARD

With meetings every two months, this group of renowned scientists and experts in the healthcare area provides technical and scientific support to EMS innovation through debates on the solutions presented and their feasibility/efficacy. The group is involved in general projects and lines of research in which the company is interested, in Brazil and worldwide. Often it polishes the proposed innovations, even evaluating whether the research will generate value for the

Prof. PhD Glaucius Oliva (Chairman)
Senior Professor at the Institute of Physics at USP São Carlos and Coordinator of the Center for Research and Innovation in Biodiversity and Pharmaceuticals

Prof. PhD José Gomes Temporão
Professor at the National School of Public Health/Fiocruz

Prof. PhD João Batista Calixto
Federal University of Santa Catarina/Center for Innovation and Preclinical Studies - CIENP

Prof. PhD Mauro Teixeira
Institute of Biological Sciences of the Federal University of Minas Gerais

PhD Denizar Vianna Araújo
Secretary of Science, Technology, Innovation and Strategic Inputs of the Ministry of Health of Brazil (2019-2020)

Prof. PhD Jorge Alberto Costa e Silva
Director of the Instituto Brasileiro do Cérebro (Inbracer)

Prof. PhD Antonio Carlos Chagas
Instituto do Coração (Incor)

Prof. PhD José Osmar Medina Pestana
Hospital do Rim

Prof. PhD Wagner Farid Gattaz
Medical School of USP/FMUSP

Prof. PhD Walmir Coutinho
College Professor at the Federal University of the State of Rio de Janeiro/Director of the Department of Medicine of PUC-Rio

Prof. PhD Paulo Hoff
Full Professor of the Department of Radiology and Oncology at FMUSP

FRONTS OF INNOVATION

Our research fronts are based on three pillars with the purpose of developing and expanding our pipeline with strategic options for future launches and renewing the portfolio of products already registered and available in the market with therapeutic increments duly studied.

EMS evaluates the strategic need of each innovation project, with the radar already focused on the opportunities to offer new drugs in international markets.

Incremental innovation

Innovation projects that add some new therapeutic benefit to existing drugs with clinical trials to prove it, seeking more patient adherence to treatment.

- New associations and pharmaceutical forms
- Generics
- Highly complex generics

Distinctive innovation

- Innovations in the regulatory area to obtain FDA registrations
- Building an international portfolio

Disruptive (radical) innovation

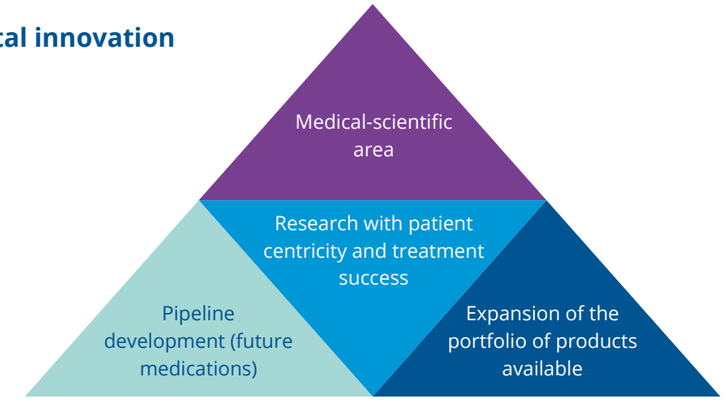
New drugs and revolutionary therapeutic options for rare or untreated diseases, with massive development for 10-12 years that includes clinical trials to prove efficacy and huge investments

All these innovation fronts require clinical research in humans that proves its results and is based on the standards and guidelines of the International Council on Harmonization (ICH), so each study is conducted within a highly regulated setting and based on specific medical-clinical criteria.

See also in the "Sectoral regulation" section

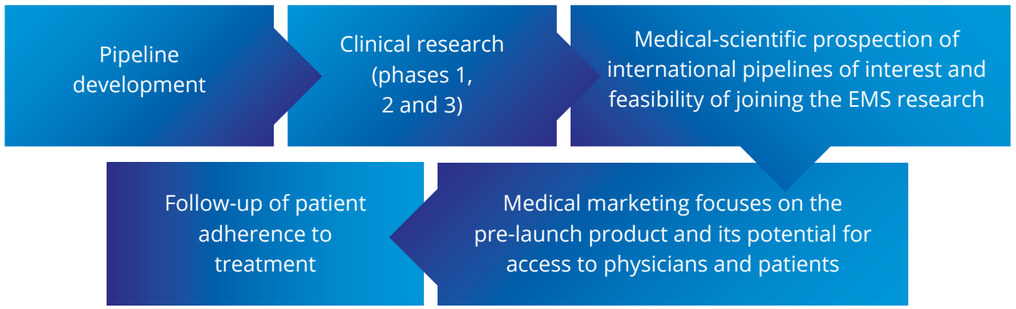
Scale of innovation

Incremental innovation



EMS is one of the companies that invest the most in clinical research in Brazil, with more than 30 projects currently, of which 13 are actively recruiting patients, which makes it rank first among companies of national origin due to the number of clinical studies in its pipeline (source: clinicaltrials.gov). We also stand out in relation to the contracting of public and private research centers in all regions of Brazil, in a total of more than 150 centers contracted for studies sponsored by the company, generating scientific publications in all the trials carried out.

In 2023, we restructured our medical area to strategically review and plan the entire development of EMS clinical studies based on criteria of scientific, clinical, economic, and commercial feasibility, so that medicines offer the population access to more innovative and effective therapies. Through governance and medical excellence, we started to evaluate our performance with quality and in a more strategic way with indicators that even measure the beneficial impact caused by our actions and products on physicians and patients, improving the quality of life or extending the life expectancy of these people.



Clinical Research	2021-2023	Scope
Clinical studies	34	The scope ranges from the clinical strategy and conceiving the designs to the conduction of studies with public and private research centers in the five regions of Brazil.
Patients involved	1,329	The patients selected for clinical studies follow the complete treatment with follow-up by the research centers involved. After the end of the research, they continue to be monitored by the respective attending physicians and, in cases of chronic disease, EMS continues to supply the medicine as long as there is benefit for the patient.
Therapeutic classes involved	▸ Respiratory diseases ▸ Cardiovascular and metabolic diseases ▸ Central nervous system disorders ▸ Urologic diseases ▸ Dermatological diseases ▸ Ophthalmology ▸ Pediatrics	
Governance	All clinical research developed by EMS follows national and international standards for conduct, as described in the Manual of Good Clinical Practice (GCP) ICH E9 and the Helsinki declaration of human rights. Clinical trials are conducted according to ethical principles, solid scientific evidence, and clear and detailed clinical protocols. We preserve the rights, safety, and well-being of trial participants through informed consent and maintaining confidentiality. Services provided by appropriately qualified staff with appropriate experience. Records are accessible and retrievable for accurate reporting, verification, and interpretation. Research products must be manufactured in accordance with Good Manufacturing Practices (GMP).	

As next steps, we seek a behavioral transformation and the acculturation of our teams, encouraging the review and regulation of our internal processes. In parallel, we analyze the ongoing research projects and their feasibility, measuring quality and impact, and we aim to improve the dissemination of this data. We are also open to capturing the desires of medical societies for new treatments and to keeping up with the speed of technological advances, such as precision medicine, which increasingly makes it possible to identify mainly genetic diseases, as well as to seek varied treatment options, from targeted therapy to gene therapy. In this sense, the company remains attentive to possible strategic partnerships that may address such research. All this new movement will certainly provide more maturity to our innovation journey.

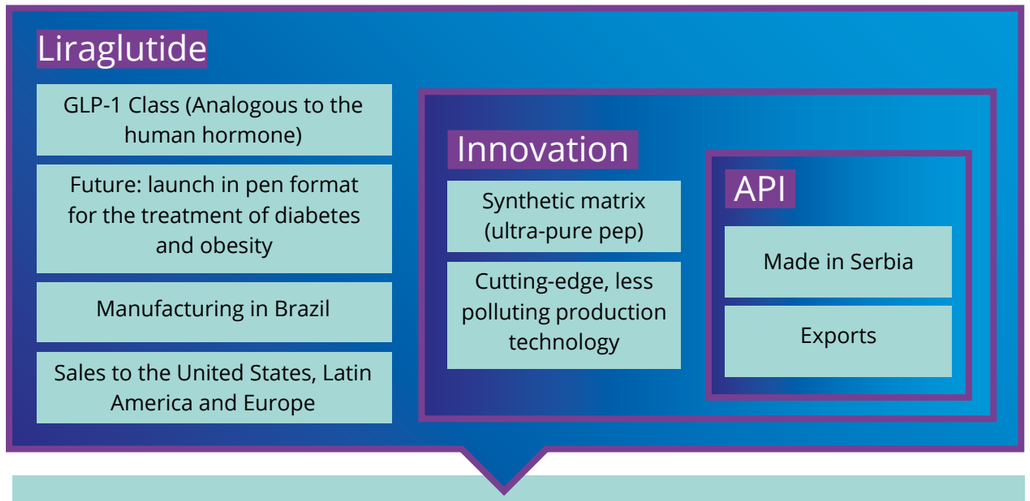
Incremental innovation for high complexity

Rio Biopharma Inc. (United States)	Rio Biopharmaceuticals Brasil Ltda. (RBBL) (Brazil, Hortolândia - SP)	Rio Pharmaceutical (Serbia)
▸ Innovation and development of technologies	▸ Robust product innovation research from bioinspiration for future launches ▸ Manufacturing of the finished product in partnership with EMS for export ▸ State-of-the-art factory that already received FDA	▸ Manufacturing of Active Pharmaceutical Ingredient (API) for export ▸ State-of-the-art factory ▸ Environmental correlation: low solvent use, lower residual waste generation, lower water and energy consumption

We have come a long way from similar drugs, through common generic drugs, to high-complexity generic drugs and innovative products. We have gained maturity in the research & development of complex medicines, which are so called because they require specific studies, rare technologies, determined raw materials, and technical-operational and regulatory competencies of the manufacturer to reach the global market on a large scale. Another relevant aspect of these products is that they cause fewer and fewer side effects, acting more locally on the diseased cells of the body. Also, because they are often inspired by the biology of the human body, they tend to produce a more lasting and effective treatment

with a better quality of life for the patient. This complexity makes them very competitive in the pharmaceutical industry.

Our main project in 2023 was focused on the launch of the peptide platform, through liraglutide pens to be produced at the RBBL factory, recently launched at the Hortolândia (SP) headquarters. They should be made available soon to the national and international market and manufactured on Brazilian soil, with Active Pharmaceutical Ingredients (API) from our new own unit built in Serbia for this purpose, closing the entire product cycle.



With a development cycle of almost a decade, this therapeutic innovation for diabetes and obesity is combined with the application device, which required a greater number and scope of tests, e.g. dose accuracy.

New API factory

- Rio Pharmaceutical
- Manufacturing of Active Pharmaceutical Ingredients (API)
- Belgrade, Serbia
- **Installed capacity:** up to 7kg in this first phase, reaching 90kg in the final stages of growth
- **Inauguration:** pilot batches in the 1st half of 2024
- **Certification:** 1st half of 2024 by Serbia local agency
- **Factory size:** 3,264 m² (including technical floor)
- **12 employees**

Designed with cutting-edge differentiated technology that generates more operational performance and less environmental impact, the factory follows the sanitary regulatory standards of Good Manufacturing Practices and meets the requirements of European legislation in energy saving, sterility, environmental monitoring by sensors and drinking water intake.

Peptide platform project (liraglutide and semaglutide production)		
2021	Submission of semaglutide with two concentrations for approval by the Food and Drug Administration (FDA)	United States
2022	Submission of liraglutide with two formulations for approval by the Brazilian National Health Surveillance Agency (Anvisa)	Brazil
2023	2 submissions for FDA approval of liraglutide	United States
	Submission of semaglutide with two concentrations for approval by Anvisa	Brazil
	2 submissions for the European Medicines Agency (EMA) approval of liraglutide	Portugal, Austria, Bulgaria, Croatia, Hungary, Romania, Slovenia, Slovakia, and Czech Republic

Other innovation projects in 2023

- Launch of Patz (zolpidem) in drops in Brazil, a version that was not yet marketed in the country.
- Development of the portfolio with more than 15 complex injectable or inhaled products, in combination with application devices, aimed at metabolic, pulmonary and oncological diseases, with launches in 2024 and subsequent years.
- Three research projects in short RNA technology, with innovative products that act by altering the expression of proteins related to a wide range of diseases, from rare genetics to cholesterol control, and are expected to be submitted from 2026.
- A strong project is underway to transform peptides X monoclonal antibodies, with simpler drugs for injection via pen for autoimmune disease control/immune system control, with software simulation, and therapeutic efficacy with more quality of life instead of hospital infusions.
- In December 2023, approval of the construction of a new research center, with 4,000m², in Hortolândia (SP), with the technological flexibility and intelligence of the platforms for innovations in the medium and long term.

The robust and structured platforms will lead us to other opportunities to develop products inspired by human biology for the treatment of genetic, cardiovascular, kidney and severe asthma diseases. These innovative technologies will enable scalable service at a global level with the adjustment of doses and formulations. Soon we will be able to manufacture products for diabetes, obesity, osteoporosis, loss of muscle mass and intestinal problems, just by changing the components of the active ingredients and the dosages of each product.

The use of artificial intelligence and digital biology in scientific innovations in healthcare is growing rapidly. In R&D routines, artificial intelligence helps in the mapping of new drugs within the academic literature and accelerates the documentary analysis of raw material manufacturers. Another opportunity to use this intelligence is in the testing of the formulation of products that, once pre-analyzed on a computer, can be streamlined on the laboratory bench.

With the prospect of increasing our investments in R&D and innovation, with a view to expanding the business, our expectation is to retain our talents and attract scientists of the most varied profiles from Brazilian universities who add value to this change in mentality, strengthening the area with a R&D that is even more robust and integrated. The need for doctors and patients must remain at the center of the business.

Future trends in pharmaceutical innovation

- Significant findings for various areas of EMS with the design of peptides and new platforms
- Application of generative artificial intelligence for medicine discovery
- Finding solutions to address diseases that still have no forms of treatment
- Expectation of speed of clinical research with PL No. 7.082/2017
- New product development platforms with nanoparticles and less use of raw materials
- Developing medicines with fewer side effects and longer shelf life despite high research costs
- Cutting-edge technologies for raw material development with less environmental impact
- Brazilian sectoral regulation closer to international standardization
- Creation of a regulatory framework for innovation through public-private partnerships, which are shown to be a promising solution to join the scientific elite with the financial and technological capital of the pharmaceutical industry.
- More personalized look at people

EMS-Fiocruz Partnership

In September 2023, EMS and Fiocruz, through the Instituto de Tecnologia em Fármacos (Farmanguinhos), signed a memorandum of intent for technical cooperation for the creation of a broad mutual collaboration program for technological development, scientific research, in addition to the production of new drugs and prototypes. The contract has an initial term of 12 months. The joint action aims to foster the development of technology and innovative therapies in the healthcare area.

With this agreement, EMS is committed to fostering science and innovation alongside Fiocruz, putting Brazil in the spotlight in terms of pharmaceutical technology.

b. New Business

Structuring our portfolio strategically underwent a drastic change at the end of 2022, as we knew that our past successful trajectory could not be the same for the future. Innovation in our portfolio continues to make quantitative and qualitative leaps periodically and, by decision of the shareholders, we have defined that internationalization is our path towards maintaining growth. We plan the course in several phases that take place in parallel and broaden our horizons with good performance prospects.

STRATEGIC SOURCING AND ACTIVE RAW MATERIAL DEVELOPMENT

The development of the active pharmaceutical ingredient complies with technical, regulatory and quality obligations. Since the raw material represents about 30% of the cost of a product, this front makes all the R&D and innovation work for new therapies feasible when it accelerates the development and acquisition of this ingredient, a fact that only occurs with the approval of the Brazilian National Health Surveillance Agency (Anvisa) for each new manufacturer. Since 2019, we have been paying attention to this bottleneck and anticipating this demand in view of the need for our portfolio today focused especially on innovation and with an eye on the EMS internationalization movement.

When it comes to patents, our proposal is to monitor each expiration date of those involving medicines of interest to us or even manage, if necessary, to challenge the patent to be the first industry to launch the generic version and give the population access to this therapy that was previously unavailable, at a significantly lower price.

Brands and Patents

Brands	Brazil (National Institute of Intellectual Property – INPI)	Overseas
Deposited (requested)	68	0
Registered (received)	115 received	0 requested
Patents	**Brazil**	**Overseas**
Deposited (requested)	3	2
Approved (received)	7	0
Live approved	9	2 (Europe and United States)
Live under study	8	2 (Europe and United States)

Patented EMS main products	Year of approval
Lipiblock	2019
Sigmasporin	2021
Mycophenolate Sodium	2022
Predlex tablets	2023
Bupropiona XR	2023

For the agility and dynamism necessary for the business, we modified our internal structure of New Business in 2021 and created a hybrid and bold model of action that integrates the international pillar, the technical and commercial part. We also form vertical teams, which assist support areas such as Quality Assurance, auditing active raw material suppliers in Brazil and abroad.

We maintain international offices, mirroring the Brazilian structure, in Mumbai (EMS India) and Shanghai (EMS China), since Asia is responsible for supplying between 60% and 70% of the active raw material of any pharmaceutical industry worldwide, and EMS is among the largest Brazilian buyers in this sector.

Benefits of the new structure:

- In loco work and approximation of the relationship with commercial partners.
- Pre-qualification and monthly audits of active raw material manufacturers in the technical, regulatory compliance, quality and Good Manufacturing Practices (GMP) fields. ESG (environmental, social, and governance) aspects are preliminarily coupled in these audits, but will be a broader demand for EMS in the near future.
- Online communication and service, as was the case with the Covid-19 pandemic, when we gave full support to raw material manufacturers, as we were already closer to them.
- Global mapping of raw material manufacturers for more competitive and agile negotiations and direct contracts from the EMS product development period.
- Understanding of the supply chain at a global level.
- Open perspective in the structuring work of the portfolio, evaluating the potential of raw material manufacturers.
- Gain in new business for licensing products that EMS is not yet able to produce.

PORTFOLIO

Some definitions have been guiding, since 2022, the way we look at our future portfolio with competitive intelligence: international expansion; the focus on innovation with shielding from competition and the adoption of a model aimed at new emerging and more specific forms of therapy, such as monoclonal antibody products; and a balance of the population's lifestyle leading to new needs.

The new portfolio strategy goes from the ideation phase to the pre-launch to establish governance between the guideline and the process itself. We use lenses and magnifying glasses to map studies, launches and other initiatives worldwide in order to evaluate with competitive intelligence the potential for the development of new medicines and products in any corporate business unit. This vision is also beginning to foster shared discussions between various technical areas involved in future projects.

Our strategic model for building and managing the portfolio does not fail to look at the short term, but allows us to analyze

where we will also be able to reach in the medium and long term, ensuring a pipeline of new products in the coming years. It is established in a joint governance that allows the constant evaluation and loading of new opportunities for the company. In the last year alone, approximately 400 opportunities were evaluated and, as a result, more than 50 projects were approved.

Our next challenge will be to define a global portfolio and product structure based in Brazil and that can be geographically mirrored according to the expansion movement, serving other locations from the same operating model.

LICENCIAMENTOS

On this front, we prospect opportunities and technologies that we do not have, but that can be licensed by third parties or transferred or that inspire us to innovative ideas for development. Licensing also allows us to integrate with foreign markets in situations where a third party's technology may be of interest for future acquisition. Purchases from established competing brands are another aspect of this strategy.

The stages include prospecting, negotiation and feasibility of the projects, formalized from partnership contracts.

International partnerships

AB·BIOTICS	Pediatrics (Spain)
NATCO	Hospital Sector
Shilpa	Hospital Sector
Dr.Reddy's	SNC (India)
DAEWOONG PHARMACEUTICAL CO.,LTD.	Clinical Sector

Licensing agreements

2022	2023	2024
4	6	7 (forecast)

We have individual and specific objectives to this: to be at the forefront of new products in the face of competition; having exclusive medications, especially in the prescription area; and seek solutions to any obstacles to product development in order to maintain market share, in addition to seeking innovative products,

especially disruptive ones, to complement our portfolio.

A concrete example is the case of the prescription drug Bexai, the first anti-inflammatory with nanoparticles in Brazil launched in 2020, the result of a licensing with an American manufacturer that would be discontinued. The situation forced us to transfer the technology so that EMS could develop it internally. With this acquisition, different opportunities open up for us to use the new technology.

Another ongoing situation is the prospection of trends in the international market for local development, a fact that led us to the feasibility, in 2023, of the ODF platform, which should bring incremental innovation products to the company, with new pharmaceutical forms. Discussions about new technologies and platforms that will also be part of our portfolio over the years are established in our daily lives.

Licensing represents 2% of EMS's portfolio and is a complementary alternative in portfolio coverage, since we have a robust technological and internal research infrastructure and a highly qualified team for the development and launch of medicines. By this own mechanism, the final cost of the product is lower, which, indirectly, also favors the user at the end.

Similarly, we can reinforce our strategic and differentiated preference for the recent complete development of liraglutide and semaglutide in a very complex and long internal cycle, which places EMS as the only industry in the global scenario to maintain its own chain for these two products.

Learn more about the process in the Research and Development (R&D) and Innovation section.

PRE-RELEASES

The final production phase of the medicine requires all the internal transfer of the technology created so that commercial partners, operational, supply and quality areas can execute fully and in an integrated manner with each other until the completion of the chain.

c. Quality Systems

GRI 3-3

Our quality management maintains a long and rigorous process to ensure that the best standard of products reaches our customers and consumers. We fully comply with the Good Manufacturing Practices (GMP) standards established by the Brazilian health surveillance agency, which enables us to obtain the certificate of the same name (CBPF), and also with the international guidelines of Good Manufacturing Practices (GMP), in addition to the EMS Quality Policy.

Our Advisory Board monitors EMS's Quality performance through the Grupo NC's Quality Management Committee, with quarterly meetings of area directors, to direct routine occurrences and monitor indicators, such as change control, procedures and investigation of deviations.

We have more than 950 employees directly distributed in the following activities:

Quality Control	▸ It analyzes raw materials, products and packaging to ensure they are in good condition. ▸ Each EMS factory has its own Quality Control laboratory.
Pharmaceutical engineering (new area)	▸ It seeks corporate excellence, with analysis of process and cost improvements, production routes, production capacity. ▸ Structures and evaluates product parameters from R&D to the final stage of production, storage, transportation, refrigeration when necessary, among others.
Quality Assurance	▸ Alt monitors the internal processes of all EMS factories in Brazil. ▸ It accompanies all audits in manufacturing units, warehouse, logistics and research center. ▸ Participates in the structuring of Quality in the units abroad and in the respective audits.
Development of packaging materials	▸ Checks product specifications, graphic arts, production orders, and packaging materials, including in the event of changes.

2023 marked two major changes in EMS Quality Systems sector: the creation of a new area called Pharmaceutical Engineering, responsible for structuring the analysis parameters of the complete cycle of a product; and the more integrated review and administration of all quality processes, from product development at the research center to the end of the chain.

This reorganization of all processes involving EMS Quality within the same board enabled a safer and stronger control, with defined records of any changes in flows.

Consumer complaints originated through the Customer Service (CS) with an impact on the product are analyzed and technically handled by the Quality team.

Learn more in the Sectoral Regulation/Post-commercialization section

Quality Audits

Mandatory	External	Internal
Brazilian National Health Regulatory Agency (ANVISA)	National and international regulatory bodies	Periodic controls
Infarmed (Portugal)	Certification	
European Medicines Agency (EMA) (Europe)	Customers	
International regulatory agencies (Serbia and Hungary)		

Learn more in the Sectoral Regulation/Post-commercialization section

Since 2016, we have not recorded any cases of critical non-compliance in the various mandatory external and internal audits carried out at all EMS facilities, which include the Research & Development (R&D) Center, where Quality Assurance teams maintain independent follow-up to monitor the entire product flow from its source. The indirect effect of this is the reduced number of complaints from the market and product recalls registered in recent years.

We have had no occurrences related to health and safety impacts caused by our products.

GRI 416-1, 416-2

HC-BP-250a.3, HC-BP-250a.4,

Quality Systems	2023
Valid market complaints	5,342 (0.0007% of the number of units sold)
Product recall	1 (batch recalled due to partial detection of package inserts of another product, with 1,407 units returned)
Analysis and release to the market of batches of finished products	32,480
Analysis and release for use of batches of raw materials	13,646
Analysis and release for use of batches of packaging materials	34,265
Internal audits	40
Monitoring of medicines by official laboratories	25 reports, all with satisfactory results
Improvement projects completed and implemented internally	25

Main indicators of Pharmaceutical Quality Systems for monitoring quality requirements, with monthly monitoring by management and goals to be followed:

- Market complaints received
- Internal deviations detected in the process
- Compliance with established action plans
- Risk management in the process
- Right First Time Documents
- Approved/rejected batches
- Recalls made
- Compliance with the internal audit plan
- Compliance with established Process Qualification and Validation plans
- Periodic review of the product

Supplier qualification (total)	308
In loco audits	215
Desk audits	93
Types of suppliers	
Raw material	182
Packaging materials	54
Other services	72

Audits are mandatory from the first application for registration with the Brazilian National Health Surveillance Agency (Anvisa) and are periodically redone based on the validity of the certificates issued. These inspections by the health surveillance agency also require us to follow the requirements of national legislation, including for health and safety issues of workers, such as the maintenance of the Occupational Health Medical Control Program (PCMSO), covered by the Regulatory Standard (NR-7), and the special evaluation of the air conditioning system in the antibiotic and hormone factory, in addition to environmental aspects. HC-BP-210a.1 , HC-BP-210a.2

Anvisa's strict standards require, for example, dedicated plants for some types of drugs, as one of the measures to avoid cross-contamination and, thus, ensure the safety of professionals and patients. The standard for the manufacture of medicines and food in the same unit establishes that the highest criteria in the control rule, i.e. the medicine rule, must be followed.

Unidade	Validade do CBPF	Auditorias externas (2023)
Hortolândia	2023-2025	Renewal of CBPF/Anvisa
	2019-2024	Renewal of GMP/Infarmed
Galenika (Serbia)	2023-2026	Renewal of GMP/EMA (Hungary)
	2023-2025	Certification of BPF/Anvisa
Manaus	2022-2024	Renewal of CBPF/Anvisa
Brasília	2022-2024	Renewal of CBPF/Anvisa
Jaguariúna	2024-2026	Renewal of CBPF/Anvisa

The traceability of products is a requirement of European health standards, which is why EMS keeps track of the batches of exported products from the time they leave the factory to the final delivery in the country. In Brazil, there is still no specific determination of this nature. We track products to the exit of our logistics center, except for refrigerated products, which storage and transport to the point of delivery must be air-conditioned, in accordance with Good Manufacturing Practices (GMP). HC-BP-260a.1

In the development of packaging materials, we meet Anvisa's specific standards for aspects such as font size, Braille identification, packaging material, package insert, among others. However, as continuous improvement is always on our radar, EMS has been analyzing possibilities to reduce the size of some cardboard packages and vials of liquid products, whose current format complies with the standard required by the production line.

Regarding the falsification of medicines that is reported to the Customer Service (CS), the Quality Systems area is responsible for carrying out the technical investigation together with other internal departments based on the tracking of the entire production chain, and EMS is obliged to notify Anvisa when it is a product recall from the market. At the same time, as part of the regulation, future reference samples of each medicine, product and batch are properly stored for the entire period of the shelf-life of that item for inspection cases and eventual analyses. HC-BP-260a.2

For 2024, our focus and investment are on expanding the digital journey in various stages of production and quality processes, especially accelerating the implementation of electronic order in several areas where there is this opportunity. An example is in tablet manufacturing, where technology can ensure that the handling, compression, and coating phases are automatically fulfilled for final line release. Another goal is to replace the manual electronic order with an intelligent and lean version in digital format at the factory in Brasília and sterile liquid manufacturing lines in Hortolândia (SP). Systematization in deadlines, line release processes, packaging, among others, and technological advances as a whole promise more agility, productivity, control and traceability of production and quality processes.

d. Pharmacovigilance

See also the "Sectoral Regulation" section

Pharmacovigilance monitors, in real time and from various sources, the safety aspects of the medicines marketed by EMS, from the occurrence of adverse events to the monitoring of literature and publications from national and international regulatory agencies. When identifying any signs of safety or risk, we take steps in a interdepartmental way to ensure that the latest, most up-to-date and reviewed information is available to healthcare professionals, prescribing physicians and patients. Important risks with action taken by the company, e.g. changing package inserts, are also reported to regulatory agencies, since the activity is currently regulated by the Brazilian National Health Surveillance Agency (Anvisa) through the Collegiate Board Resolution (RDC) No. 406, of 2020, and Normative Instruction No. 63, of 2020.

The new RDC is in accordance with the International Council for Harmonization (ICH) guides, specifically those numbered E2A and E2F, for which EMS was already adapting due to international trade partnerships.

The current RDC requires formal inspections every two years that seek to highlight the practices adopted by the industry, but EMS exceeds its concern with the safety of medicines and conducts annual pharmacovigilance audits with an independent external company with a view to continuous improvement and enhancement of its system. With this, we have prepared an action plan to implement the corrective measures pointed out each time, so that internal processes evolve from one year to the next. In the last inspection carried out in 2023, no total or critical findings were found.

Examples of monitored pharmacovigilance reports:

- Adverse events due to quality deviations
- Adverse drug reactions
- Therapeutic ineffectiveness
- Abusive use of the medicine
- Use of medicine for purposes not approved in the registration
- Poisoning and drug interactions

Main scope of pharmacovigilance:

- Receipt of adverse event reports from various sources, in real time, and management in accordance with the 18 Standard Operating Procedures (SOPs) in force and standardized system. The reports are evaluated individually, classified according to the MedDra dictionary, analyzed for their causality, supported by Naranjo's algorithm, and notified to the regulatory agency.

- Monitoring of safety alerts in national and international regulatory agencies and in scientific literature publications to identify new safety information related to the drugs or therapeutic class of products registered by EMS.

- Joint preparation of safety items of documents related to clinical trials, in addition to receiving, studying, and managing reports of adverse events in the study, with notification to Anvisa when applicable. An aggregated analysis of the safety information is included in the Research Product Development Safety Update Report.

- Negotiation of the Safety Information Exchange Agreement, which describes the responsibilities related to pharmacovigilance activities in the case of commercial partnerships.

- Production of the Periodic Risk-Benefit Assessment Report (RPBR) according to Anvisa's schedule for availability on the agency's website.

- Preparation of the Risk Management Plan (RMP), according to current legislation, with the mapping of important risks already identified or potential and the proposition of actions to minimize these risks of each medicine, when applicable.

- Detection of signs and risks with interdepartmental participation both in the evaluation of signals and in the approval of the action taken by EMS, with proper registration and follow-up.

- Training of new employees, with annual recycling, on the concepts of pharmacovigilance, format and deadlines for reporting adverse events.

In addition, we maintain a contingency plan for the continuity of pharmacovigilance activities in situations of failure of computer systems (network, internet, adverse event management system, equipment or telephony), including force majeure events.

Control tools
UltraVig® adverse event management system
Medical Dictionary – MedDRA
OFF-X - Clarivate

2023 Highlights

Trainings
- Focus on employees, to expand the culture of pharmacovigilance internally, with 4,206 internal professionals trained.
- Training from third parties, clinical trial centers and commercial partners.

Participation in the patient support program to encourage adverse event reporting

Reclame Aqui website, social media and marketing programs monitoring

Creation of an internal algorithm of signals and risks
- Survey of pharmacovigilance data in real time via consumer, clinical literature and publications of regulatory agencies to capture/identify signs and risks in an automated way
- Filtering new pharmacovigilance safety information to address risk
- Predictor that directs thorough human analysis

Free university extension course
- Partnership with PUC-Campinas with certification
- Course "The evolution of Pharmacovigilance: practices in the Pharmaceutical Industry"
- Target audience: recent graduates and students in the healthcare area
- 40 hours/classes in person
- 24 students, with registration open to the public
- Theoretical and practical pharmacovigilance content
- Final project
- Positive evaluation: 9.71

The next years promise an accentuated performance of Pharmacovigilance due to our innovations, the internationalization of the company, the complexity of sectoral regulation, and the digital environment that is gaining space in society.

Similarly, future projects foresee: the redesignation of the Pharmacovigilance area with a more integrated and comprehensive look at patient safety; the attempt to repeat the academic partnership for the free training course in the area with an increase in the number of hours and vacancies; and, mainly, the use of technology and artificial intelligence to transform the infinity of publicly available pharmacovigilance data into valuable information and evidence focused on the patient and public health.

e. Technology

We restructured our technological management model by aggregating in a single department all corporate demands of IT, Information Security and Digital to transform the mentality and dynamics of our work with the business units. From there, in 2023, the NC Tech digital solutions hub was born, which started to support the development of the business with an innovation front capable of quickly creating digital products that simplify procedures, make the use of technology natural, optimize the employee experience with real-time data connection, and consolidate EMS's presence and performance in the digital universe.

In 2023, we sought an exchange of practices with the technology giants in the market and decided to review and modernize not only our processes but also the company's entire technological and systems infrastructure, with a total investment of around BRL 53 million, allowing EMS a new positioning driven by digital. GRI 203-1

	2023
Projetos corporativos e de tecnologia finalizados	24
Projetos de grande porte em andamento, inclusive para: ▸ Automation of operational indicators ▸ Management of maintenance processes ▸ Management of regulatory dossiers	More than 20

Some initiatives stood out in the year:

NC Tech
To bring the technology mindset to all our professionals, as a start-ups incubator, offering a hub of digital products.

Pharma Market
Business-to-business platform that connects distributors and pharmacies for direct negotiation. The mechanism is an innovation in the pharmaceutical market and brings total agility and ease for pharmacies to choose, in a few clicks, their suppliers according to the prices and delivery times practiced.
More than 10 thousand pharmacies already make their purchases in this digital market. Our goal is to involve 50 thousand establishments.

Digital package insert
Digital package insert platform for the pharmaceutical market (www.sara.com.br) with about 100 thousand accesses/month and audio and video for the most accessed package inserts.
A future addition of the tool for drug research and information will be the GPT Package Insert.

Entenda mais na seção Relações institucionais.

www.sara.com.br

The innovative EMS project built internally by a multidisciplinary team launched this intelligent, inclusive, and interactive platform to consumers in 2023 to democratize drug information, in addition to simplifying and expanding the reach of information on pharmaceutical products and health services, helping with treatment adherence and greater safety during medications.
The website allows free patient access to the electronic package insert of medicines and the personalization of alert reminders about the times of each medication. It can also be used for inquiries about possible recalls and batches of products that will be recalled in the country.
The platform, which already brings the updated digital package inserts of all medicines manufactured by EMS, includes a very complete list of products from other manufacturers available on the market, with more than 35 thousand items already inserted.

	2023
Access to the platform	582,416
Registered users	525,477
QR codes scanned	280,932
Custom reminders created	1,600

We invest millions of Brazilian reais annually in information security and data privacy in order to protect from the development of systems to their production, as well as tools that inhibit cyber-attacks. By using a number of protection layers, our responsibility is to reduce vulnerabilities and possibilities of hackers' invasion as much as possible, a situation to which every organization is constantly subjected, even though EMS did not record any data leaks in 2023.

The technology goes further and approaches our research and development (R&D) to design and format servers that enable the research of new molecules digitally, with infinite simulations per second and without the need for a chemical laboratory. This innovation is in the testing and experimentation phase and should be applied in the future.

In the industry 4.0 model, technological resources, e.g. tablets, are already in the palm of the hand of our line operators and leaders for the execution, registration and monitoring of EMS production processes in real time. State-of-the-art softwares complements automated production management. In addition, we started to use an electronic tool for workflows that were previously monitored on paper, which offers more security, agility and control of information. In the exchange of notebooks, in 2023, we prioritized the choice of machine models with lower energy consumption. The implementation of predictive maintenance with tests on machines through sensors will be on EMS's agenda in 2024, as well as the movement and signing of all operational and administrative documents digitally. Our data center located in São Paulo (SP), with approximately 500 servers, is expected to migrate to the cloud as of 2024.

Products of technological innovations underway specifically in EMS factories:

- Digital Acceleration of Operations, including the development of digital products for OEE (automation of OEE indicators to manage the overall effectiveness of equipment and production lines)
- SAP MII (evolution of EBR on the production line - production order, time, SKU and equipment)
- Web Maintenance digital solution (management of maintenance processes)
- IBP Supermarket
- CTD Regulatory dossier management system

Academia NC

Created in the midst of the Covid-19 pandemic to nurture the relationship between EMS and distributors and retailers in the pharmaceutical industry, which include clerks, pharmacists, pharmacy owners, customers and doctors, Academia NC is a free online OTT (over-the-top) training platform that promotes continuing education for these professionals on topics relevant to their business and health, with an offer of more than 700 different courses.

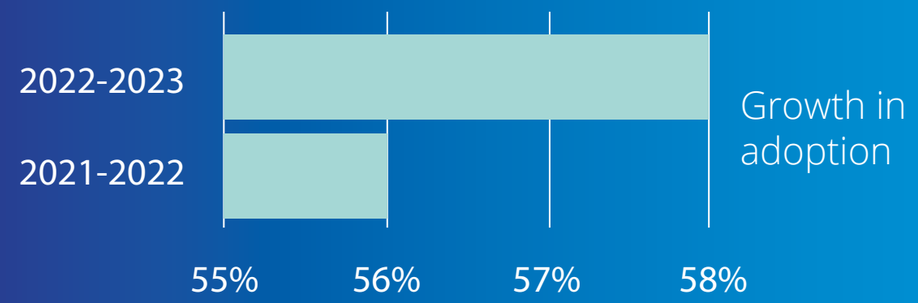
The contents, recorded in the company's own studios, have behavioral and technical-scientific approaches that follow guidelines from the Brazilian Federal Pharmacy Council, in addition to marketing disclosures of the products in accordance with Anvisa rules. The renewal of the themes of the courses is completed based on research with the users themselves and by EMS demands. Classes are taught by external professors and, in specific cases, by EMS specialists in each theme. On-site courses also take place on specific occasions that involve large audiences.

These initiatives aim to provide knowledge bases so that the consumer is well served with information when looking for a product at the point-of-sale, since pharmacies are the first channel of contact between the population and the healthcare area. On the other hand, the continued training of these professionals

can also contribute to their education and consequent evolution in terms of career.

The capillarity of Academia NC reaches 80% of distributors and retailers in the pharmaceutical sector in Brazil and has increased every year since its implementation, with a growing adhesion of users, which approached 60 thousand people in 2023.

Pharmacists, pharmacy students, clerks and drugstore attendants are among the professions with the greatest access to content, followed by people in administrative areas.



By State	E-mail
São Paulo	15,838
Minas Gerais	5,732
Rio de Janeiro	4,614
Bahia	3,213
Rio Grande do Sul	3,184
Paraná	2,877
Santa Catarina	2,366
Pernambuco	2,238
Ceará	2,217
Goiás	1,835
Pará	1,700
Distrito Federal	1,191
Amazonas	1,055
Maranhão	1,044
Espírito Santo	1,027
Rio Grande do Norte	883
Paraíba	833
Mato Grosso	647
Alagoas	645
Mato Grosso do Sul	550
Piauí	531
Sergipe	426
Rondônia	349
Tocantins	293
Acre	152

By Position	E-mail
Pharmacist	15,499
Pharmacy Student	7,216
Clerk	4,419
Other	4,361
Pharmacy Assistant	3,366
Pharmacist - Manager	2,500
Pharmacist - Clinical	2,264
Administrative	2,257
Pharmacist - Owner	1,915
Pharmacy Manager	1,645
Medical Visit Representative	1,536
Consultant	1,214
Pharmacy Owner	1,080
Marketing	601
Buyer	549
Pharmacy Director	510
Distribution Representative	504
Research and Development	494
Pharmacy Technician	485
Pharmaceutical Industry Representative	471
Products Industry Representative / Doctors	465
Cashier	437
Pharmaceutical Industry Executive	351
Logistics	253
Human Resources	221
Sales Coordinator	186
Biomedical	147
Perfumer	130
Doctor	109
Stocker	97
Medical Student	76

- Growing annual adhesion
- Users: 57,129
- Contents: 737
- Total content views by 2023: 206,194
- More than 110 thousand registered emails
- Five pieces of content consumed per month/user
- Issuance of formal certificates
- Actions by social media (Instagram, Facebook, Linkedin, Spotify, and YouTube)

Next news of the Academia NC:

- Guiding content for young people looking for their first job.
- Disclosure of vacancies for EMS medical visitors via social media of the Academia NC.

f. Awards and Certifications

Top of Mind Award

For the fourth consecutive year, EMS was chosen as the most remembered brand by consumers within the generic drug category. Top of Mind is recognized as the largest brand survey in Latin America and has been an achievement of the Datafolha Institute and the Folha de S.Paulo newspaper since 1991.

As melhores da Dinheiro Award

EMS won the "Pharmaceutical, Hygiene and Cleaning" category of the As Melhores da Dinheiro yearbook, produced by IstoÉ Dinheiro magazine, also obtaining first place in the Financial Sustainability and Social Responsibility rankings within the category. The publication recognizes the Brazilian companies that present the best results in more than 30 segments.

Best companies in the trust and admiration indicator

EMS ranked 15th among the 24 best companies listed in the trust and admiration indicator by Caliber, an international consultancy specialized in corporate reputation. The items analyzed involve the reputation and brand of companies of national relevance in various sectors of the economy.

Reclame Aqui Award

For the fifth time, EMS, represented by its Customer Service (CS), was the winner in the Pharmaceutical category of the award granted by the Reclame Aqui website, receiving 46,447 votes.

GPTW Certification

For the first time, EMS received the Great Place to Work certification, which recognizes corporate practices in people management. The selection of the best companies to work for totaled 3,868 organizations classified throughout Brazil.

Líderes do Brasil Award

EMS, for the 13th time, was the winner of the annual edition of the Líderes do Brasil Award in the "Pharmaceutical Industry" category. The largest business award in the country is promoted by LIDE – Grupo de Líderes Empresariais with the objective of recognizing the talent, competence, and commitment of companies and leaders who seek effective and sustainable solutions for a more competitive and efficient Brazil.

Experience Awards

The recognition is given by SoluCX, a customer satisfaction and loyalty survey, in partnership with Exame magazine for brands that achieve an NPS (Net Promoter Score) above average in their segment. In the pharmaceutical sector, 13 thousand consumers participated in the evaluation survey. Company that respects the consumer the most In its 21st edition, the award of the Consumidor Moderno magazine placed EMS among the recognized organizations in relation to price, quality, service, simplicity, and problem-solving practices with the consumer.

Paul Donovan Kigar Award

The 17th edition of the merit honor award awarded EMS for the cultural sponsorships carried out, such as that of the Museu do Ipiranga, which collaborated for the space to be reopened to the public after ten years closed, with a restoration movement that lasted from 2019 to 2022.

*Year: 2023

7 Human Capital

EMS, through the direct figure of its shareholders, has been seeking the continuous improvement of its people management. In 2023, we carried out a sustainability diagnosis that portrayed us comparatively to the market and indicated our needs for improvement in the social, environmental, and governance pillars. In addition to perceiving good practices, we also recognize our potential to increase internal programs that are important for those who make our business evolve and grow.

In 2023, we emphasized initiatives for the development of our leaders and other professionals, as a basis for sustaining the perspective of longevity and succession of EMS with the best profiles. The agenda included a strong work and exposure seeking recognition as an employer brand.

Looking to the near future, we want to lead EMS to become the career purpose of the new generations coming into the job market.GRI 3-3

Profile

GRI 2-7

Total number of employees, by gender and by region[1]

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	2,976	2,516	5,492	3,328	2,982	6,310	3,491	3,223	6,714

Total number of employees by employment contract and gender.

	2021			2022			2023		
	Temporary	Permanent	Total	Temporary	Permanent	Total	Temporary	Permanent	Total
Men	35	2,941	2,976	68	3,260	3,328	88	3,403	3,491
Women	73	2,443	2,516	119	2,863	2,982	124	3,099	3,223
	108	5,384	5,492	187	6,123	6,310	212	6,502	6,714

Total employees by type of employment and gender

	2021			2022			2023		
	Whole	Partial	Total	Whole	Partial	Total	Whole	Partial	Total
Men	2,965	11	2,976	3,291	37	3,328	3,409	82	3,491
Women	2,479	37	2,516	2,910	72	2,982	3,116	107	3,223
	5,444	48	5,492	6,201	109	6,310	6,525	189	6,714

Total employees by type of employment and region[1]

	2021			2022			2023		
	Whole	Partial	Total	Whole	Partial	Total	Whole	Partial	Total
Total	5,444	48	5,492	6,201	109	6,310	6,525	189	6,714

total number of workers who are not employed and whose work is controlled by the organization, by gender.

GRI 2-8

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Apprentices	10	31	41	20	46	66	66	93	159
Interns	1	6	7	17	26	43	16	14	30
Trainees	0	0	0	2	11	13	7	26	33
Others	0	0	0	0	0	0	0	0	0
	11	37	48	39	83	122	89	133	222

[1] There was no division by

Employee turnover

GRI 401-1

We constantly evolve in our turnover rate in all aspects and fronts of action due to intensive actions and the work to strengthen the brand and our leadership. To deal with labor lawsuits, we have the guidance of the shareholder to identify the root cause, crossing data and internal actions, and thus minimize the occurrences and their effects.

Total number and rate of employees hired, by age group

Age range	Total number	Hires	Rate (%)
Under 30 years old	1,463	625	42,7%
Between 30 and 50 years old	4,744	942	19,9%
Over 50 years old	507	23	4,5%
Total	6,714	1.590	23,7%

Total number and rate of employees who left the company, by age group

Age range	Total number	Hires	Rate (%)
Under 30 years old	1,463	345	23,6%
Between 30 and 50 years old	4,744	828	17,5%
Over 50 years old	507	57	11,2%
Total	6,714	1,230	18,3%

Total number and rate of employees hired, by gender

Gender	Total number	Hires	Rate (%)
Men	3,491	779	22,3%
Woman	3,223	811	25,2%
Total	6,714	1,590	23,7%

Total number and rate of employees who left the company, by gender

Gender	Total number	Hires	Rate (%)
Men	3,491	643	18,4%
Woman	3,223	587	18,2%
Total	6,714	1.230	18,3%

Total number and rate of employees hired, by region[1]

Region	Total number	Hires	Rate (%)
Total	6,714	1,590	23,7%

Total number and rate of employees who left the company, by region[1]

Região	Número total	Desligamentos	Taxa (%)
Total	6,714	1,230	18,3%

[1] There was no division by

a. Employer brand

EMS reinforced its exposure in 2023 as an employer brand with several initiatives, such as its first certification in the Great Place to Work (GPTW) ranking and participation in major university fairs with the presence of company executives, reaching approximately 5,700 students.

Another result of this was the record number of people who applied for our trainee program, which reached almost 11,500 young people, of which 22 were hired after a selection process conducted by a third-party company.

With regard to new vacancies, we also use specialized platforms and websites for the pharmaceutical industry, given that we are at the top of the list of employers for commercial positions and medical visitors, with around 300 hires in 2023 for these roles alone, even with the downturn in the sector during and after the pandemic.

Still with the perspective of attracting new talent and reinforcing the brand's employer potential globally due to the strategy of expanding the business internationally, we partnered with the largest universities in the United States and with the Technological Institute of Aeronautics (ITA) for the first edition of a temporary work program in the summer job model, lasting ten weeks. The selected students went through a period of skills development, immersion in areas of the company and presentation of problem solutions to executives, leaders and shareholders, members of the People & Management area and guests.

Summer job	Applications	Vacancies
International	37 people applied	6 Brazilians hired on 2023 from the University of South Florida and University of Michigan
National	110 people applied from the Technological Institute of Aeronautics (ITA)	6 people hired from January/2024
International	135 people applied from 31 foreign universities	7 Brazilians hired as of June 2024 from five foreign universities

In 2023, we also structured our internship program, which boosted the hiring of these beginners.

2023		
	1st semester	2nd semester
Enrolled in an internship program	819	469

LEADERSHIP DEVELOPMENT PROGRAM

Focusing on the continuous development of executives from the first level of management to factory managers, the program addresses behavioral leadership trends, development tools, ESG (environmental, social and governance), succession and long-term careers, disseminating the concepts of culture, values and breaking silos with a single vision of the company to its leaders.

2023		
Workshops	626 participants*	368 hours of learning
Mentoring (720 sessions)	90 employees* (mentors and mentees)	More than 750 hours of learning exchange

*Total number of Grupo NC pharmaceutical pillar, including EMS

All employees who participate in the Job Rotation program and all trainees have a mentor, i.e. a company leader who shares their experiences and best practices of their professional performance in order to accelerate the career of their mentee.

SHORT-, MEDIUM- AND LONG-TERM GOALS

We use an internal corporate management system that provides the method of defining strategic goals, as well as achieving and maintaining results. We optimize management and goal setting at all levels of leadership and have follow-up rituals, in annual cycles for short- and medium-term goals and every five years for long-term goals.

Goal management

- Recognition of the best performing areas
- Short- and long-term incentives and variable compensation for vice-chairmen, directors, managers, and coordinators
- Profit sharing program and variable compensation for all employees, according to local collective agreements

b. Training and Development

We maintain a continuous development program with all functional levels that, each year, reinforces topics of interest to our business. The 2023 agenda, however, was expanded in scope and conceptualization and gained more robustness based on demands from the shareholders themselves. The training grid will continue in 2024.

- NC+
- Academia NC
- Acelera Prescrição Program
- Academia de Operadores
- Problem-solving methodologies
- ESG journey for employees, managers and directors (mandatory)

Acelera Prescrição Program

- Acelera Jovem Propagandista

Training of young medical visitors (business/corporate culture) in a 12-month development track aimed at accelerating the learning curve: 13 professionals served in 2023-2024

- Acelera Gerencial

Preparation of high-performance professionals and managers for the managerial function, strengthening leadership behaviors: 23 professionals served in 2023-2024

Specific courses for commercial teams

- Partnership with Insper, Fundação Getúlio Vargas (FGV) and Fundação Dom Cabral

Problem-solving methodology

- Target audience: factory leaders

Technical development, levels of standardization and excellence

- Projects x gains: 234 professionals involved in 2023 at EMS's four plants

Problem-solving methodology

- Target audience: operators
- Focus: creating operational structure to improve analysis for problem solving and opportunity identification
- Recycling on Good Manufacturing Practices (GMP) and application of project management methodology
- Analytical training in the Lean methodology for teams at the Hortolândia (SP), Manaus (AM) and Brasília (DF) plants

Academia de Operadores

- Technical training for newly hired operators and improvement of operators according to performance from the reproduction of classroom environments at the Hortolândia (SP) and Manaus (AM) plants with civil infrastructure and machinery simulating the production area of the factories.

NC+

EMS's corporate university, available through an online training platform for all employees at administrative levels and commercial areas, offers more than 1,000 courses on specific topics, from content on sales, sector regulation, quality, behavior to those mandatory focused on safety, corporate governance, and also those that are legally required by Anvisa, as is the case with Good Manufacturing Practices (GMP).

The entire EMS training journey goes through the NC+ platform, which receives guests, professors, market executives and professionals from Anvisa as course instructors, and makes use of e-books, podcasts, videos, for active, dynamic and continuous learning.

There are more than 387 thousand hours of training carried out and more than 4 thousand contents made available by NC+ since 2018.

Academia de Operadores

With investment in the training of new operators for our factories, in 2023 we started the construction of the Academia de Operadores, within the Hortolândia (SP) unit, which will be prepared to offer technical-operational training on the machines and equipment used in EMS's manufacturing processes. Academy's target audience is newly hired employees in the industrial area and those who are already part of the team, all to leverage the growth and development of our people.

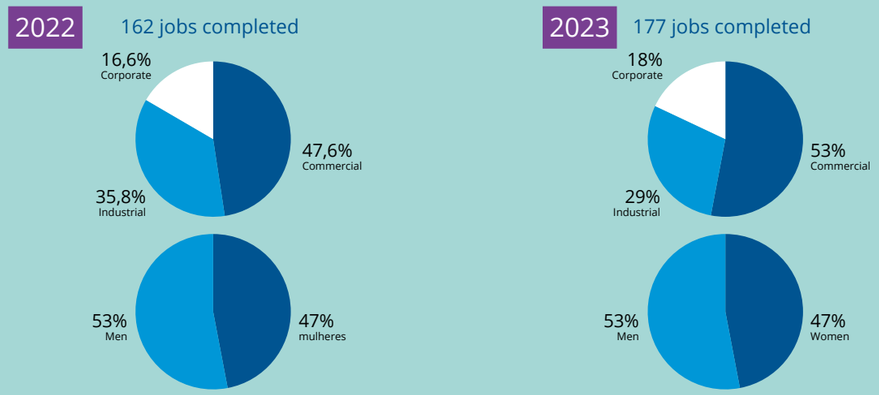
In partnership with Senai, the same model is reproduced at the Manaus (AM) factory, but on a smaller scale.

Trainings	2021	2022	2023
Training/courses held for employees	667	2,468	3,481
Trained general employees	3,492	6,400	7,643
Trained leaders	774	1,020	1,029
Trained factory employees	119	977	1,420

MERITOCRACY

Job Program

Recognition and development of employees with support to develop them as leaders.



Cycle of people

Performance evaluation tool considering adherence to goals and culture.

Gateway Programs

Formation of a qualified labor database

- **Industrial young apprentices**

Partnership with Senai and technical schools for the technical development of young apprentices with the possibility of hiring at the factories in Hortolândia (SP) and Manaus (AM), favoring local labor

2023: 160 young people in training

- **Operators school**

Creation and offer of the initial continuing education course for 52 hours with the Federal Institute of São Paulo (IFSP)

Quality of life actions

- **Healthcare and awareness campaigns on care and well-being**
- **Physical activities (street running, walking, sports practices)**
- **AcoNChego Program**

It is a program of reception and guidance for pregnant women carried out through monthly telephone contact conducted by a medical professional and nurses, which covers from the discovery of pregnancy to the arrival of the baby, with contact for support and clarification of doubts. After the birth of the child, to close this cycle, pregnant women enrolled in the program receive a kit at their homes that contains a bag, a changing table, a bodysuit, and a T-shirt.

c. Compensation and Benefits

GRI 2-30, 405-2

All EMS employees are served by collective bargaining agreements.
As for the equal pay between women and men required by Law No. 14.611/2023, we have already detected that EMS maintains a balanced level.

Benefits GRI 401-2, 401-3

- Nursery for children up to 5 years and 11 months (EMEI Emiliano Sanchez)
- Daycare assistance for children up to 36 months
- Food card
- Meal card for external employees
- Restaurant with service in all three shifts, snack bar and ice cream for birthdays
- Chartered transport and transportation voucher
- Christmas Basket for internal employees
- Christmas surprise for children up to 12 years old
- Agreement with stationery stores for the purchase of school supplies
- Dental plan
- Health insurance
- Life insurance
- Disability assistance
- Maternity/paternity leave
- Extension plan for employees terminated for medical treatment
- Aid for children with disabilities
- Subsidy for medicines
- Indoor parking
- Length of Service Award (for every five years of work in the company, employees win prizes that include national and international trips)

PERFORMANCE ASSESSMENT

Our performance evaluation cycle – the People Cycle – includes a 360° format for all levels of leadership up to coordinators, with an analysis of performance and expected behaviors in accordance with EMS's cultural values and with three feedback moments throughout the year starting in 2024.

The administrative levels are evaluated in the 180° model, and the operators are evaluated collectively, according to the competencies of the group and the production lines.

ESG (environmental, social, and governance) topics are not yet included in the performance evaluation indicators, but they are set as a goal for the 2025 cycles.

d. Diversity

The 2023 Great Place to Work survey did not show any act of discrimination against employees motivated by ethnicity, gender, and/or sexual orientation. In this regard, we are moving towards structuring a specific diversity program with the openness that the topic deserves. Currently, we promote various initiatives:

- inclusion of same-sex partners in health and dental plans;
- hiring people with disabilities in exclusive vacancies for various areas, but still not reaching our legal quota, even though it has evolved in recent years;
- selection focused on diversity, with publication of vacancies with an active search for professionals with disabilities, women and black people;
- training for all company leaders to raise awareness about the inclusion of professionals with disabilities in teams;
- participation in events focused on the theme and strategic partnerships for the evolution of numbers;
- planning of the distribution of reserved vacancies for upcoming entry programs.

As challenges, we know that ethnic-racial inclusion in senior leadership positions must also be reviewed and expanded, as well as that of people with disabilities in operational positions and in commercial field teams. Another market trend yet to be analyzed by EMS is the recruitment of professionals aged over 50 years, although the company does not make cuts due to age.

Internal communication channels		
2021	*5*	Newspaper-mural, email marketing, banners, wallpaper
2022	7	Newspaper-mural, email marketing, banners, wallpaper, corporate TV, NC+
2023	11	Newspaper-mural, email marketing, banners, wallpaper, newsletter, tent-cards in the cafeteria, corporate TV, NC+, Teams, WhatsApp groups

e. Occupational Health and Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-8

Possuímos um sistema de gestão interno em segurança e saúde, não certificado, baseado em políticas, diretrizes e procedimentos voltados para a saúde ocupacional e a prevenção de acidentes. Buscamos a melhoria contínua na identificação de perigos e riscos e na mitigação de condições e comportamentos inseguros, inclusive por meio de capacitação e treinamentos de segurança para todos os colaboradores – próprios, terceiros e visitantes – desde a sua integração, além dos treinamentos obrigatórios para atendimento às diversas normas regulamentadoras (NR10, NR12, NR13, NR20, NR33, NR35, Brigada de Emergência, CIPA).

A empresa realiza um levantamento de perigos e riscos (LPRO) para caracterizar as vulnerabilidades de cada atividade e classificar na matriz GUT (gravidade x urgência e tendência), que nos dá base para as ações de mitigação, incluídas num plano de ação da equipe de Segurança e posteriormente compartilhadas nos comitês de segurança. Essa análise é feita por técnicos e engenheiros de segurança devidamente capacitados, também responsáveis por auditorias internas informais. Já os trabalhos de risco são liberados somente após a avaliação técnica e a devida permissão.

Mantemos o Programa Acidente Zero (PAZ), que permite que os próprios colaboradores relatem incidentes, condições de risco e comportamentos inseguros em quadros espalhados pela empresa. Também incentivamos que os profissionais se recusem a desenvolver uma atividade que coloque em risco sua segurança ou de outros a partir do procedimento chamado “dever de recusa”.

As investigações de acidentes usam as ferramentas Ishikawa e 5 Porquês, com ações corretivas acompanhadas pelo Controle Único de Pendências (CUP). Os prontuários médicos ficam sob gestão do ambulatório médico, garantindo a confidencialidade das informações.

Juntamente com as Comissões Internas de Prevenção de Acidentes (CIPAs) estão os comitês específicos de segurança (NR10, NR12, Ergonomia). Os indicadores, ações e prioridades de segurança são discutidos nas reuniões mensais de resultados nos níveis gerencial e de diretoria. GRI 403-6

8 Social and Relationship Capital

The incentive to culture and to professional and amateur sports, as well as social and environmental projects, is a relevant part of our social commitment to promote more knowledge, education, leisure and quality of life not only to the communities that surround us, but also to the thousands of people benefited by these initiatives throughout Brazil.

EMS maintains a great track record of investing in social responsibility across the country. In 2023, we supported more than 40 different actions in several Brazilian cities, adding up to an investment of BRL 27.7 million through our own resources and from tax incentive laws. GRI 413-1, 3-3

Support	Projects**	Investment*
Social	28	BRL 11,149,512.02 (40%)
Cultural	16	BRL 10,023,706.08 (36%)
Sports	12	BRL 6,364,289.49 (22%)
Environmental	2	BRL 206,143.00 (2%)
Total	58	BRL 27,743,650.59 (100%)

*Amounts paid within the 2023 fiscal year. Donations of medicines were not considered, not even those made for the yaws eradication project.
**The projects supported via incentive law derive from resources from the pharmaceutical companies of the Grupo NC.

This amount exceeds BRL 30 million if the donation of medicines made in the period to humanitarian causes and to entities that promote health and/or well-being, respecting the individual and the environment, is also considered.

Donation of medicines	2023
Benefited entities	19
Units (boxes) of medicines	49,496
Total medicines donated	BRL 2,287,438.24

In 2023, the highlight was the donation of EMS medicines in favor of the victims of the rains on the North Coast of São Paulo. Anti-inflammatory drugs, analgesics and antibiotics, among other medicines, were promptly delivered to the city hall of São Sebastião, totaling 18 thousand boxes of medicines (381 thousand tablets and more than 10 thousand vials).

MUSEUM SPONSORSHIPS: A SEPARATE CHAPTER

EMS has a long history of partnership that spans museums across the country. We are supporters of the main ones and, in 2021, we even created the Rota dos Museus by EMS project to further promote visitation and value these public heritages. They are: Museu do Futebol, MASP, Museu de Arte Moderna (MAM), Museu Judaico, Museu Oscar Niemeyer, Museu do Amanhã, and Museu do Ipiranga.

Museu do Ipiranga: development

We were one of the first and one of the main partner organizations in the restoration and revitalization project of the Museu do Ipiranga, allocating resources over four years (2019-2022) and promoting a series of actions that involved marketing strategies and support for the exhibition. The Museu do Ipiranga was reopened to the public in September 2022 and continued to receive sponsorship from EMS in 2023.

Memórias do Império Exhibition

A proof of how we, at EMS, got emotionally involved with the experience of bringing back to the population the Museu do Ipiranga and everything it represents, including the many positive feelings that have aroused in visitors since it was reopened, is the Memórias do Império exhibition, conceived by EMS and held at the Glass House of the Museu da Cidade of Campinas (SP). About 110 pieces from the monarchical period that belonged to the Brazilian royal family were made available to the public. The collection is privately owned by EMS and was curated by Paulo César Garcez Marins, historian, PhD in social history from the Faculty of Philosophy, Languages and Literature, and Human Sciences of the University (FFLCH-USP), associate professor and technical head of collection and curatorship at the Museu do Ipiranga. The exhibition reached the mark of 2 thousand visitors between August 1 and September 23, 2023, when it was open to the public.

SOCIAL ACTIONS

Institution/Project	Location	Activity
Municipal School of Early Childhood Education (EMEI) Emiliano Sanchez	Hortolândia (SP)	Construction and maintenance of the school since 2007, with full-time care for 210 children from four months to 5 years and 11 months of age from the community itself and children of employees, with an outstanding infrastructure with medical outpatient clinic, playroom, breastfeeding room, lactation room, cafeteria, mini-vegetable garden, playground, fruit tree forest, motorcycle circuit, video library.

Institution/Project	Location	Activity
Hospital do Amor	Barretos (SP)	Supporting this hospital since 2015, which has become a national reference center in the diagnosis and treatment of adult and pediatric cancer. Annually, the company also donates to the institution contributions collected through solidarity piggy banks, spread throughout commercial establishments throughout Brazil.

foto: Mathias

Creche Bento Quirino	Campinas (SP)	Since 2006, a partnership with the institution, which has been operating in the community for more than 100 years and serves children and adolescents through educational and cultural activities.
Casa da Criança Paralítica	Campinas (SP)	The institution offers integrated multidisciplinary rehabilitation treatment for children and adolescents with physical disabilities.
Projeto Guri	Polo patrocinado de Indaiatuba (SP)	Projeto Guri, focused on music education and human development of children and adolescents between 6 and 18 years old, has about 360 centers distributed throughout the state of São Paulo and has been sponsored by EMS since 2015.

Hospital Pequeno Príncipe	Curitiba (PR)	Support, since 2015, to the largest pediatric hospital in Brazil. Together with the Faculdade Pequeno Príncipe and the Instituto de Pesquisa Pelé Pequeno Príncipe, it is part of the Complexo Pequeno Príncipe.

Instituto do Câncer Infantil	Porto Alegre (RS)	Support for the Maintenance and Qualification of Service project, which offers fundamental aid for the continuity of treatment for patients and family members assisted by the institute.
Dodói Project	Diversos hospitais pelo país	Sponsorship of this initiative created by ABRALE, with support from the Instituto Maurício de Sousa, which bets on playful activities as a way of humanizing children's cancer treatment and self-therapy to achieve better results with medical therapies.
Instituto do Fígado of Pernambuco (IFP)	Recife (PE)	Sponsorship of the first hepatology center in Brazil intended exclusively for users of the Brazilian Unified Health System (SUS) for the diagnosis and treatment of people with gastrohepatic diseases, with the elderly as a significant part of the public served.
Rede Paulo de Tarso	Belo Horizonte (MG)	The Rede Paulo de Tarso – composed of the Clínica de Transição Paulo de Tarso – offers a unique care model in Minas Gerais for integrated care of patients in preparation for safe discharge, with rehabilitation and readaptation when returning home.
Hospital de Base	São José do Rio Preto (SP)	Support for the Viva+ Oncogeriatria project, aimed at expanding and qualifying the access of elderly users of the Brazilian Unified Health System (SUS) to cancer treatment in the largest hospital complex in the interior of the state of São Paulo.

Hospital Erasto Gaertner		EMS supports Erasto Gaertner, a center of excellence in cancer prevention, diagnosis, treatment, teaching, and research. The supported project assists elderly patients aged 60 years or older, of both sexes, from SUS and treated at the hospital to perform low-, medium- and high-complexity medical-hospital procedures in the diagnosis and treatment of cancer.
Fundação Síndrome de Down		Fundação Síndrome Down, located in the region of Campinas (SP), offers support to people with intellectual disabilities and their families, according to the specific needs of each individual, mediating in the contexts of education, health, leisure and the labor market. Therapeutic care services are offered; special education; support for adult life; training and inclusion in the labor market; and attention to the family.
Santa Casa de Curitiba	Curitiba (PR)	The Coração Dinâmico project aims to modernize hemodynamic equipment for minimally invasive cardiovascular and neurological procedures for people directed by the SUS and who need diagnoses and/or interventions of this nature.
Apae de Hortolândia	Hortolândia (SP)	The resources are intended for the Estimulação Precoce project, for the purchase of furniture in the physiotherapy room and playroom for children up to 5 years old.
Instituto Baccarelli	São Paulo (SP)	The institute offers educational, cultural and musical activities for children and young people in Heliópolis, including with the Heliópolis Symphony Orchestra, and in 12 other territories served by the Unified Educational Centers (CEUs) under its management in the peripheral regions of the capital of São Paulo.
Instituto Gerando Falcões	Nacional	Donation for the expansion of the social development project in a network to accelerate the power of impact of social leaders who dream of transforming the poverty of the *favelas* into a museum piece.
Centro de Equoterapia de Jaguariúna	Jaguariúna (SP)	Hippotherapy, with psychology and physiotherapy follow-up, for child patients with disabilities aged 2 to 17 years.
Arena EMS	Petrolina (PE)	Sponsorship of the project that tends to be one of the largest sports centers in the Northeast, with the purpose of promoting quality of life, health, leisure, sports and social inclusion in the Vale do São Francisco.
Associação Obra do Berço	São Paulo (SP)	Co-sponsorship for the Torneio de Golfe da Associação project, which serves children, adolescents, young people and their families from needy communities in the South of the capital of São Paulo.
Festa São João de Patos e da Gente	Patos (PB)	Sponsorship of the community party.

Pink October/Blue November Lighting	Hortolândia and Campinas (SP)	Pink facade lighting of the EMS headquarters in Hortolândia, to raise awareness among the female public about cancer, especially breast cancer. Blue facade lighting of the EMS headquarters and also of the Caravel da Anunciação in Parque Taquaral in Campinas, to raise awareness among the male public about cancer, especially prostate cancer.
Flood victims in the South	São Jerônimo (RS)	Donation of 300 food baskets to the population of São Jerônimo (RS) after floods and public calamity in the region in November 2023.
Flood victims on the North Coast	São Sebastião (SP)	Donation of 18 thousand boxes of medicines to the city of São Sebastião for immediate treatment of the victims of the rains, with antibiotics, anti-inflammatories, analgesics, among other medicines, representing a total of 381 thousand tablets and more than 10 thousand bottles of medicines.
Instituto Qualidade no Ensino (IQE)	Camaragibe (PE)	Since 2006 the partnership aims to qualify 60 teachers in Portuguese and mathematics and raise the educational level in 22 schools in the city, benefiting 5,200 students enrolled in elementary school.
Casa de Maria de Nazaré	Campinas (SP)	Donation for the renovation and expansion of the new space of unit II - Casa Betel, which serves children and adolescents from birth.
Associação de Mães e Amigos dos Autistas de Hortolândia	Hortolândia (SP)	An institution that was created to help people with autism and also to promote reception and guidance to families.
Tênis para todos	Hortolândia (SP)	Since 2017, EMS has offered free weekly classes of the modality to regular students of the city's public school system in order to bring young people closer to this sports practice and motivate new talents. In 2020, EMS built and donated to the city the first court with official tennis measurements to be used by the project and also by the population.

CULTURAL ACTIONS

Institution/Project	Location	Activity
Museu de Arte of São Paulo	São Paulo (SP)	In addition to the iconic architecture in the capital of São Paulo, MASP, the first modern museum in the country, brings together more than 11 thousand works, including paintings, sculptures, objects, photographs, videos and clothing from different periods, covering European, African, Asian and American production. EMS has been a sponsor of the museum since 2021.

Book "*Já raiou a liberdade* - D. Pedro I *compositor e a música de seu tempo*"	Nacional	Sponsorship of the work that highlights the performance of the Emperor of Brazil as a multi-instrumentalist and author of classical music, such as Hino da Independência, drawing a parallel with the musical activity of Rio de Janeiro in the early nineteenth century. The publication comes in printed and e-book format and was launched during free recitals in the cities of Campinas (SP), São Paulo (SP) and Rio de Janeiro (RJ).
Mozarteum	São Paulo (SP)	EMS has been maintainer, since 2013, of the Mozarteum Brasileiro, whose national and international classical music performances take place at Sala São Paulo, in the capital of São Paulo. The institution also holds master classes and promotes free classical music scholarships at leading conservatories in Europe.

foto: Caio Gallucci

"The Lion King" the musical	São Paulo (SP)	Sponsorship of the musical show that became the biggest phenomenon on Broadway, with the adaptation of the Walt Disney Studios animation, in a performance with more than 50 actors, including South Africans who collaborated for the perfect introduction of six native African languages in dialogues and songs.
Encontros Históricos	São Paulo (SP)	Sponsorship of the 2021, 2022 and 2023 editions of the iconic concert series "Encontros Históricos", which brings together, in each monthly edition, two great stars of Brazilian popular music accompanied by the Brasil Jazz Sinfônica, in performances at Sala São Paulo, in the capital of São Paulo.
Museu de Arte Moderna	São Paulo (SP)	Sponsored by EMS since 2013, the MAM in São Paulo has more than 5 thousand works produced by representative names of modern and contemporary art.
"Ney Matogrosso - Homem com H" and "Silvio Santos Vem Aí" musicals	São Paulo (SP) Rio de Janeiro (RJ) Fortaleza (CE) Recife (PE) Natal (RN)	Official sponsorship of the tour of the concerts "Ney Matogrosso - Homem com H" and "Silvio Santos Vem Aí", which toured through major capitals such as São Paulo and Rio de Janeiro in 2023 and Recife, Fortaleza and Natal in early 2024.
Troféu Raça Negra	São Paulo (SP)	Sponsored by EMS since 2016, the Troféu Raça Negra, considered the Oscar of the Black Community, recognizes activists, managers, artists and personalities who write the history of black people on the national and international scene. EMS is also a sponsor of FLINKSAMPA (Knowledge, Literature and Black Culture Party), in São Paulo (SP). Both events are produced by Faculdade Zumbi dos Palmares

Museu Oscar Niemeyer	Curitiba (PR)	Sponsorship of the museum designed by Oscar Niemeyer and which houses important references of national and international artistic production and works by the architect, with more than 14 thousand pieces in the areas of visual arts, architecture and design.
São Paulo International Bienal de Arte	São Paulo (SP)	Sponsorship of the 35th edition of one of the largest contemporary art events in the country, which brought together more than 1,100 works by 121 artists and was free to visit. The event, entitled “Coreografias do Impossível”, brought as its theme the reflection on how the impossibilities of everyday life reflect on artistic production.
Museu do Amanhã	Rio de Janeiro (RJ)	The museum, a space for culture and knowledge about science and the future of the planet, seeks to offer a journey of explorations, ideas and innovations about the advances in science, the great current changes and their impacts on Earth in the present and in the coming decades. Since 2021, the museum has received the support of EMS.
Museu do Futebol	São Paulo (SP)	Located on the back of the stands of the traditional Pacaembu Stadium, one of the oldest in Brazil, the museum is a reference center for Brazilian football and brings together documents, interviews, photographs, audios, books, academic works and objects that show the importance of football for Brazilian culture. The institution has received support from EMS since 2020.
Museu do Ipiranga-USP	São Paulo (SP)	Museu Paulista, belonging to the University of São Paulo and which throughout its history was known as the Museu do Ipiranga, maintains a collection of the history of São Paulo and Brazil from the colonial period to the present day. The restoration and revitalization of this important national cultural icon, reopened in 2022 on the occasion of the Bicentennial of Independence and with a fully accessible format, received the sponsorship of EMS.
“The Bodyguard” the musical	São Paulo (SP)	A box office success in 1992, the classic “The Bodyguard” marked the debut of the diva Whitney Houston in the cinema. And this beautiful love story lived by her and actor Kevin Costner won a theatrical version in 2023 - “O Guarda-Costas, o Musical”, directed by Ricardo Marques and associate direction by Igor Pushinov. The play premiered on the stages of Teatro Claro, in São Paulo (SP), with the sponsorship of EMS.
“Pretty Woman - the Musical”	São Paulo (SP)	Successful on Broadway and worldwide, the musical based on the iconic film of the same name made a season on the stages of São Paulo with the support of EMS.

SPORTS ACTIONS

Institution/Project	Location	Activity
Rio Open	Rio de Janeiro (RJ)	For the third year, Brazil's 1st ATP World Tour 500, the Rio Open, received sponsorship from EMS to bring together the great names of the world's tennis elite in the biggest tennis tournament in South America.
Átila Abreu	Nacional	The EMS Racing motorsport team is the 2019 Porsche Endurance champion; champion of Endurance Brasil 2020 and two-time champion of Porsche Endurance Gt3.
Rally dos Sertões	Nacional	For the second consecutive year, EMS enters as a sponsor of the Rally Team, which competes in one of the elite categories of the competition with two pairs of experienced drivers who compete in the main category of multi-task utility vehicles. One of the competitors of the EMS Rally Team is Fábio Pirondi, born in Americana (SP). The test extends through the states of Bahia, Pernambuco and Ceará.
Clube Pinheiros Women’s Volleyball	Nacional	EMS has been a sponsor, since 2021, of Esporte Clube Pinheiros Women's Volleyball. The company's institutional brand stamps the uniforms of the players and the technical team in the state championship, in the Superliga and in the Copa Brasil.

Liga Nacional de Basquete	Nacional	EMS is the new sponsor of the Liga Nacional de Basquete (LNB), which brings together the most representative national clubs in the sport for the 2023/2024 season of Novo Basquete Brasil (NBB), an elite competition in Brazilian men's basketball with the participation of 19 national teams.
Corrida Night Run	Nacional	Sponsorship of the night racing circuit in São Paulo (SP), Rio de Janeiro (RJ), Belo Horizonte (MG) and Brasília (DF).
Brasil Ladies Cup	Nacional	Sponsorship of one of the biggest women's football tournaments in the 2022 and 2023 editions, a championship that has the participation of eight clubs, divided into two groups, and also receives teams from abroad, such as Paraguay and Colombia.

Foto: Luis Pacca

Tennis Tournament (ATP and ITF)	Nacional	Co-sponsorship of the tennis competitions of the ITF World Tennis Tour and ATP Challenger Tour Series since 2021, events sanctioned by the International Tennis Federation (ITF) and the Association of Tennis Professionals and which are the gateway to the sum of points in the Women's Tennis Association (WTA) and ATP rankings.

Vôlei Renata	Nacional	Official sponsorship of the three-time champion of São Paulo men's Volleyball team of Vôlei Renata for the 2022/2023 and 2023/2024 seasons. The team competes in the Campeonato Paulista and the Superliga de Vôlei, with scores that can pave the way for the Copa do Brasil and the South American Club Championship.

Foto: PedroTeixeira

ENVIRONMENTAL ACTIONS

Institution/Project	Location	Activity
"Rios Voadores" documentary	Nacional	Official sponsorship of the documentary "Rios Voadores", the name of a unique meteorological and climatic phenomenon, considered vital for the planet, which occurs in its origin in the Amazonas and crosses the entire South American continent, in a route of 7 thousand kilometers. The French-Brazilian co-production was awarded at international festivals such as Deauville Green Awards, Silbersalz Festival and Festival Du Film Scientifique 2022. The special premiere took place during the world conference on climate and environmental issues, COP27, in Egypt, in November 2023.
Fundação Amazônia Sustentável	Manaus (AM)	The partnership with the Fundação Amazônia Sustentável (FAS) fosters support for the construction of social infrastructure and the improvement of the quality of life for riverside communities in isolated places with high potential for forest conservation in the state of Amazonas. Between 2016 and 2023, almost 3,000 children and adolescents from 155 communities were served.

9 Natural Capital

a. Eco-efficient operation

GRI 3-3

We maintain our own environmental policy with the purpose of directing the rational use of natural resources and the improvement of internal processes that impact natural environments, in addition to complying with legal requirements in all spheres.

In 2023, EMS carried out an ESG (environmental, social, and governance) assessment diagnosis that helped identify the fronts of attention in the three pillars. In the environmental aspect, this external analysis pointed out the prioritized actions for the year. Meeting these needs went from 38% at the beginning of the assessment to 68% at the end of 2023.

Priority of actions	Factory
ISO 14001 and 45001 diagnosis at the plant if EMS decides to seek certification	Novamed – Manaus (AM)
Research of alternatives to replace aggressive chemicals used in maintenance	Hortolândia (SP)
Measures to reduce water and energy consumption	Brasília (DF) Hortolândia (SP)
Relationship with local environmental agencies	Hortolândia (SP)
Survey of environmental impacts of EMS operations*	Novamed – Manaus (AM) Hortolândia (SP) Brasília (DF) Jaguariúna (SP) Snellog (Distribution Center) – Jaguariúna (SP)

*no critical points found

At the same time, we implemented the improvement of the processes of the effluent treatment stations (ETE) in Hortolândia (SP) and initiatives to reduce water and energy consumption at the Hortolândia (SP) and Brasília (DF) sites. Another work front focused on the residual waste center in order to achieve the goal of zero landfill, evaluating the technical measures for the portion of this material that goes to incineration and co-processing.

We also dedicated ourselves to closing the year on time with all legal obligations from environmental agencies, which led us to the movement of 128 documents, such as protocols, licenses, renewals, among others.

In the second half of 2023, the company's own environmental area conducted technical audits at the Novamed (Manaus/AM) and Multilab (São Jerônimo/RS)* factories to check routines and legal aspects, with the completion of this work scheduled for 2024.

The mapping of environmental risks within our operation is under construction along with EMS's risk management matrix and business continuity plan, both scheduled for 2024.

* This Grupo NC plant dedicates only part of its production line to EMS medicines.

Learn more in the "Risk Management" section

WATER AND EFFLUEN

GRI 303-3 - Water collection[1] (ML)	2021	2022	2023
Water collection by source	All areas	All areas	All areas
Surface water (total) (ML/Year)	88.54	158.11	140.16
Groundwater (total) (ML/year)	290.15	292.71	264.78
Third-party water (total) (ML/year)	45.64	48.83	54.57
Total water collection			
Surface water (total) + groundwater (total) + third-party water (total)	424.33	499.64	459.51

[1]There is no water collection in areas of water stress.

GRI 303-4 - Water disposal[2] (ML)	2021	2022	2023
Total water disposal by destination	All areas	All areas	All areas
Disposal (surface water/groundwater/third party)	290.66	336.93	373.57
Treatment level/type of effluent[3]	Secondary level, physical-chemical and biological treatment	Secondary level, physical-chemical and biological treatment	Secondary level, physical-chemical and biological treatment

[2]There is no water disposal in areas of water stress.
[3]There is no separate measurement of the volume of sanitary and industrial

GRI 303-5 - Water consumption (ML)	2021	2022	2023
Total water consumption	All areas	All areas	All areas
Surface water + groundwater + third-party water (total)	133.67	162.71	85.94

Theme Management

GRI 303-1, 303-2

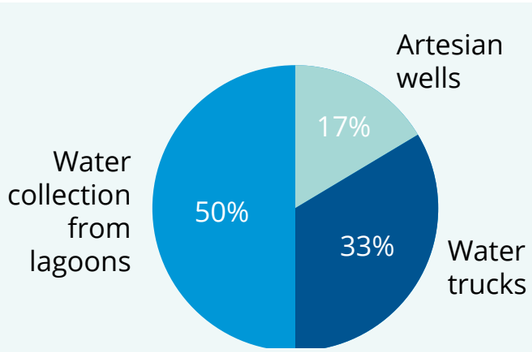
Water collection

The water supply at the Hortolândia (SP) factory serves the manufacturing processes and human consumption. Our sources are artesian wells with subsequent purification of water by reverse osmosis for use in the manufacture of medicines. For human consumption, we have surface collection and, when necessary, we request water trucks.

To reduce water consumption, the Hortolândia (SP) unit has a water reuse system for firefighting, toilets and gardening.

In the other factories, the water supply is made by artesian well and water trucks.

Even if we measure these collections, we need additional water meters to fine-tune these indicators, a fact that forces us to seek improvement in 2024 in all our units, including for a more accurate measurement of treated effluents.



Water consumption

There was an increase in total water consumption due to the expansion of the manufacturing structure in Hortolândia (SP). The variation also occurs according to the portfolio to be produced in the year, since the use of water differs between product categories.

Our goal for 2024 is to find the best calculation formula to measure relative numbers instead of total absolute consumption numbers, considering the size of the company, annual growth percentage, market leadership and quantity of products manufactured (we have the largest portfolio) in relation to the sector.

Effluent treatme

We treat effluents internally in all our factories before they are released, complying with environmental criteria and effluent characteristics in each location.

In Hortolândia (SP), especially, we carried out technical studies in 2023 to understand the composition of our drugs and identify the best methodology to separate and treat the effluents from this treatment station. Although our ETE has an efficiency greater than 95%, the characteristics of our effluents are difficult to treat and, in this specific case, to achieve certain environmental parameters, e.g. ecotoxicity, the flow of the body of water where the treated effluents are discharged needs to be considered, so we are formally claiming from the São Paulo environmental agency a reassessment of the point of discharge of our effluents after treatment, with an legal opinion scheduled for 2024.

Our goal for 2024 is also to seek references and technologies in the market with other pharmaceutical industries and carry out tests aimed at the definitive solution to this issue.

POWER

Power consumption

Power supply comes from local distribution networks, with acquisition guaranteed by negotiations in the free power market, open nationally to large consumers.

GRI 302.1 Energy consumption [1,2,3] (GJ)	2021	2022	2023
Non-renewable sources	Within the organization	Within the organization	Within the organization
LPG	1,573	2,224	1,453
Natural gas	105,215	108,888	123,653
Diesel oil	178	426	1,953
In joules, watt-hours or multiples thereof, the total of the following:			
i. electricity consumption (GJ)	357,979	328,734	351,376
ii. heating consumption	There was no measurement	There was no measurement	There was no measurement
iii. cooling consumption			
iv. steam consumption			
Total energy consumption within the organization in joules or multiples thereof			
Energy consumed GRI 302-2	464,945	440,272	478,435

1 There is no calculation of energy consumption outside the organization.
2 There is no consumption of energy from renewable sources.
3 There is no sale of energy.

EMISSIONS

Greenhouse gas emissions

EMS routinely monitors greenhouse gas emissions in factories according to the requirements of environmental agencies, but has not yet adopted differentiated practices to reduce its rates.

The goal, however, is to seek to neutralize greenhouse gas emissions from the years 2021 and 2022 through carbon credits generated by the company ADS Energias Renováveis, of the Grupo NC.

We already use a fleet of electric vehicles for board members.

GRI 305-1 Direct (Scope 1) greenhouse gas (GHG) emissions	2021	2022	2023
Total direct (Scope 1) GHG emissions in metric tons of CO equivalent (stationary combustion, mobile combustion, fugitive emissions, solid waste and effluents.)	No inventory was carried out in years prior to 2022	18,242.15	in progress
Biogenic CO emissions in metric tons of CO equivalent.		3,040.36	

GRI 305-2 Indirect (Scope 2) greenhouse gas (GHG) emissions from energy purchases	2021	2022	2023
Total indirect (Scope 2) GHG emissions from energy purchases in metric tons of CO2 equivalent calculated on a location-based basis.	No inventory was carried out in years prior to 2022	3,668.75	in progress
Source of emission factors and global warming potential (GWP) indices used or a reference to the source of GWP.		0.1155	

GRI 305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions	2021	2022	2023
Total indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.	No inventory was carried out in years prior to 2022	3,771.59	in progress
Biogenic CO2 emissions in metric tons of CO2 equivalent.		148.44	

RESIDUAL WASTE GRI 306-1, 306-2

The units of the Hortolândia (SP) factory have a residual waste center for the collection and sorting of waste for final disposal, and all environmental service suppliers go through a qualification process, thus ensuring compliance with legal requirements.

In the case of reverse logistics, we adhere to a sectoral agreement to comply with the National Solid Waste Policy, in which the Pharmaceutical Products Industry Union (Sindusfarma) hires a third-party company that operates the logistics of collection and disposal of pharmaceutical waste, being responsible for providing monthly accounts to Sindusfarma and the latter to the respective environmental agency. For packaging in general, we have joined the Mãos pro Futuro Program, together with the Brazilian Association of the Personal Hygiene Industry (ABIHPEC).

Waste generated GRI 306-3	Type	Destination	2021	2022	2023
A. Debris	Not Hazardous	Landfill	82.25	202.90	128.02
A. Biological sludge from ETE	Hazardous	Landfill	651.63	673.03	817.68
A. Factory sweeping / Press Box	Not Hazardous	Landfill	127.53	112.06	134.21
I. Contaminated solids	Hazardous	Incineração	1,254.07	1289.13	1,219.95
CM. Organic - Food waste	Not Hazardous	Composting	443.14	467.23	498.34
CM. Pruning waste	Not Hazardous	Composting	62.79	82.72	99.96
I. Outpatient	Hazardous	Incineration	0.15	0.52	10.00
I. Controlled solids	Hazardous	Incineration	42.93	175.58	82.28
I. Liquids	Hazardous	Incineration	33.00	33.40	19.26
C. Liquids	Hazardous	Co-processing	166.95	159.82	208.79
C. Non-conforming product	Hazardous	Co-processing	465.29	7.00	465.37
IL. Non-conforming product	Hazardous	Incineration	36.46	337.76	9.82
T. Oncological effluent	Hazardous	External effluent treatment	587.90	688.43	1,338.23
I. Non-controlled solids	Hazardous	Incineration	367.70	331.02	981.13
R. Aluminum	Not Hazardous	Recycling	82.23	105.32	104.50
R. Cardboard barrels	Not Hazardous	Recycling	51.27	56.80	55.87
R. Acid batteries (Pb)	Hazardous	Recycling	0.05	0.00	0.00
R. Blister	Not Hazardous	Recycling	177.37	339.04	392.27
R. Plastic drums	Not Hazardous	Recycling	86.12	101.81	113.93
R. Medicine cartridges	Not Hazardous	Recycling	488.99	367.66	391.92
I. Fluorescent lamps	Not Hazardous	Recycling	0.32	0.22	0.27
R. Wood	Not Hazardous	Recycling	833.47	1012.83	1,235.11
R. White paper (package insert)	Not Hazardous	Recycling	124.06	75.56	51.08
R. Aluminum foil	Not Hazardous	Recycling	13.13	2.85	0
R. Cardboard	Not Hazardous	Recycling	1,488.67	1,900.48	1,893.44
R. Ni-Cd alkaline batteries and batteries	Hazardous	Recycling	10.06	0.28	1.63
R. Plastic	Not Hazardous	Recycling	491.29	526.15	604.32
R. Iron scrap	Not Hazardous	Recycling	120.4	136.69	130.04
R. Copper wire scrap	Not Hazardous	Recycling	0.98	0.89	7.67
R. Iron drums	Not Hazardous	Recycling	20.31	24.17	30.23
R. Glass	Not Hazardous	Recycling	43.13	33.03	38.13
RR. Lubricating oil / Vegetable oil	Not Hazardous	Re-Refining	1.76	4.20	2.28
TOTAL (tons)			8,355.04	9,248.58	11,.065.73

Waste not intended for disposal by recovery operation, in metric tons (t) GRI 306-4					
Type - Consolidated	**Hazardous/ Not Hazardous**	**Destination**	**2021**	**2022**	**2023**
Aluminum / Paper / Cardboard / Plastic / Wood / Scrap / Batteries	Not Hazardous	Recycling	4,031.17	4,683.56	5,050.14
Lubricating oil / Vegetable oil	Not Hazardous	Re-Refining	1.76	4.20	2.28
Organic - Food scraps / prunings	Not Hazardous	Composting	505.93	549.95	598.30
			4,538.86	5,237.71	5,650.72

Waste destined for disposal-by-disposal operation, in metric tons (t) GRI 306-5					
Type - Consolidated	**Hazardous/ Not Hazardous**	**Destination**	**2021**	**2022**	**2023**
Type - Consolidated	Not Hazardous	Landfill	861.41	987.99	1079.91
Factory sweeping / Press box / ETE sludge	Hazardous	Incineration	1,734.63	2,167.63	2,322.71
Solids - contaminated, controlled and uncontrolled / outpatient / fluorescent lamps	Hazardous	Co-processing	632.24	166.82	674.16
Liquids, non-compliant product	Hazardous	Treatment	587.90	688.43	1,338.23
Oncological effluent			3,816.18	4,010.87	5,415.01

Occupational Accidents GRI 403-9	2023				
Factories	Hortolândia	Manaus	Brasília	Jaguariúna	Snellog (Centro de distribuição)
Employee deaths	0	0	0	0	0
Work accidents with employee leave	11	6	0	1	4
Number and rate of work-related accidents	29 TF 4,72	11 TF 5,75	0 TF 0,00	1 TF 2,48	8 TF 6,16
Man-hours worked	6,148,000	1,913,265	435,047	403,831	1,298,291
Deaths of outsourced employees	0	0	0	0	0
Work accidents with leave of outsourced employees	0	0	0	0	0

Programs provided for by law	▸ Occupational Risk Management Program (PGRO) ▸ Occupational Health Medical Control Program (PCMSO) ▸ Technical Survey of the Environmental Conditions of Work (LTCAT)

We used the year 2023 for a diagnosis of the incidence of occupational accidents in our areas and factories in order to identify metrics and define short-term actions to reverse the numbers, which led to a dedicated effort in the R&D laboratory, in Snellog's logistics center and in the factories in Manaus (AM) and Hortolândia (SP) and a consequent significant reduction in occurrences. 403-7

We also set up an annual work plan that intensified technical measures to comply with regulatory standards and internal audits, established new monitoring and control mechanisms, and strengthened behavioral initiatives through monthly health and safety campaigns and integrated events such as the Internal Week To Prevent Accidents At Work (Sipat).

Capacitação de trabalhadores em saúde e segurança do trabalho GRI 403-5	2023
Training hours	More than 17,000
Employees from all plants	More than 3,900
Topics covered	▸ Fire brigade ▸ Electrical safety ▸ Boilers and Pressure Vessels ▸ Safety in confined spaces ▸ SIPAT ▸ Forklifts and pallet trucks ▸ Takeover Bid Rule, among others

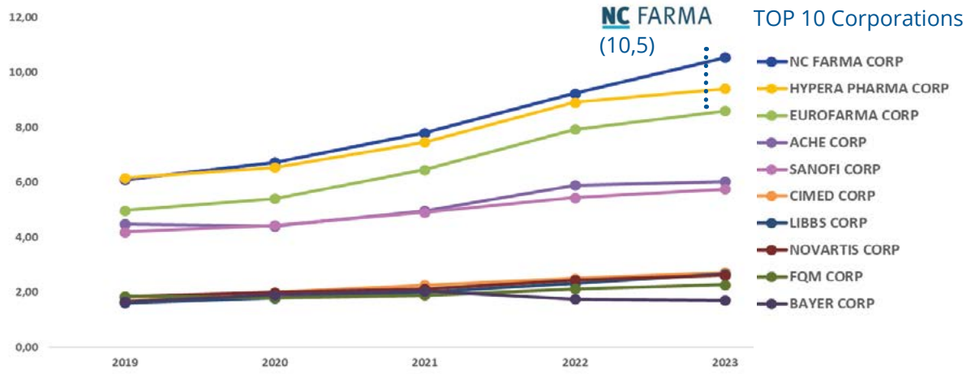
10 Financial Capital

Price management and business intelligence HC-BP-240b.3

Even within a pricing environment regulated by the Drug Market Regulation Chamber (CMED), which sets the maximum limits for medicine prices, we constantly monitor product prices for strategic decision-making according to the drug's potential and market reality. Since 2022, we have been practicing more technical and analytical price management, which also takes into account the multiplicity of data available in the pharmaceutical industry and the policies adopted by the other medicine manufacturers in the Grupo NC, avoiding unwanted intramural competition. Costs, taxation and competitive market are the main variables for this composition. Sustainable revenue generation, in the final balance, will allow for internal financing of investments in research & development (R&D), social, among others.

Largest pharmaceutical group in Brazil in demand (in billions PPP)

*PPP: Pharmacy Purchase Price (with discount)



Source: IQVIA PMB 12/2023

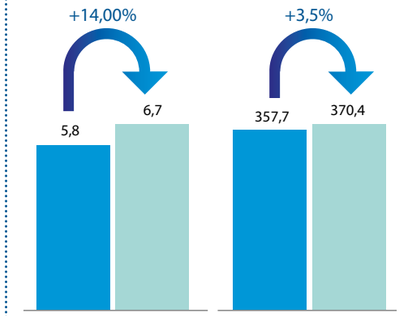
One of the goals for 2023 was to achieve the appropriate price of EMS medicines based on the perceived value of the brand, which has been the leader in the generic market since 2013 (IQVIA data), a category with a large share in EMS's results in 2023, which made clear the right strategy of repositioning the corporate business units themselves and creating a price tree between them.

Another associated challenge in the composition of prices is to ensure competitiveness in the pharmacy, patient access to the medicine and, at the same time, maintain profitability and the consequent healthiness of the business. The new pricing policy reviewed the one-off discounts, and the team does this commercial governance continuously throughout the year based, on the one hand, on the market dynamism, which affects the performance of industries, distributors and pharmacies, and, on the other hand, by the analysis of this data. This shows how every calculated price directly impacts sales volume and vice versa, with direct interference in expanding access to more innovative therapies.

In practice, products with a low profit margin due to strong competition, e.g. losartan are subsidized internally by those with the highest margin. Another proof is the case of rivaroxaban. We were the first generic to enter the market with the patent break in 2021 and we managed to halve the average price per tablet, allowing more access to the medicine.

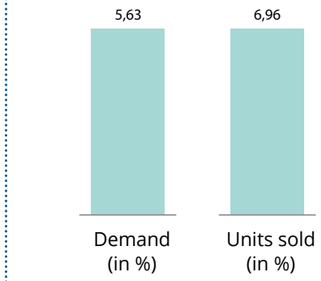
In 2023, EMS reaped the results of the improvement in production capacity promoted in 2022 and gained market share. But the numbers on medicine sales in pharmacies for the last months of 2023 showed a slowdown, which should be reflected in the pricing variables for 2024, which require constant vigilance and demonstrate how much the price management area is a living organism.

Total Pharmaceutical Market



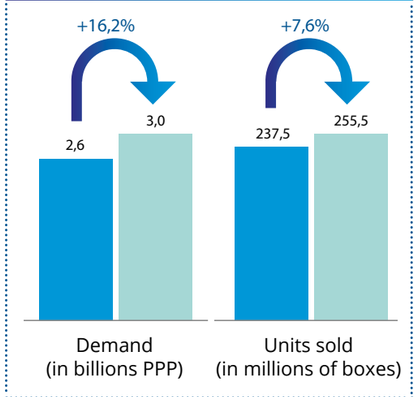
Source: IQVIA PMB 12/2023

Market Share EMS



Source: IQVIA PMB 12/2023

Generic Drug Market



*PPP: Pharmacy Purchase Price (with discount)
Source: IQVIA PMB 12/2023

Economic and financial performance

GRI 3-3

From the Covid-19 pandemic until the end of 2022, market fluctuations affected our financial performance in a certain way, as well as the selection of the mix of manufactured products, since we experience the seasonality of winter in an atypical way at four times of the year. As our inventories for this portfolio were a little lower than those of the competition, we recorded a loss of this share, recovered at the beginning of 2023, when the market behaved within expectations again and EMS adjusted its production, with a better qualification and inventory level.

Although market growth did not reach double digits in 2023, the advance was in the high single digits. EMS remained well placed both in the reestablishment of the position of generic drugs and in the increase in Medical Prescription, having been a slightly more difficult year for OTC medicines.

We compute a significant evolution in the market share of Medical Prescription compared to the competition, and it is precisely in this category that we concentrate our innovation pipeline and the main launches. We had a year very focused on prescriptions by investing in brand exposure with a much larger field team, even knowing that the profit margin would be reduced at that time and would recover over time.

The year 2023 was healthy for EMS from the point of view of price and image, but it presented some difficulty in terms of credits due to the high level of debt of distributors and customers in the previous four years, which culminated in a loss concentrated in results at the level of 4%, a relatively lower rate compared to other industrial segments. This also made us be stricter regarding credits in 2024 in order not to repeat such scenario.

We increased our investments in research and development (R&D) in 2023 to 4.1% of our net revenue, and in 2024, investment is expected to increase to an R&D volume close to 5%. The future goal is to progressively reach 6%. The peptide route has already proven successful and will clearly be EMS's big bet for the next decade.

Investment	2021	2022	2023
R&D	BRL 208,000,000.00	BRL 238,000,000.00	BRL 329,000,000.00
% of net revenue	3.6%	3.5%	4.1%
Factories/machinery	BRL 149,000,000.00	BRL 180,000,000.00	BRL 140,000,000.00

We also apply good values in technology, even in the most basic features, to enhance the organization's digital journey in 2023 and 2024.

All this purposeful increase in expenses led to a drop in the EBITDA (earnings before interest, taxes, depreciation, and amortization) margin from 38% to almost 34%. Cash generation was very positive and, at the end of the year, our operating cash was around BRL 1.9 billion. We concluded 2023 with three lines of financing from the Brazilian Development Bank (BNDES) already in place for the reconstruction of the warehouse, the creation of the insulin for injection line at the Hortolândia (SP) site and for R&D, totaling approximately BRL 70 million, as well as the debenture issued in May 2022 with an aggregate face value of BRL 220 million.

GRI 201-4

From an international perspective, the lower exchange rate fluctuation in 2023 was favorable for the business, as well as the greater control of Brazilian inflation. However, inflationary levels in the post-pandemic world have required attention to imports.

We regularly monitor the macroeconomic scenario and remain optimistic about the potential of the market and our sector inside and outside Brazil, even with the challenges of 2024. We have strengthened our pipeline over time, especially with generic drugs and prescription drugs to meet the national environment, and with peptides, we project good prospects for the future, including in foreign markets. The OTC business and the new unit in Mexico acquired in 2022 by the Grupo NC tend to gain traction, even with low investment grade, as well as the reinforcement of EMS's presence in Eastern Europe, with acquisitions around Galenika, in Serbia, aiming at revenue in the European currency.

Our pillar continues to be Brazil, where EMS is already consolidated as the largest national pharmaceutical industry, and we see our expansion abroad within the next few years. R&D investment cycles are and will continually be what will take us further.

Direct economic value generated and distributed

GRI 201-1

DIRECT ECONOMIC VALUE GENERATED	2021	2022	2023
Operating Revenues	BRL 5,800,198,000	BRL 6,829,930,000	BRL 7,990,605,000
ECONOMIC VALUE DISTRIBUTED	**2021**	**2022**	**2023**
Operating Costs	BRL 3,030,275,000	BRL 3,573,754,000	BRL 4.220.582,000
Employee Salaries and Benefits	BRL 830,267,000	BRL 966,161,000	BRL 1,141,938,000
Payments to Local Providers	BRL 8,800,000	BRL 125,711,000	BRL 213,259,000
Payments to Government (Taxes and Fees)	BRL 914,872,000	BRL 1,273,349,000	BRL 1,330,651,000
Investments in Local Community	BRL 11,431,707	BRL 8,189,251	BRL 1,330,651,000
Total	BRL 4,795,725,707	BRL 5,947,164,251	BRL 9,028,580
ECONOMIC VALUE RETAINED	**2021**	**2022**	**2023**
"Direct Economic Value Generated" minus "Economic Value Distributed"	BRL 1,004,472,293	BRL 5,947,164,251	BRL 6,915,458,580

11 Future Perspectives

We envision a time when the increase in the life expectancy of the Brazilian population, predicted by the Brazilian Institute of Geography and Statistics (IBGE), has also been possible due to greater access to innovative and effective medicines and treatment solutions, a motivation that makes us plan increasingly significant investments in the development of our portfolio based on research, knowledge, technology, dedication, and innovation.

The culture and spirit of innovation, in fact, have been increasingly solidifying in the company. The inauguration of the RBBL factory in Brazil in 2024 represents a major evolutionary step for EMS: it will be the first factory with new, cutting-edge technology to produce in Brazil and to market, in the country and in the world, GLP-1 analogous medicines for the treatment of obesity and diabetes. Side by side in terms of our desires and plans is internationalization, which is the inevitable path towards maintaining growth, and all EMS has been working in this direction. The creation of innovative and highly complex generic products that serve multiple markets is the strategic focus for this movement, including absorbing the desires of medical societies for new treatments and keeping up with technological advances, which also include the use of artificial intelligence in mapping, research, and analysis.

The prospect of building a new research center at our headquarters in Hortolândia (SP) will lead us to the technological flexibility and intelligence of the platforms, which allow the development of products inspired by human biology for the treatment of genetic, cardiovascular, kidney and severe asthma diseases, in the medium- and long-term.

The Brazilian regulatory order, which is increasingly aligned with international guidelines in the healthcare area, is also a favorable factor for EMS operations outside Brazil.

Our challenges are also closely linked to the environmental management of our assets and operations in a more structured and integrated way with regard to sustainability.

Some of our strategies:

- Innovation: the primary bet; the tireless desire to improve and incorporate the best industrial practices combined with cutting-edge technology to develop quality medicines and bring innovative therapies that can bring Brazilians more access to treatment and health
- Internationalization: driver for carefully planned and perennial growth;
- Significant acquisitions and strengthening of the company in all areas of activity, with emphasis on the over-the-counter (OTC) drugs unit;
- Investment in startups;
- Digital transformation agenda with a focus on value generation.

Our list of aspirations includes:

- to remain the leading pharmaceutical industry in Brazil in the face of a very competent, dynamic, competitive, and regulated sector.
- to go further and break new ground, including around the world, exploring markets with higher added value.
- to reach a pipeline with more than 50% of innovation products, being the reference laboratory in Brazil in innovative medicines;
- to start bringing products developed in Brazil to the American and world population, making EMS an increasingly global company.

12 Attachments

Gri Content Summary

Statement of Use	EMS - reported in accordance with the GRI Standards for the period: From 01/01/2023 to 01/31/2023.	GRI CONTENT INDEX ESSENTIALS SERVICE 2024
GRI 1 Used	GRI 1: Fundamentals of 2021	
Applicable GRI Sector Standard(s):	None	For the Content Index – GRI Essentials Service, GRI Report Services team analyzed whether the GRI content index was presented consistently with the requirements for reporting according to the GRI Standards, and whether the information contained in the index was presented in a clear and accessible manner to stakeholders

GRI STANDARD/ OTHER SOURCE		CONTENT	LOCATION	OMISSIONS		
				OMITTED REQUIREMENT(S)	REASON	EXPLANATION
GRI 2: GENERAL CONTENT 2021	**1. THE ORGANIZATION AND ITS REPORTING PRACTICES**					
	2-1	Organization details	11, 14			
	2-2	Entities included in the organization's sustainability report	4			
	2-3	Reporting period, frequency, and point of contact	4			
	2-4	Information restatements	none			
	2-5	External verification	4			
	2. ACTIVITIES AND WORKERS					
	2-6	Activities, value chain, and other business relationships	11, 14			
	2-7	Employees	96			
	2-8	Workers who are not employees	96			
	3. GOVERNANCE					
	2-9	Governance structure and its composition	18			
	2-10	Appointment and selection to the highest governance body	21			
	2-11	Chairman of the highest governance body	18			
	2-12	Role played by the highest governance body in overseeing the management of impacts	22			
	2-13	Delegation of responsibility for impact management	22			
	2-14	Role played by the highest governance body in sustainability reporting	8			
	2-15	Conflicts of interests	19			
	2-16	Communicating critical concerns	28, 33			
	2-17	Collective knowledge of the highest governance body	28			
	2-18	Assessment of the performance of the highest governance body	21			

GRI STANDARD/ OTHER SOURCE		CONTENT	LOCATION	OMISSIONS		
				OMITTED REQUIREMENT(S)	REASON	EXPLANATION
GRI 2: GENERAL CONTENTS 2021	2-19	Remuneration policies	21			
	2-20	Process for determining remuneration	21			
	2-21	Proportion of total annual remuneration	--	a, b, c	confidential information	For security reasons, EMS does not report data relating to the compensation of its employees and is not in a position to report such data publicly.
	4. STRATEGY, POLICIES AND PRACTICES					
	2-22	Strategy statement of sustainable development	8			
	2-23	Policy commitments	26			
	2-24	Embedding policy commitments	26			
	2-25	Processes to repair negative impacts	26			
	2-26	Mechanisms for advising and raising concerns	28			
	2-27	Compliance with laws and regulations	26			
	2-28	Membership in associations	29			
	5. STAKEHOLDER ENGAGEMENT					
	2-29	Approach to stakeholder engagement	6			
	2-30	Collective bargaining agreements	103			
MATERIAL THEMES						
GRI 3: Temas Materiais 2021	3-1	Material Theme Definition Process	6			
	3-2	Material Topics List	6			
Material Theme: Financial Sustainability (12)						
GRI 3: Material Themes 2021	3-3	Material theme management	134			
GRI 201 Economic Performance 2016	201-1	Generated and distributed direct economic value	135			
	201-4	Financial support received from the government	134			
GRI 203: Indirect Economic Impacts 2016	203-1	Investments in infrastructure and service support	88			
Material Theme: Integrity & Risk (6)						
GRI 3: Material Themes 2021	3-3	Material theme management	26			
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	28			
	205-2	Communication and capacity building on anti-corruption policies and procedures	28			
	205-3	Confirmed cases of corruption and measures taken	28			
Material Theme: Eco-Efficient Operation (9)						
GRI 3: Material Themes 2021	3-3	Material theme management	122			

GRI STANDARD/ OTHER SOURCE	CONTENT		LOCATION	OMISSIONS		
				OMITTED REQUIRE-MENT(S)	REASON	EXPLANATION
GRI 302: Energy 2016	302-1	Energy consumption within the organization	126			
	302-2	Energy consumption outside the organization	126			
GRI 303: Water and Wastewater 2018	303-1	Interactions with water as a shared resource	124			
	303-2	Managing impacts related to water discharge	124			
	303-3	Water collection	123			
	303-4	Water disposal	124			
	303-5	Water consumption	124			
GRI 305: Emissions 2016	305-1	Direct Emissions (Scope 1)	126			
	305-2	Indirect emissions from energy (Scope 2)	127			
	305-3	Other indirect (Scope 3) green-house gas (GHG) emissions	127			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	127			
	306-2	Managing significant waste-related impacts	127			
	306-3	Waste generated	128			
	306-4	Waste not destined for final disposal	128			
	306-5	Waste destined for final disposal	129			
Material Theme: Human Capital (2)						
GRI 3: Material Themes 2021	3-3	Material theme management	94			
GRI 401: Employment 2016	401-1	New employee hires and employ-ee turnover	97			
	401-2	Benefits offered to full-time employees who are not offered to temporary or part-time employees	103			
	401-3	Maternity/paternity leave	103			
GRI 403: Occupational Safety and Health 2018	403-1	Occupational safety and health management system	105			
	403-2	Hazard identification, risk assess-ment and incident investigation	105			
	403-3	Occupational health services	105			
	403-4	Worker participation, consultation and communication to workers regarding occupational safety and health	105			
	403-5	Training of workers in occupation-al safety and health	129			
	403-6	Promotion of occupational health	105			
	403-7	Prevention and mitigation of occupational safety and health impacts directly linked to business elationships	129			
	403-8	Workers covered by an occupa-tional safety and health manage-ment system	105			
	403-9	Work accidents	129			

GRI STANDARD/ OTHER SOURCE	CONTENT		LOCATION	OMISSIONS		
				OMITTED REQUIRE-MENT(S)	REASON	EXPLANATION
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity in governance bodies and employees	21			
	405-2	Ratio between base salary and remuneration received by women and those received by men	103			
Material Theme: Social Investment (7)						
GRI 3: Material Themes 2021	3-3	Material theme management	107			
GRI 413: Local Communities 2016	413-1	Operations with engagement, impact assessments and develop-ment programs aimed at the local community	107			
EMS	Social Responsi-bility	Amount invested in the community	107			
		Profile of the beneficiaries	109 a 113			
Material Theme: Customer Health & Satisfaction (10)						
GRI 3: Material Themes 2021	3-3	Material theme management	81			
GRI 416: Consumer Safety and Health 2016	416-1	Assessment of safety and health impacts caused by product and service categories	82			
	416-2	Cases of non-compliance in relation to impacts on safety and health caused by products and services	82			
GRI 418: Customer Privacy 2016	418-1	Proven complaints concerning violation of customer privacy and loss of customer data	não houve			
EMS	Quality	Number of complaints in the year	83			
		Complaint resolution rate	25			
		Customer Satisfaction Rating/NPS	93			
Material Theme: Innovation (5)						
GRI 3: Material Themes 2021	3-3	Material theme management	68			
EMS	Sustainability of the business model	Number of new products	79			
		Describe other innovations in the year	75			
Material Theme: Access to Medicines						
GRI 3: Material Themes 2021	3.3	Material theme management	50			
EMS	Shares and indivisibles	Promotion of actions and initiatives to facilitate access to medicines	50			

SASB Content Summary

Material Theme	SASB Theme	Code	Metric	page
Customer satisfaction & health (10)	Safety of clinical trial participants	HC-BP-210a.1	Describe, by region, the management process to ensure quality and patient safety during clinical trials	84
		HC-BP-210a.2	Number of FDA* inspections related to clinical trial management and pharmacovigilance that resulted in (1) Voluntary action indicated and (2) Official action indicated	84
		HC-BP-210a.3	Total amount of monetary losses derived from lawsuits associated with clinical trials in developing countries	none
	Prices	HC-BP-240b.3	Percentage change in: (1) sales price and (2) net price of the product with the highest increase compared to the previous year	131
	Drug Safety	HC-BP-250a.2	Number of product-associated deaths according to the Adverse Event Reporting System (FDA)	none
		HC-BP-250a.3	Number of recalls issued, total units recalled.	83
		HC-BP-250a.4	Total quantity of product for recovery, reuse, or disposal	83
			Number of FDA enforcement actions taken in response to current Good Manufacturing Practice (GMP) violations, by type	none
	Counterfeit Medicines	HC-BP-260a.1	Description of methods and technologies used to maintain product traceability along the supply chain and prevent counterfeiting	84
		HC-BP-260a.2	Process analysis to alert customers and trading partners of potential or known risk associated with counterfeit products	84
		HC-BP-260a.3	Number of actions that gave rise to attacks, seizures, arrests, or criminal charges related to counterfeit products	none
Human Capital (2)	Employee recruitment, development, and retention	HC-BP-330a.1	Outline talent recruitment and retention efforts for scientists and research and development staff	68
			Voluntary and involuntary turnover rate for: a) senior executives b) managers c) all others	not measured
Integrity & Risk (6)	Business Ethics	HC-BP-510a.1	Total amount of monetary losses as a result of corruption and bribery-related court proceedings	none
		HC-BP-510a.2	Description of the code of ethics that regulates interactions with healthcare professionals	23

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