

# SUSTAINABILITY REPORT

| 2019/2020

**VIRIXENE**

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## Message

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The courage to kick off and grow

102-14

It is important for us to be able to submit the 4th sustainability report and it is the first one we issue from our corporate company VIRIXENE.

We provide a detail of VIRIXENE's origin and corporate government where, once more, we were guided by the corporate values and vision to take strategic decisions which have shaped its foundational concept, making our essence be soaked in its name.

We comment on the performance of Argentine Business Unit (UN1) that, apart from being responsible for the commercial development of said market, it operates the Industrial Complex located at El Tío, Córdoba. We share how VIVUNT PHARMA and the International Business Unit 2 are born (BU2), with its family of products NOTTS and AXIM, among others. We describe the Spain Business

Unit (BU3), one of the most important projects in the life of our company, where we are about to build a new Plant for the manufacture of sterile high-potency medicinal products, in León, Spain, enabling us to achieve the vision of being an international group.

In these pages, we have included the accountability of economic, social and environmental performance, in accordance with the GRI (Global Reporting Initiative) guidelines and the contributions for the Sustainable Development Goals. Besides, we share the way we have surpassed such a globally atypical year as 2020 was, due to Covid-19, where you will find a reflex of the collaborative work among our clients, employees, suppliers, foundations and every party to VIRIXENE's ecosystem.

I am convinced that, due to our hard work

during these more than 25 years, with all the gathered experience and the plans under development, the next biennium is waiting for us, plenty of opportunities.



**Ivanna Mandolesi**  
Vice Chair VIRIXENE

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## About this Report

## Providing answers

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This document is our fourth Sustainability Report and the first one as VIRIXENE.

It is a means of communication with our main stakeholders.

It is an instrument to inform them how we shall meet their main expectations and how we respond to the growing demand of high quality medicines for new markets since the company has become global.

The report follows the GRI standards in its essential version and updates on Water, Waste, Occupational Health and Taxation as of the submission date. All the leaders of the company have actively participated in the issuance of this report, providing their vision and the main information highlighted in 2019 and 2020 administration; the-

se years having meant a great change in the way we see each other and project ourselves to the future, while approaching with our staff the challenges of the pandemic.



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Stakeholders	Expectations	Answer from the company (The material issues on sustainable management)
<p><b>Founders   Capital contributors</b></p>	<ul style="list-style-type: none"> <li>Company globalization</li> <li>New markets</li> <li>Financial sustainability</li> <li>Profitability</li> <li>Transparent management</li> <li>Response to demand of new products, brands and product family to reach regional and international markets</li> <li>Administration and production assurance in pandemic times</li> <li>Adaptation to post-pandemic environment</li> </ul>	<p>Good governance Risk management and Sustainable growth </p>
<p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>Priority to health and safety in pandemic</li> <li>Support towards the transition to home-office mode in administration area</li> <li>Development of new strategies and habilities in Covid-19 times.</li> <li>Clear communication</li> <li>Adequate salaries</li> </ul>	<p>Good labor practices </p>
<p><b>Clients</b> Patients   Branches   Distributors and Drugstores   Pharmacies   Public Institutions</p>	<ul style="list-style-type: none"> <li>Assurance of medicinal products supply</li> <li>Product quality</li> <li>Affordability (adequate price)</li> <li>Responsiveness: Innovation and development of new global brands</li> <li>Adaptation of packs, brands, family of products, to regional and international requirements</li> <li>Innovation and digitalization of the commercial model</li> <li>Transparent relationship</li> </ul>	<p>Responsibility on products and innovation </p>

Stakeholders	Expectations	Answer from the company (The material issues on sustainable management)
<p><b>Regulatory entities</b> National and International</p>	<p>Operation compliance</p> <p>Compliance towards the approval of new plants</p> <p>Compliance towards the acknowledgement of global and regional brands</p> <p>Design of packs, brands, family of products adapted to the requirements of new regional (Brazil, Colombia, Chile) and international markets of Annex 1.</p> <p>Information accessibility and transparency</p>	<p>Responsibility on products and innovation <a href="#">↗</a></p> <p>Environmental impact mitigation <a href="#">↗</a></p>
<p><b>Suppliers</b> Local   National   International</p>	<p>Predictability</p> <p>Long-term relationships</p> <p>Transparency</p>	<p>Good acquisition practices <a href="#">↗</a></p>
<p><b>Community</b></p>	<p>Operation responsibility</p> <p>Presence</p> <p>Support to local community</p>	<p>Environmental impact mitigation <a href="#">↗</a></p> <p>Participation in the community <a href="#">↗</a></p>



## Key milestones in an entrepreneurial history

## Our history

102-10





Quality, Technology  
and Sustainability

# VIRIXENE

[Learn more](#)

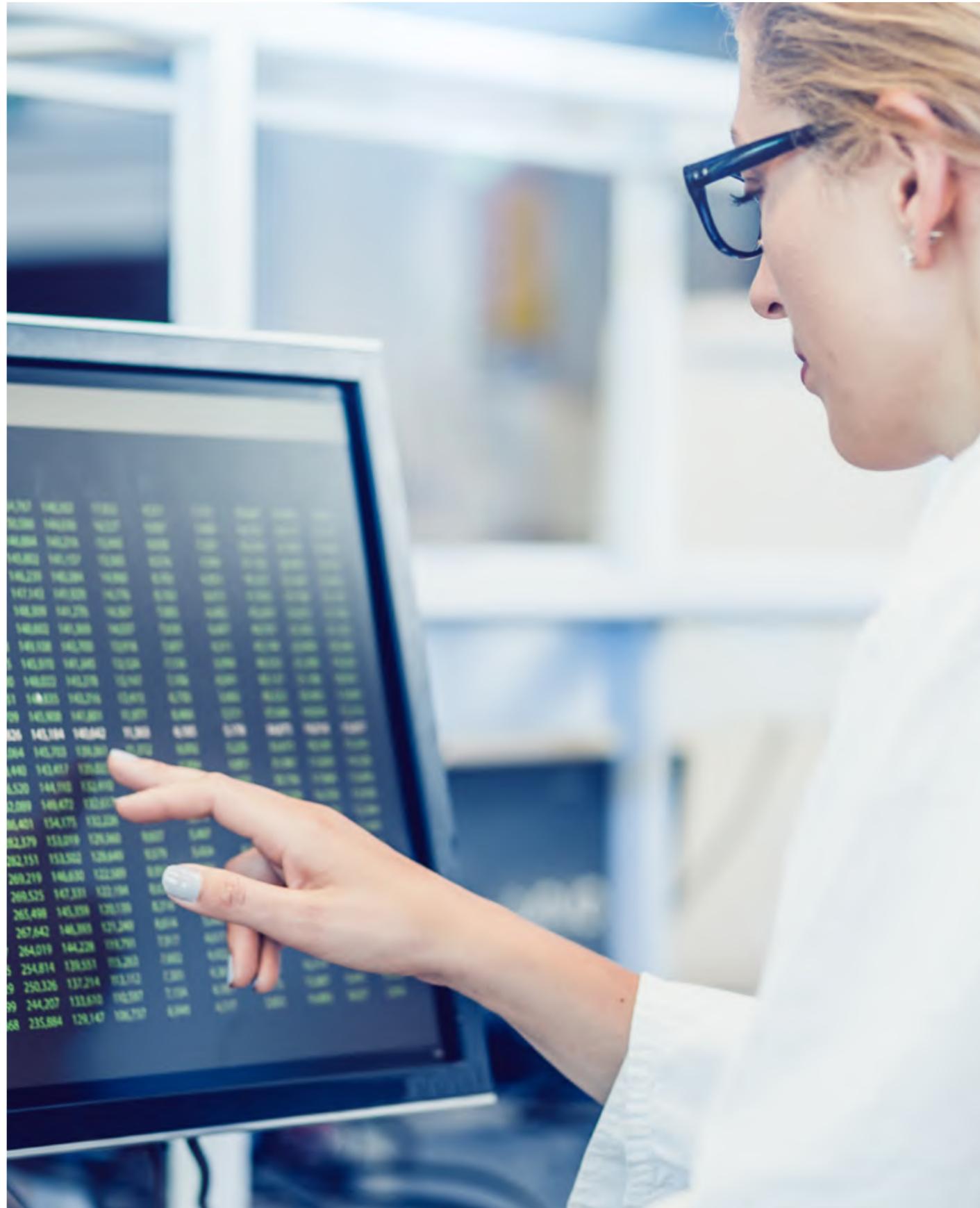
Our Corporate Brands



[Learn more](#)



[Learn more](#)



# Good governance | Risk management | Sustainable growth

VIRIXENE: a new company; global and sustainable >

Mission | Cultural values and principles >

Organizational chart and roles >

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## VIRIXENE: A new company; global and sustainable

103-1; 102-6; 102 -10; 102-15



VIRIXENE was born from the vision of its founders, to approach the globalization of the company and reach the goal of sustainable growth.



As in any evolving organization, deep changes have been implemented to the corporate, legal and taxation aspects, shaping a new global company.



A new structure, better capital management and strategic maps and its indicators have been defined. The operation, stock management and credits have been optimized. The brands and family of products have been deeply revised to get adapted to new local, regional and international requirements.



Focused on macro-economic conditions, their opportunities and restrictions, we are determined to develop regional markets and to invest in countries which have found our projects attractive and which have financially supported them.



In 2019, this process triggered the creation of VIRIXENE in 2020, as an international corporate group, re-organizing the operation in three Business Units and creating the new corporate brand, VIVUNT, in addition to the foundational brand, SAVANT.

## Vision, Risk management and Energy

VIRIXENE is Vision, Risk Management and Energy. These three words are the essence of our identity.

### Vision

It is what guides our strategy

### Risk management

It is what allows us to reach the vision, sustainably.

### Energy

It is passion that triggers the achievement of our objectives and goals.



## Mission

Provide more health and better life to people through the prevention, relief and cure of diseases, being an international group that adds value and transcends future generations.

## Cultural values and principles

102-16

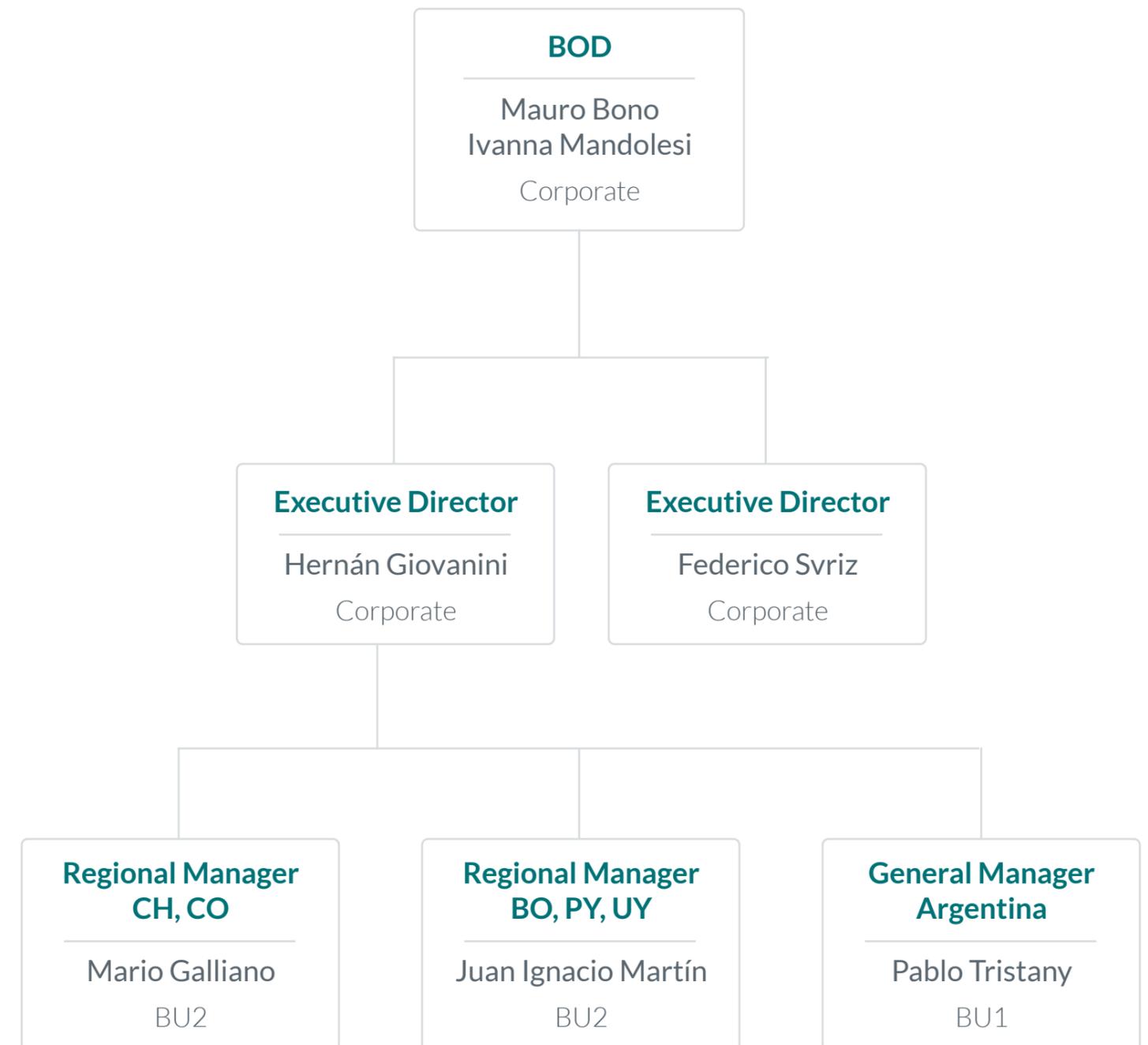


## Organizational chart and roles

102-18

The Corporate Government is led by a Board of Directors, who take care of and ensure the compliance with our values, being their main function to define the strategic guidelines, carry out follow-ups to ensure compliance, as well as to fairly protect the legitimate interests of our stakeholders.

The Business Units are led by executive directors and a team of managers, who implement the strategy, aligning the organization with a strong and unique culture.



## BOD: Board of Directors



### Mauro Bono

Is a Pharmacist, graduated from Universidad Católica de Córdoba. He counts with an MBA and he founded the company in 1993, before graduating. He has been president and director of many non-profit entities and foundations. He has received several prizes for his role as entrepreneur, businessman and leader.

He is part of the international web of entrepreneurs, Endeavor, and he is a member of YPO. He has been also awarded the prize Hall of Fame, by Norton & Kaplan, for having remarkably applied the corporate strategy.



### Ivanna Mandolesi

Is a Biochemist graduated from Universidad Católica de Córdoba. She continued her training in management at the IAE Business School, Buenos Aires, Argentina.

She joined the company as shareholder in 1997 and served as HR Manager for more than 10 years. Since 2013, she is Vice-president and leads the sustainability reports of the company. She has been a permanent member of Junior Achievement and supports Voces Vitales Foundation, promoting women's empowerment.

## Executive Directors



### Hernán Giovanini

Is an Electronic Engineer graduated from Universidad Nacional de Córdoba, Argentina. He played an important role in production planning, logistics and maintenance, achieving remarkable management and team leadership abilities.

He joined the company as Planning Team Leader. Later, he was Supply Chain Manager, Operations General Manager, General Director and, nowadays, he is the Executive Director. He is responsible for the strategic goals of the business units in Argentina and abroad, as well as for VIRIXENE's financial objectives.



### Federico Svriz

Federico Svriz is a Mechanical Engineer, graduated from Universidad Tecnológica Nacional de Córdoba, Argentina. He counts with an extensive path in different areas of the company, developing processes and forming leaders. With initial experience in Operations area and specialized in Marketing & Go To Market.

He has led the commercial development of Pharmacies' channel in Argentina and foreign business in Latin America and Southeastern Asia. As Regional Development Director, he took up the challenge of creating new branches. Nowadays, he is the Executive Director and responsible for Spain's project, which implies setting up a new plant, and its commercialization at a global level.

## Management system

103-2; 103-3

Our management system is based on the Balanced Scorecard (BSC), applying Objectives, Indicators and Strategic Initiatives to align all the areas of the company to the same challenges, reach our vision and be an increasingly sustainable company.

Its implementation allows us to efficiently monitor middle responsibilities and tasks, safeguarding the quality of processes, mapping performance, step by step, in four key activities



**Learning and Growth**

**Internal processes**

**Knowing the Customer**

**Financial Performance**

We are an organization capable of keeping high work performance, at all levels, reaching the expected results and approaching great challenges, in an agile way, as a team.



## Ethics and transparency

102-16

Our Code of Ethics expresses the way we live corporate values and principles, which define the relation we establish with stakeholders. Every employee joining the company must adhere to its principles and standards of conduct, incorporate them into their daily tasks and establish commercial relationships

within the frame of our corporate culture, which distinguishes us.

The invitation to adhere to the Code of Ethics is extensive to our suppliers, from whom we expect the commitment of complying with, and making comply, what is stated therein.

### Code of Ethics

Promotes respect for diversity and human rights.

Rejects discrimination in all its forms.

Declares equality of hiring conditions.

Protects privacy.

Firmly expresses the commitment to the .

## Ethics line

102-17

Since 2018, we have an anonymous complaints line, managed by an independent third party (Resguarda) that allows its registration in encrypted form, redirecting the claim to the company's Ethics Committee, who is in charge of investigating the fact.



### Free Line

0800 999 4636  
0800 122 7374  
Option 1 Operator  
Option 2 Recorded message  
Option 3 Fax



### Web Site

[Learn more](#)



# Business Units and a new brand

102 -2; 102 -4; 102 -6

In mid-2019, people began to think that Argentina would be one of the markets in which we operate. The analysis of the best conditions for the company globalization led the corporate group to decide to settle in the USA and the operation was structured in 3 Business Units for the best evolution of its brands: SAVANT and the recently created VIVUNT.

The evolution of the Vision also made the operation evolve. Today VIRIXENE has three BUSINESS UNITS dedicated to the fulfillment of its corporate mission.

**BU1**  
 Argentine Business Unit >

**BU2**  
 International Business Unit >

**BU3**  
 International Production >

## BU1: Argentine Business Unit

The Argentine branch today generates the majority of the company's income. It has an important commercial development and value since the company was founded.

In addition to being responsible for the commercial development of the Argentine market, it is in charge of the operation of the Industrial Complex in El Tío (Córdoba province). It not only supplies medicines to Argentina, but also to BU2 international with its regional developments in Latin America, resulting in a competitive strategy due to regulatory issues and geographic location.



## BU2: International Business Unit

The strategic goal with BU2 is to develop our own corporate brands, SAVANT and VIVUNT, at a regional and international level.

### Industrial Complex



#### Quality

Based on the strictest international standards, we assure the excellence of our medicines.



#### Technology

We have a model industrial facility and infrastructure with the highest technology in the global pharmaceutical industry.



#### Sustainability

We are a sustainable company which respects people as well as the environment.

The Industrial Complex has the local authorization of the ANMAT and International Certification by Mercosur.



With SAVANT, we approach the markets of Uruguay, Bolivia and Paraguay. With VIVUNT, we are present in Brazil, Chile, Colombia and Uruguay and also new markets that could be developed in the future.

### SAVANT in the region

#### Paraguay

The first branch that we opened was located in Paraguay in 2018.

#### Bolivia

Bolivia was added at the beginning of 2019.

#### Uruguay

Uruguay, which began operations in December of 2019.

Each one has work teams that depend on the locally constituted company. They are made up of a leader and a team of representatives that vary from country to country.

In 2020, the main challenge faced by these branches was to lighten the cost structure, to make the operation more efficient.

## Vivunt Pharma is born

During year 2020, BU2's vision was broadened and the proposal was to develop operations in new markets, generate sustainable flows and operations in places previously unreachable.

For that purpose, Vivunt Pharma was born; the company through which we are currently present in Colombia, Chile, Ecuador, Brazil and, in the future, globally from the plant located in Spain. Within the European Community regulatory frame, Vivunt Pharma offers a product portfolio with the best total cost and an efficient financial management.

Based on these premises, progress was made during 2020, with different nuances, in the 4 countries of the region.

### Ecuador

In Ecuador, during 2020 we registered the certificates to be able to offer our products as from the second semester of 2021.



### Colombia

In the Colombian branch, we identify and define the value proposition through our brands NOTTS and AXIM which count with world-class attributes. Their commercialization will start during the second semester of 2021.



[Learn more](#)



[Learn more](#)

### Uruguay Free Zone

Operating in Uruguay Free Zone, the company concentrates, coordinates and carries out the trading (of finished product or active ingredients) with the sales team of each country.

It centralizes their demand and seeks the best supply in pursuit of the commercial development of each branch. It also supports the entire operation, other than Argentina.

### Chile

In our branch in Chile, the value proposition goes hand in hand with the product portfolio generating demand, as well as with the product registrations we already had in force but were not being marketed.

During 2020, we created the conditions to achieve the first sales of oncology products by the beginning of 2021.

## BU3: International Production

We explored the possibility of settling in a country of the European Community to have the approval of the EMA (European Medicines Agency), in the city of León, which represents the third pharmaceutical hub in the country. Our plant will produce highly toxic segregated drugs, comprised of what are called high potency sterile drugs.



We set up the company under the name of Vivunt Pharma SLU in León, Spain, where we are building a production Plant of high-potency sterile medicines. In 2019, with two plants in operation in El Tío, Argentina, we made the decision to open a new production plant outside the country.



We explored the possibility of settling in a country of the European Community to have the approval of the EMA (European Medicines Agency), highly regulated, and to produce medicines for countries included in Annex 1 of pharmaceutical requirements.

Given that the investment was approximately equivalent to that originally going to be made in Argentina, and due to the existing cultural, operational, industrial and service conditions, it was decided to set up the plant in León, Spain.



León is the third pharmaceutical hub in the country (after Madrid and Barcelona), which brings even greater competitive advantages for this new venture.



The original project consisted in a plant to manufacture only oncology medicines, but currently -following the approval regulations of the European Community- it is a plant for segregated medicines with high toxicity, included within those called high-potency sterile medicines, which broadens the portfolio of products we can manufacture.

The project blueprint was performed together with Spanish consultants, specialized in pharmaceutical industry, providing engineering, architectural and regulatory services.

Its submission allowed us to move forward with the approval required by the European Community, the one issued by the Health Authorities of Spain AEMPS (Spanish Agency of Health Products and Drugs) and those issued by the Town Hall of León for the construction and environmental approval, based on the environmental impact analysis submitted together with the blueprint.

This project is an investment decision that supports the company's vision of becoming global. With the new setting in its three business units, it contributes to its expansion, growth and sustainability.



### Technical information

Vivunt Pharma SLU set up date:	October 8th, 2020
Total surface:	11,250 sqm of land (6 plots)
Estimated starting date:	August 2021
Final completion:	Between 14 and 18 months from the starting date
Approximate investment:	UDS 20,000,000
Estimated approval date by EMA:	End of 2022
Medicine development under European regulations:	Available by the beginning of 2024

## Future perspectives

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To become a global group, we are working on the strengthening and expansion of our international operations, based on the new plant in Europe.

The regional development will also be part of this strategy, as well as the consolidation of the Argentine market.

## Countries where we are currently present

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- 1 - Argentina
- 2 - Uruguay
- 3 - Paraguay
- 4 - Chile
- 5 - Bolivia
- 6 - Ecuador
- 7 - República Dominicana
- 8 - España





## Responsibility on the product and innovation

Trademark Asset



SAVANT



VIVUNT



## Trademark Asset

102-2



The brand strategy reflects the corporate vision of “building value through the pharmacist and the consumers”.

By creating added value for the pharmacist and the consumer, our brands allow us to keep our global vision, aiming at international markets.



## Consumer Line

It comprises medicines and products of daily use, destined to the healthcare. Patients count with the pharmacist's advice for a safe and responsible choice.

### Quality products and Corporate image

SAVANT's Consumer brands count with a corporate image and quality products, with brand visual identity that prioritizes the impact in the consumer, sharing innovation and modernity, with attractive profitability and investment tailor-made for our clients.



## Our brands Consumer

### Fabogesic



WEBSITE [🌐](#)

FOLLOW [f](#)

FOLLOW [📷](#)

### FLUOROGEL



FOLLOW [f](#)

FOLLOW [📷](#)

### Gripaben



WEBSITE [🌐](#)

### Motional



### Periobacter



### Tostop



WEBSITE [🌐](#)

## Dermatological Line

It is a line with a portfolio of high-quality products, specific for each need and always supported by Argentine dermatologists. It has products that respond to 4 types of treatments: Hair, Anti-age, Acne and Sensitive Skin.

### Trajectory and future in dermatology

With the acquisition of SZAMA Laboratories, recognized for its extensive experience in the field of developing dermatological specialties and with more than 75 years of experience, we add a proposal for growth and future in the field of dermatology.





## Generic Line

It is a commercial line with high volume molecules for chronic and acute pathologies.

For the patient, it is a proposal of medicines at affordable prices. For our clients, a value proposition of excellent profitability.



# SAVANT

Trademark asset

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## SPECIAL

*Fabogesic*  
ALMÁXIMO  
FLUOROGEL  
*Gripaben*  
**Tostop**  
*Motional*  
*Periobacter*

## DERMATOLOGY

Cistina Szama B6  
Aminocrem  
SEBOSOAP  
**UMASAM**  
**Silicol**  
**AMPLUS**  
**LAURINOL**  
**MINOTREX**  
**HUMIDERM**

## CONSUMER

FABAMOX  
BUTEFINA  
FLEXIPLÉN  
LIPEND  
JESAN  
IBUXIM  
GABUTEN  
SOFERAX  
BUXIFOL  
ATIBAX  
DAZOMET  
REFLUPRAZOL  
FIEBROLEX  
KALINACID  
CIPROCORT  
GABSIK  
ALTOALER  
COLESTRAX  
OTERAMINA  
CLODINAREL  
CARTIATO  
DUPRAC  
NUEVAPINA  
*Furanemik*  
**BILIODIM**  
**Dinogared**  
**IGNATIL**  
**Beleg**



Learn more



Learn more

Menu

## Therapeutic Lines

Within our wide range of medications, we find products aimed at the treatment of pain and cardio metabolism, as well as a line of anti-infectives focused on the therapeutic class of Beta-lactam Anti-biotics (Amoxicillin and its combinations with Clavulanic Acid). We also find a line of high-potency drugs for special treatments aimed at Oncology and Hematology.

The most recognized product lines are kept to give rise to our medicinal specialties, under various pharmaceutical forms: solid (tablets, coated tablets and capsules), semi-solid (soft capsules and granules) and liquids (syrups and suspensions).

- Anti-infective
- Cardio-metabolic
- Pain
- Genitourinary
- Dental
- Respiratory
- Dermatological
- Oncological
- Hematological

We reach the end of 2020 with 5 new products in our portfolio.

### FLUOROGEL JUNIOR

1086 ppm Sodium Fluoride + Xylitol.  
Flavour: Tutti frutti & Mint.



### FLUOROGEL PROTECT

1450 ppm Sodium Fluoride + Xylitol.  
Flavour: Mint.



### FLEXIPLÉN 75

Diclofenac sodium 75 mg in soft-gel enteric coating capsules .



### FLEXIPLÉN GEL

Diclofenac 1,16 g. Gel x 60 g.



### MOTIONAL LAX

Sodium Picosulfate 5 mg  
in soft-gel capsules.





- We count with our own know-how to support a development model of sustainable products.
- Our line of special products (which consists of 7 products: 4 oncological and 3 hematological) counts with a Development and Quality Control Analysis Laboratory located at the same Industrial Complex.
- We keep our differentiation in the development of soft-gel capsules, especially in the Consumer line.
- We have a Dermatological line which combines Szama Laboratory's trajectory with Savant's technology and future.

All our products are tested under the USP or United States Pharmacopoeia's international regulations which standardize the specifications of each medicine, achieving the same quality in the whole world.

During these years, we have obtained the approval of 42 certificates

<b>7</b>	<b>9</b>	<b>6</b>	<b>6</b>	<b>14</b>
<b>Argentina</b>	<b>Bolivia</b>	<b>Chile</b>	<b>Ecuador</b>	<b>Paraguay</b>

## Business model

We follow the business to business model, where our main customers are pharmacies, drugstores and other national and international companies, together with public and private hospitals and entities.

Our products reach our clients through a logistics 3rd party supplier, through different channels which include:

- Sale through service drugstores (both with laboratory and drugstore transfers).
- Offer drugstores, as strategic allies which support us to make the sale effective.
- Direct sale.



### Sales Team

We also count with a sales team to operate the institutional channel directly. This allows us to be alert and participate in public and private tenders.



### Events

We are present in various outstanding events of the channel. In 2020, we also participated in those sector events that were held virtually.



### Capacitaciones a clientes

Annually, we carry out various trainings destined to our clients. However, this objective was not completed in 2020 due to the pandemic.



### Evolution

During 2020, due to the context, the commercial model evolved towards a value proposition simplified in the three lines: i) Consumer, ii) Dermatology and iii) Generic. In this evolution, the sales channel was simplified with a single sales force that submits the comprehensive proposal to the channel, supported by the Marketing Argentina team, which designs the value proposition for each brand and product.

## Consumer Advice System (CAS)

102-43

Queries and complaints from clients and consumers are dealt with quickly and effectively through the CAS, which also allow us to improve the user experience with our brand.

We contact them through:

- Call Center (0810-444-32267): it receives orders, suggestions and claims, which are managed by the CAS system.
- Website ([www.savant.com.ar](http://www.savant.com.ar)), e-mail and social media.
- Personal contact: when the sales executives receive claims or requirements, they enter the information into the CAS system.

The CAS sends the query or claim to the responsible person of the concerned area, who gets in contact with the customer/consumer to solve the issue and follow up the case until it is closed.

Each month, the Marketing area extracts the information from the System and issues a results' report, registering

the claims and the response time. This is useful to propose preventive and corrective actions which lead to total efficiency and, basically, to be able to understand our clients' interests.

CAS	2019	2020
Recorded cases	531	721
Clients' calls	85%	97%
Consumers' calls	15%	3%
Response time	19 days average	13 days average

## Satisfaction survey

In the results from pharmacies, practically we doubled the expected NPS for the pharmaceutical area and we improved the score by 69% if compared with the previous period.

We use NET PROMOTER SCORE (NPS) to measure, understand and improve the clients' experience about quality, service level, profitability and brands. In the last survey (October 2020), most of the questions asked to the pharmacies and entities were related to quality, product line, profitability and service.



## Sales evolution

The results obtained by the end of the year showed the following sales evolution:

### Consumer

+7.1% in units Consumer line that achieved to keep its billing level in pesos and the market share.

### Dermatological

The Dermatological line maintained its market share and increased in pesos, pushed by a higher RP (Retail Price).

### Generics

+47% the invoicing in pesos of the Generics line that increased its market share.

### Special

+ 400% in units and 360% increase in dollars was the growth registered in the Special line, that has the huge challenge of continuing growing in its business total volume.



# VIVUNT

In the short time that has elapsed since its creation, we have dedicated ourselves to assembling work teams, to developing new markets, with the best total cost and a portfolio of sustainable products. All this was carried out with the care of financial sustainability or self-generation of resources.



[Learn more](#)

[Menu](#)



## Consumer Line

Our branded products of Consumer Line, NOTTS and AXIM, have international quality.



Focused on the comprehensive treatment of pain



[Learn more](#)



Meant for the relief of flu symptoms, cough and allergy.



[Learn more](#)



El alivio ante todo



### DorAliv

Ibuprofen 400 mg in soft-gel capsules.



### DorAliv MIGRA

Ibuprofen 400 mg + Caffeine 60 mg in soft-gel capsules.



### Alinax UP

Naproxen 220 mg + Caffeine 50 mg in coated tablets.





Cuida a tu familia



### TosTherapy FORTE

Carboxymethyl cysteine 150 mg + Guaifenesin 100 mg. Syrup.



### TosTherapy NIÑOS

Bromhexine Hydrochloride 0,04 g + Guaifenesin 2 g. Syrup



### FluMax GRIPA

Paracetamol 500 mg + Pseudoephedrine 60 mg + Bromhexine 8 mg + Chlorpheniramine 4 mg in coated tablets.



NOTTS as well as AXIM are brands with demand generation.

They are desired by the market for the molecules they contain -ibuprofen and paracetamol- and they have high share in sales, offering a family of solutions. Besides, they count with an added value at the level of brand image which distinguishes them from the others. They are exclusively marketed through the private channel, pharmacy chains and neighborhood pharmacies.

For promotion purposes, the company provides solid sales arguments in relation to the individual well-being and family care to compete with the competence, communication through the media, e-marketing and work in the points of sales. Besides, a customized plan is offered to the point of sales, along with sales' clerks loyalty plans and brand investment.

Their current market is Colombia and Chile, with expansion expectations within the region.



Current Market

 Colombia

 Chile

Expansion expectations within the region.





## Generic Line

In the Generic line (without demand generation) we commercialize the products for general pathologies and oncology products.



The products for general pathologies, such as Atorvastatin, Carvedilol and Amoxicilin + Clavulanic Acid are bioequivalents and, in this way, they can enter the Chilean market and are commercialized in the 3 sales channels: private, pharmacy chains and public.



Oncology products are aimed at the public market where we compete on Price.

## SAVANT's brand representation

In Chile and Colombia, VIVUNT represents Savant Pharm's brands.

**IGNATIL**



**BILIODIM**



**ADESIAL**



Within said brands, we find BILIODIM, ADESIAL and IGNATIL; all of them developed for the treatment of Oncology pathologies.

Besides, the plant construction in León, Spain, for sterile high-potency medicines, will allow us to commercially develop the main international markets, including all the Latin-American markets in the near future.



## Administration and production in pandemic times

103-1; 103-2

Facing the Pandemic, the home-office model was adopted immediately for all the Business Units. This was possible due to the great investment on systems, connectivity and tools which facilitate the tasks of the staff and sales force.

Since the results observed under the home office model were excellent, it was decided to stop leasing Buenos Aires branch office, where BU1 was located, and the Development Laboratory was moved to the Industrial Complex.

Besides, the sales offices of BU2 in the countries within the region started operating virtually.

In the context of generalized temporary interruption of economic activity, we implemented a protocol that establishes the working conditions to operate in strict compliance with the public health regulations legislated by national, provincial and regional authorities, in order to take care of employees', clients' and suppliers' health.

In spite of this situation, we have never interrupted, at any moment, the operation of the production, distribution and sale of our products, not only because of the essential nature of our activity but also for the great dedication of all the involved parties in the operation development.



## Adaptation to post-pandemic environment

The difficulties in pandemic times and the search for solutions contributed to a greater maturity in financial and operational management of the company. Apart from becoming global and being organized in Business Units, VIVUNT's new brands were created and SAVANT PHARM's medicines' line evolved, each one with their brands and defined SKUs, reflected in the chart on trademark asset.

We have adapted the commercial model to a greater sustainability and we have reduced the collection period from 41 to 36 days; this improvement having high positive impact.

We are continuously investing in the Industrial Complex of Unit 1, since the only way to be always sustainably efficient is to be productively efficient, improving manufacturing costs.

In the Argentine market, our strategic vision since October 2020 is to be the Argentine pharmaceutical laboratory with the best total cost, with the 4 product lines we commercialize.





## Evolution of Argentine industrial complex (BU1)

Investments



Quality assurance



Good manufacturing practices



Results



102-7

The Industrial Complex is SAVANT PHARM's operating industrial plant. Its production supplies medicines to the local market in Argentina and to the BU2, Paraguay, Chile, Uruguay, Bolivia and to the Industrial Exports Business (IEB), expecting that in the coming years its turnover in the international market will reach 15% of the total.

**We differentiate ourselves within the sector by our characteristics:**

### Quality

Based on the strictest international standards, we assure the excellence of our medicines.

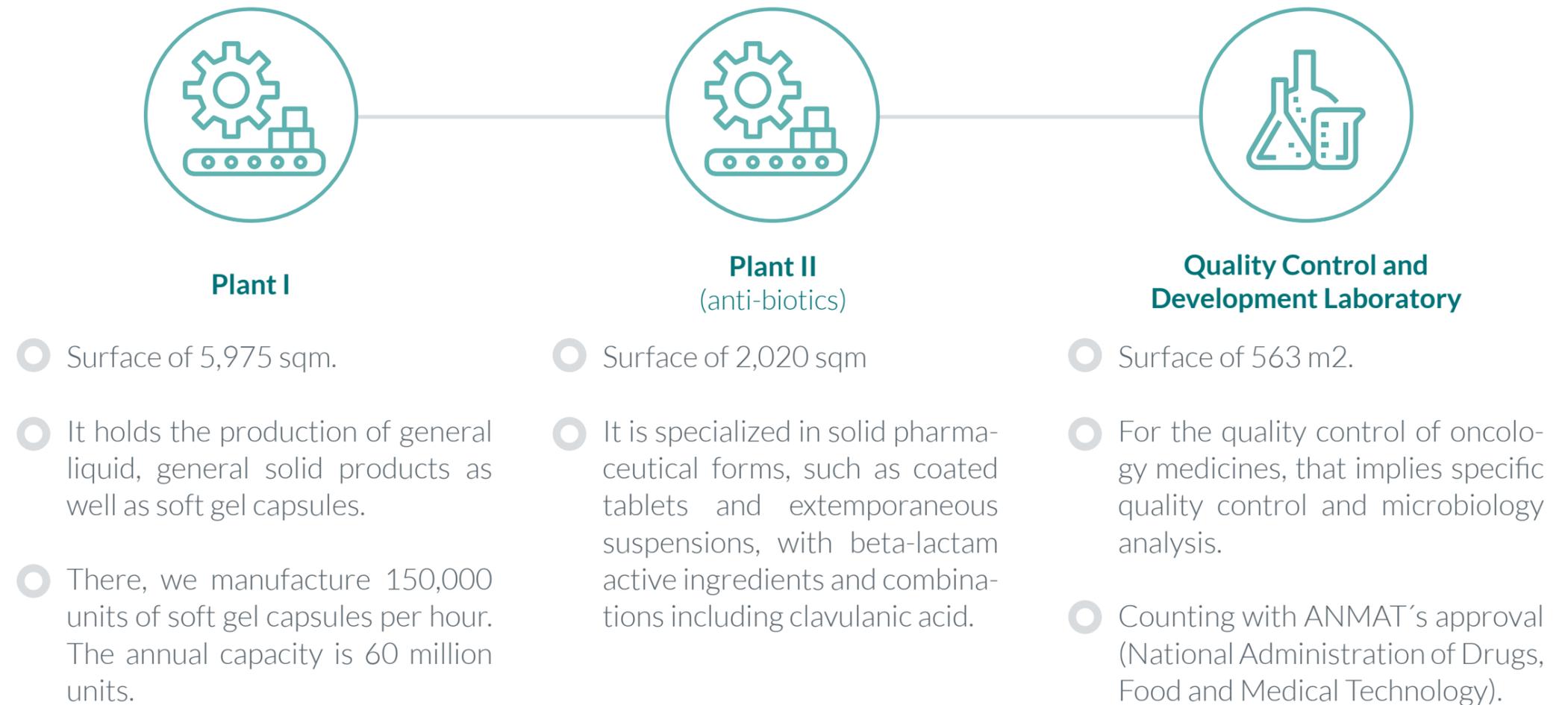
### Technology

We have a model industrial facility and infrastructure with the highest technology in the global pharmaceutical industry.

### Sustainability

We take care of the environmental impact when manufacturing our medicines.

The Complex is located in a 105,895 sqm-plot, in El Tío, (Córdoba, Argentina). It counts with two Production Plants, a Quality Control Laboratory and the offices for the Administrative Area; in total 8,100 sqm built.



## Investments

We count with an automatic Line of primary, secondary and tertiary packing, with production capacity of 21,600 cartons per hour, ROMACO NOACK 921 + PROMATIC 4250 + CHRIST 3000 for blister-packing, packing with leaflet insert and banding, respectively.

During 2019, we made investments to optimize and increase production.

### New automatized blister-packing line



30% higher packing capacity



1.2 million dollars invested in 2019



- Improves the ROMACO line 1 already installed.
- It offers us the possibility of making products with Alu-Alu blister, which uses an OPA aluminum layer, the base of which is cold-formed to house the tablet; this characteristic being what makes it special.
- The new line has the ability to make both types of blisters; PVC and aluminum.
- It works with much less scrap because the set-up is faster, more consistent and effective, and the shape of the blister cutters makes better use of the material.
- Its incorporation opens up the possibility of installed capacity to a new complete line, with a significant improvement in production capacity.



### New wet granulation machine

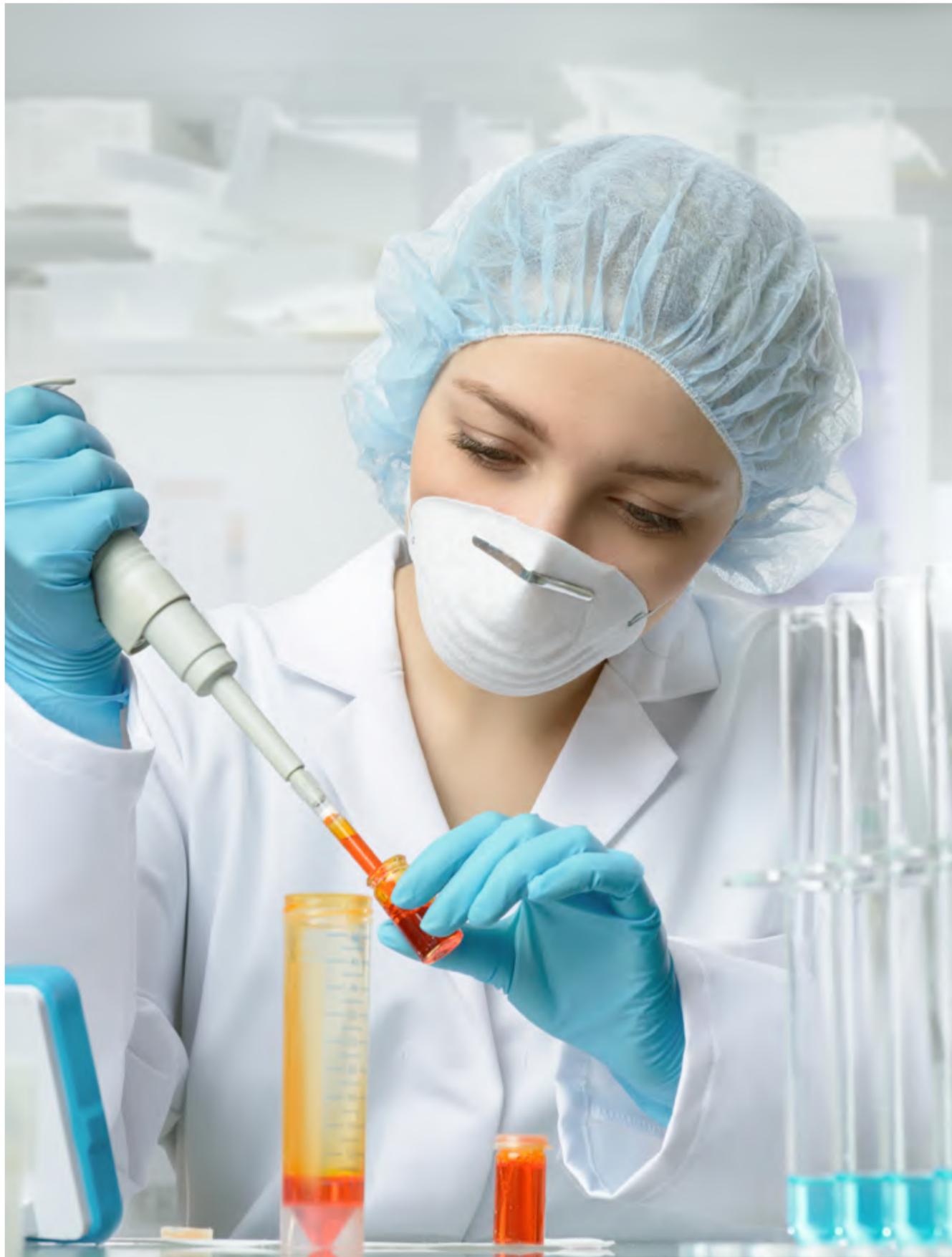
With state-of-the-art technology that enables wetting and uniformity processes of the powder to compress the tablets, involving an investment of approximately U\$S 600,000.

### New lattice closure area for soft capsules with special environmental conditions

That highly improves their stability, which gives us access to serve regional markets with high temperature and humidity (Zone 4).

### Plant II of Anti-biotics

A new thermo-mechanical HVAC system was incorporated in the conditioning and storage sector that allows greater comfort for employees and optimal environmental conditions for the products, achieving thermal mapping curves that widely comply with the established regulations on maintenance of product conditions.



## Quality Assurance

103-1; 103-2; 103-3; 416-1; 416-2

We comply with the highest international quality standards to ensure people's health and improve their lives.

The decisions we make for our production plants and Quality Control and Development Laboratory are aimed at optimizing the quality in all the life cycle of our products as well as our investments.



### Quality Indicators

67% reduction on claims and system consolidation through Change Controls in which we have obtained, in 2020, an increase of 43% compared with 2019.

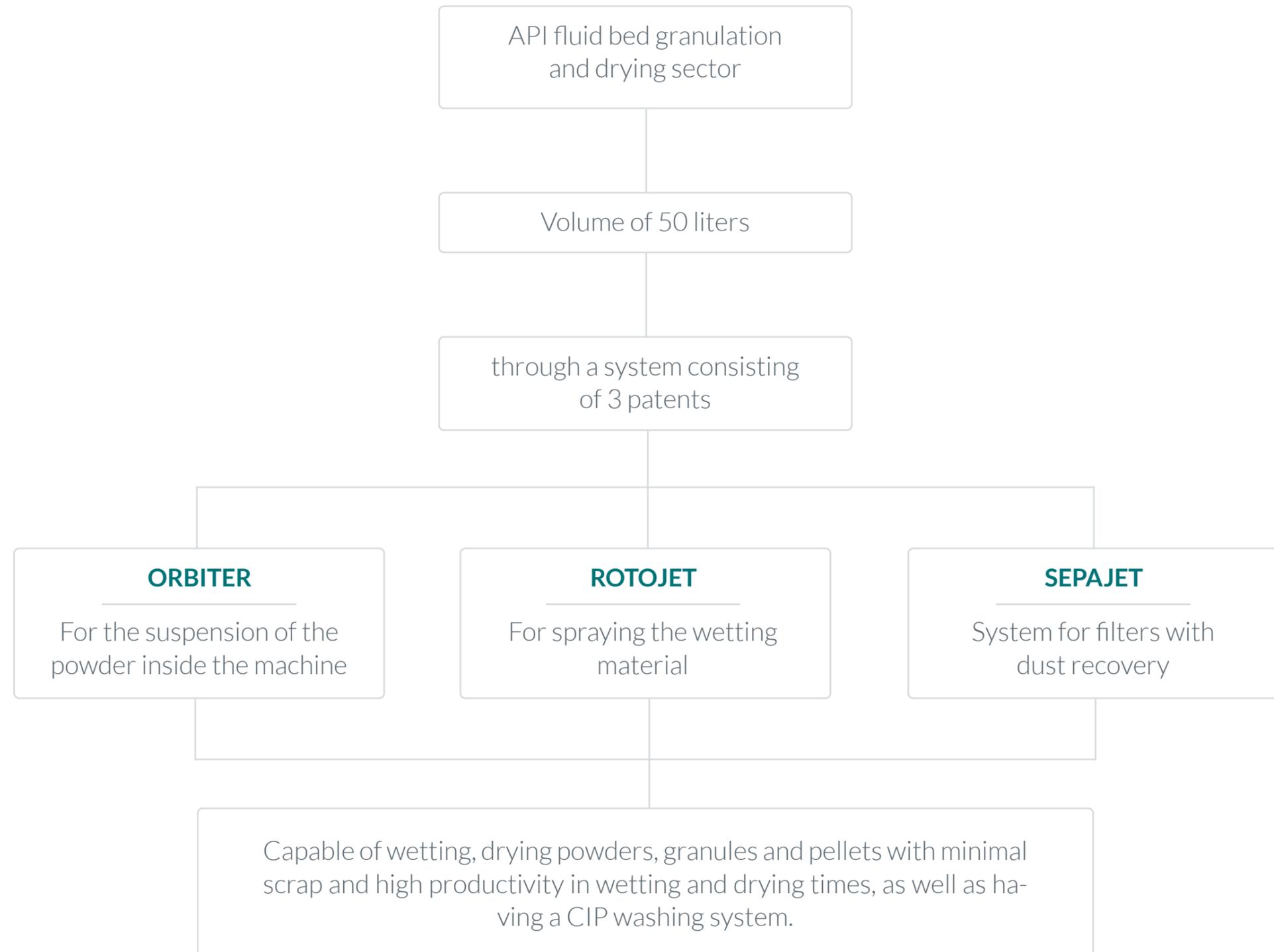
## Good Manufacturing Practices

103-1; 103-2; 103-3

The Operations Management, together with the Plant Management, manages Quality Control, Quality Assurance and Compliance with international regulations of Good Manufacturing Practices (GMP) and the Quality Assurance Program.

Recently, we have incorporated a GMP Compliance area, being its main responsibility to monitor the compliance with said regulations in all areas of the company, ensure work plans in different areas and the systematization of processes with standard operating procedures (SOP).

In this way, possible deviations or incidents are detected, prevented or corrected, and improvements aligned with these regulations are proposed.





## Self-inspection Program

103-1; 103-2; 103-3; 416-1

We apply a self-inspection program to comply with GMP regulations, which enables us to identify the defects in the process, and correct them.

This program is carried out regularly, through internal audits, critical point audits and external audits.

## Measure and follow-up system

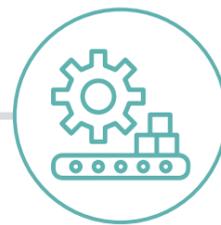
In addition to self-inspection, the objective is to verify the consistency of the process. An Annual Product Review (APR) is carried out, including the compilation and comprehensive analysis of trends in results and information related to products (production documents, release data, stability data, claims, etc.).

Based on this data, we perform a risk analysis and define changes in the specifications, in production or in control procedures, following the industry trends. In this way, we ensure the efficiency of the Quality System contributing to continuous improvement, to impact on the client's satisfaction, the product requirements and the process characteristics.

## Results



In relation to 2019, we have reached a general growth in manufactured units (finished product) of 25% and 13% of the manufactured batches.



The use of the installed capacity was approximately 68% in 2020.



Productivity grew by 22%.



The Anti-infective line was the one with highest growth; 48% year-to-year, due to the increase in units of coated tablets of beta-lactam anti-biotics.



0,6% reduction in losses compared with 2019, due to higher operation efficiency.



0,8% year-to-year growth (2019 vs. 2020) of the production and scrap process performance.



The relation scrap material/total material used evolved positively from 0.4% to 0.1% (year-to-year), that is to say, a reduction of 75% in the cost of materials sent to scrap.



# Good working practices

[Our people: those of us who make up the company](#)



[Occupational health & safety](#)



[Sustaining the sense of belonging](#)



103-1; 103-2

2020 was a year highly affected by the pandemic. With a very strong internal team, our people quickly adapted to the new working conditions to face the challenges of Covid-19 and continue to operate.

This adaptation was better than expected, we not only shifted to home office mode, but also, we will not return to the previous modality. To do so, Human Resources works to preserve the culture of the company and strengthen the team of leaders.

Currently, we are continuously monitoring people who are in the home office mode to know how they are emotionally. Also, we monitor their productivity by evaluating the tools they have for the execution of their tasks; this constituting a new practice that must be done systematically from now on. We do it through surveys and addressing particular issues with people, trying to make them feel contained.



Our human management priorities were focused on health and safety, as well as developing the new skills required to address the challenges of the pandemic. We also contributed to facilitating the transition to home office mode of the entire administration and commercial offices,

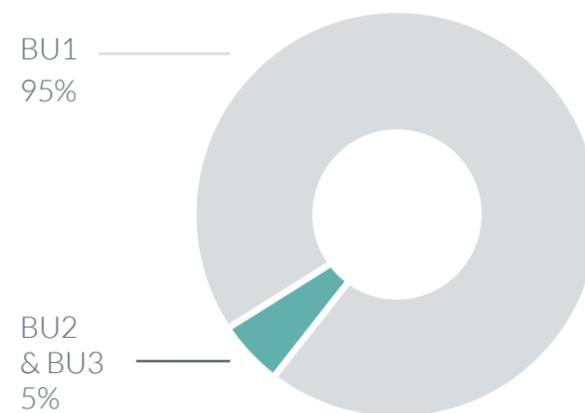
maintaining adequate remuneration despite the macroeconomic situation that existed. We put emphasis on strengthening communication channels, on the construction of clear and effective messages, which was of utmost importance to unify the work team.

## Our people: those of us who make up the company

103-1; 103-2; 103-3; 102 -7; 102 -8; 102-41; 405-1

### 95% works in Business Unit 1

most of them come from the town El Tío and the surrounding area.

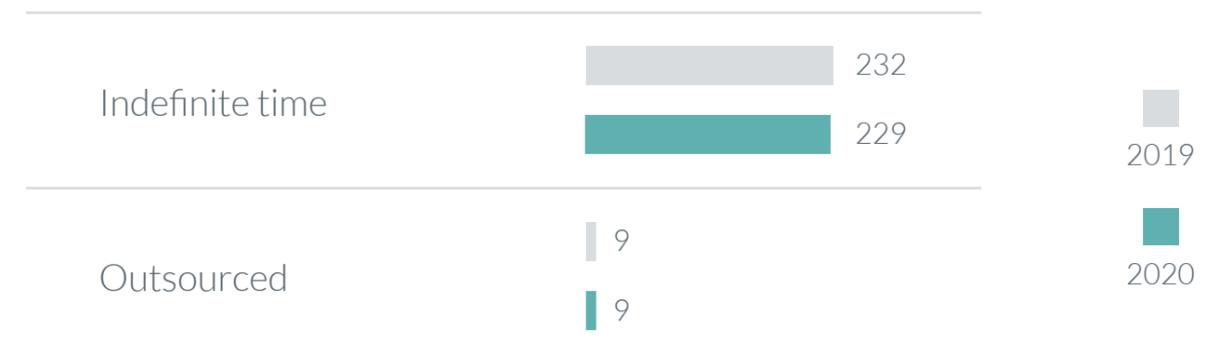


### 5% works in Business Unit 2 & 3

Devoted to the development of new business units, created in mid-2020.

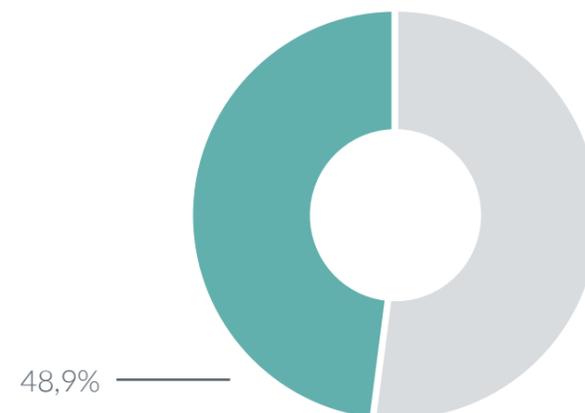
### 96% is hired for indefinite time

Only 4% is outsourced.



### 48,90% of the staff

Is included within the Health Agreements 42/89 and Commercial Travelers and MPA (Medical Propaganda Agents).



### 71% belongs to the age range between 31 to 50 years old

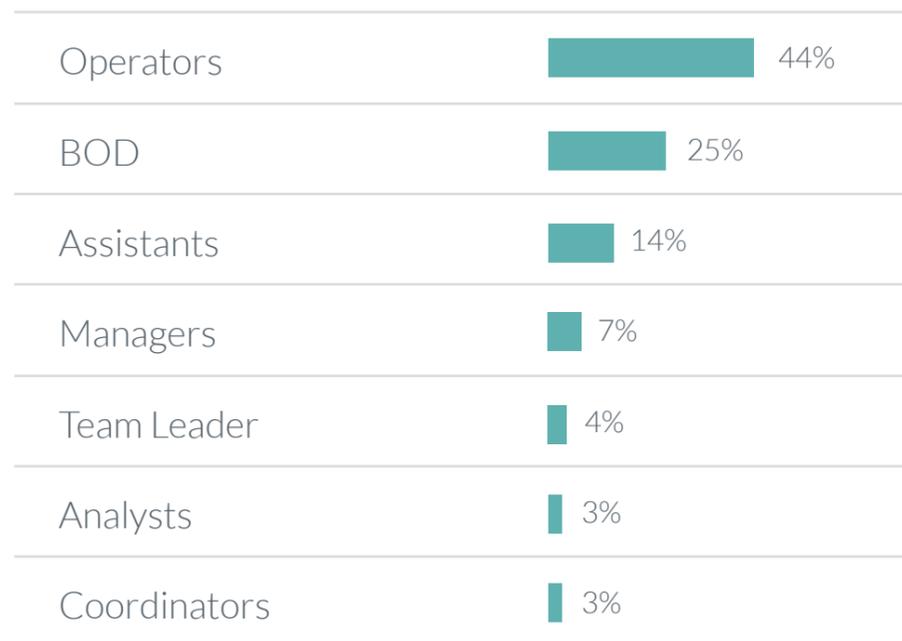


45% of our staff are women, value which was maintained stable during the two years covered by the report.



### Women's participation per work category

It is higher in the BOD, in Assistants and Operators. It is lower in Coordinators, Team Leaders and Managers.



# Occupational Health & Safety

103-1; 103-2; 103-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6

The area of Occupational Health & Safety (OH&S) promotes the generation of healthy and safe environments. For this purpose, it counts with the assistance of a specialized outsourced consultancy.

Its main functions are the safety management, the analysis of labor risks, the issue of reports regarding the fulfillment of legal obligations, the training to the employees and their awareness, the performance of preventive tests, the investigation of incidents and the processes monitoring through inspections and tests.

It is responsible for the Annual Health Plan to ensure the protection of employees, improving their integral health and personal wellbeing. This includes the needed legal requirements and it is implemented monthly together with a specialized team, formed by a physician who attends the Plant on a daily basis

and an occupational physician with whom monthly meetings are held in order to address individual issues.

Health plan	Services
<p><b>ActivaRSE internal</b></p>	<ul style="list-style-type: none"> <li>○ Delivery of medicines free of charge.</li> <li>○ Control and loading of daily absences and home office control.</li> <li>○ Occupational Risk Insurer Management (ART).</li> </ul>
<p><b>Preventive Medicine</b></p>	<ul style="list-style-type: none"> <li>○ Annual health tests.</li> <li>○ Test management before ART. Joint work with H&amp;S (absences control/study control at the workplace).</li> <li>○ Control y Follow-up of Covid protocol.</li> </ul>
<p><b>Trainings</b></p>	<ul style="list-style-type: none"> <li>○ Covid awareness.</li> <li>○ Emergency procedure – Roles.</li> <li>○ Procedure in case of medical emergency.</li> </ul>

We also have a Medical Department so that employees who need it can consult the occupational physician about their health, every day, in person and/or virtually.

### Regarding compliance with social security and occupational health legislation:

403-8



100% of permanent employees have a retirement plan (retirement), a health plan through social works and work risk insurer.



100% of the outsourced employees that carry out activities in the Industrial Complex have to be covered by an Occupational Risk Insurer (ART) in order to enter the Plant, with their contractors monitoring their compliance.





## Taking care of our employees, today more than ever

It was already a regular priority for the company to take care of its people and be updated on health and safety protocols, but year 2020 challenged us even more.

In addition to definitively changing the administrative and commercial work modality to home office and the adjustments we made for the employees to be protected, we shaped our own prevention protocol in the industrial complex in the framework of Covid-19 pandemic emergency as a complement to the existing hygiene and safety protocol. Its main purpose is to implement preventive measures in the industrial complex to avoid contagion of coronavirus.

We divided the employees into cells and different scenarios for contagion were defined. We created a Covid-19 emergency committee, with weekly meetings except for emergencies, to assess the status of the situation and progress with respect to the pandemic.

The Protocol's scope is the staff of all the establishment and any third party which may enter to it. The areas responsible for the Protocol's compliance are: Quality Control, Microbiology, Production, Warehouse, Engineering, Quality Assurance, GMP, Human Resources, Human Resources Management, Plant Management, Operations Management, General Manager in Argentina.

**It includes the following subjects:**

- Staff's transport.
- Staff's entrance.
- Entrance to changing rooms.
- Entrance to the canteen.
- Use of changing rooms.
- Staff's exit.
- Shift rotation.
- Reforms in the canteen for care and prevention.

Besides, some measures were taken for the Plant Occupational Physician to be able to provide virtual trainings on a weekly basis, as well as awareness speeches to each work cell group.



## Sustaining the sense of belonging

103-1; 103-2

Although the company already had a digital culture, the definite change to home-office mode and the globalization of the company have brought new challenges to the Human Resources area: Grow sustainably, based on the established change strategy (change management), seeking organizational development while consolidating the team and processes.

Thus, we work hard on communication and the promotion of more empathetic leadership styles, closer to the employees, to achieve the proposed objectives.

### Adapting ourselves, being the same ones

103-1; 103-2; 103-3

We maintain a clear strategy so that

each employee knows what his/her objective is, within the company, and what to expect from it, in order to measure their performance from the privileged place of accompaniment. We promote the personal and professional growth of our people, sharing cultural values and principles so that they are felt with conviction.

We are attentive to the employees' requirements, we promote equal opportunities and, now more than ever, provide communication channels that allow us to be close to them and listen to their needs.

We have a Recruitment, Selection, Induction and Accompaniment Policy for new entrants that respects equal opportunities and a Remuneration Policy that ensures internal equity and competitiveness in the market, improving agreements if performance is optimal.





## We assess ourselves to outdo ourselves

103-3; 102-43

We have revised our usual tools of testing and assessment, adapting our indicators to the context and, mostly, to the new normal. Nowadays, we use:

-  Performance Management Cycle
-  Involuntary Staff Rotation Rate
-  Work environment: GSR-DSR (General Satisfaction Rate-Direct Satisfaction Rate)

A good work environment is essential to achieve greater commitment by feeling that the company is also attentive to promoting a healthy work environment.

Every year, we carry out a Work Environment survey to reveal the perception of those who make up the company and 2020 was no exception. Despite the context full of challenges and uncertainty, we had a response that reached 60% of the Direct Satisfaction Rate (DSR).

## Knowing their individual state

102-43

In order to be close to our employees, we began to focus on the individual state of each one. We generate active listening spaces to inquire about various aspects such as remuneration, relationship with the Leader, status with the company, relationship with the areas and development possibilities.

In these spaces, each employee dialogues with Human Resources Department while scoring (from 1 to 4) each

consulted aspect, justifying their assessment. The results are analyzed looking for alternatives to improve the situation.

## Broad coverage benefits

201-3; 401-2

We add benefits so that our employees feel cared for and valued by the company:

Benefits	
Flexible schedule	Procedure with entrance and exit schedule ranges.
Holidays	21 days after 6 months working for the company.
Special days	Celebrations and gifts
Children´s day	For the employees´ kids.
Canteen service	Lunch & snack for 100% of employees. Healthy Breakfast Fridays.
Company car	For positions such as General Directors and General Managers.
Breastfeeding room	For women at the Industrial Complex.
Life insurance	OSDE Binaria, an extra insurance apart from the one required by Law, which includes 24 gross salaries, for 100% of the employees.
Prepaid medicine	Individual agreements to access to a higher coverage than that offered by the labor contract, through OMINT or OSDE.

## Being trained makes us stronger

103-1; 103-2; 103-3; 404-1; 404-2

The update on Good Manufacturing Practices (GMP) is one of the training priorities in the Industrial Complex.

The training instances were carried out within a framework of care for the pandemic, following the annual program that was given by the leaders of each area with the support of the Human Resources area.

The administrative staff received the advice of their own leaders who are duly trained to share their knowledge and who at the same time have appropriate tools for this purpose.

We get trainings from external consultants when the topics are new or exceed the knowledge of the leaders.



43% of the trainees between 2019 and 2020 were women. 13% more than the previous biennium.



204 employees trained in GMP, during 2020.



40 hours average per employee.



# Procurement practices

Solid commercial bonds



Suppliers' approval and qualification



The impact of the pandemic



Chain characteristics



## Solid commercial bonds

103-1; 103-2; 103-3; 102-9; 205-2; 102-43

### Predictability, long-term relationships, transparency

Suppliers have always been a fundamental part of our value chain. With them, we seek to maintain a relationship in which we all benefit from.

Our Purchase Policy and the New Suppliers Manual establish the selection criteria and the terms of the agreements; they form the foundation on which the relationship is built.



We count with a control tool for the supply chain which facilitates:

- Measuring the service level and rejections.
- Analyzing the economic-financial solvency of the relationship, by requesting an initialed Balance sheet.
- The blocking of commercial operations in case of breach of contract by any of the parties.

Besides, we request the suppliers to be aligned with our Corporate Code of Ethics, asking them to comply with it and to respect our values.



We keep open communication channels of direct contact. This enables the optimization of bonds and the channeling of queries:

- E-mail.
- Institutional meetings.
- Telephone contacts.
- Virtual Meetings (Zoom, Teams, etc.).
- Visits.

To be able to improve costs, operational efficiency and supply performance, during the last years we have been working towards generating bonds with new alternate suppliers, which has resulted in 31% increase of active suppliers.

## Suppliers' approval and qualification

103-1; 103-2; 103-3; 308-1; 414-1: 414-2

Between 2019 and 2020, we evaluated 20% of critical suppliers.

Since 2018, we have been working with a Pre-Audit Questionnaire for the Approval and Qualification of Suppliers. This gathers a series of key aspects for the evaluation of suppliers:



## The impact of the pandemic

102-15

During the pandemic, we consolidated the relationship of mutual trust by generating supply agreements and annual purchases, giving priority to transparency. During the most critical months of 2020, marked by lockdown and the cessation of activities, we established new agreements to avoid shortages and continue to operate normally, fulfilling our role as an essential company.

We overcame the difficulties related to the supply of imported materials, as a result of the quarantines in the processing plants and the greater global demand for assets for the treatment of Covid-19. We also had to address the difficulties that arose in Logistics due to the closure of countries and/or cities and the frequency reduction of air and sea travel.

At the national level, the extensive Argentine quarantine caused the closure of factories (temporary or total); this being an obstacle for vendors to supply smoothly, as well as a recession in internal transport; aspects on which we had to work.



## Chain characteristics

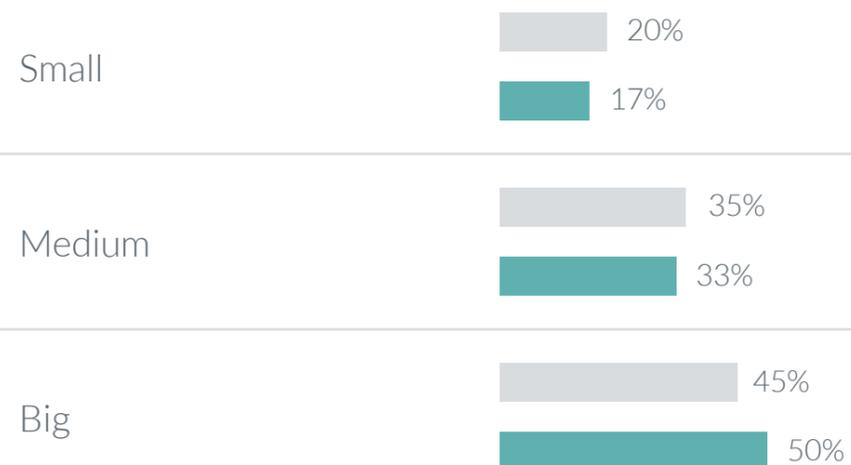
102-9

### Number of active suppliers



31% more by the end of 2020

### Size-wise



■ 2017 - 2018   ■ 2019 - 2020



### Origin-wise

Foreign

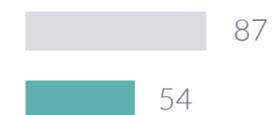
Foreign vendors supply us with raw materials since in Argentina there are no synthesis plants of active ingredients. We import, mostly, from Europe, China and India.

Local

Local vendors supply goods and services. (As far as possible, we try to add local service suppliers for the Industrial Complex. For example, the outsourced lunch service and gardening service are supplied by supplier from El Tío and the surrounding area).

### Periodos

2017 - 2018



2019 - 2020



Local suppliers Foreign suppliers

The number of local suppliers increased by 57% in the last two years.

### Type-wise

72% are Product suppliers

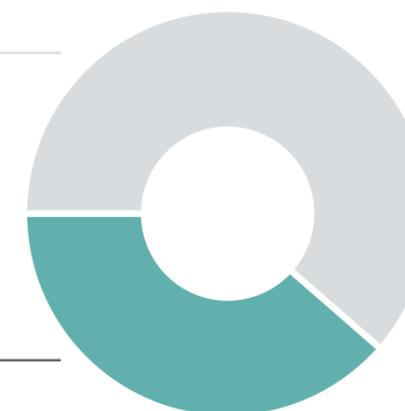
Active ingredients, excipients, cartons, aluminum, labels, packs, OPA-PVC, leaflets.

28% are Service suppliers

Telephony, Bio-equivalences Development, Energy, Outsourcing, Logistics, Customs Agent, Legal Advice.

Product 95%

Service 5%

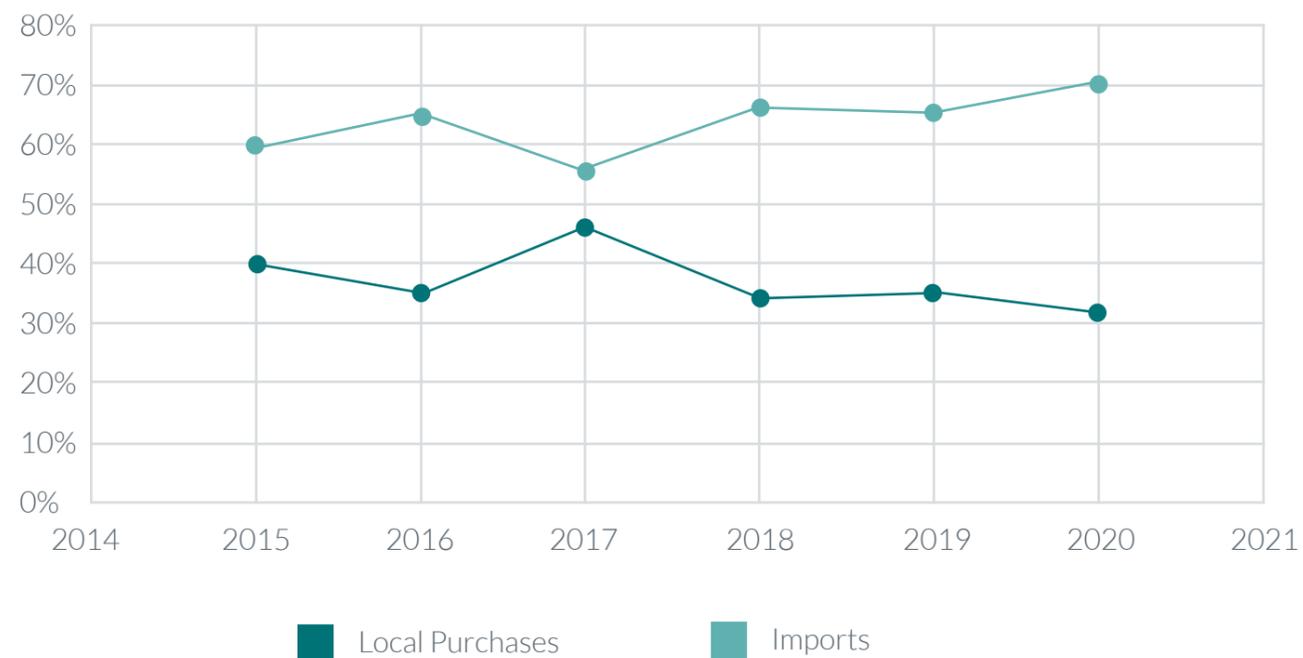


## Suppliers' expense

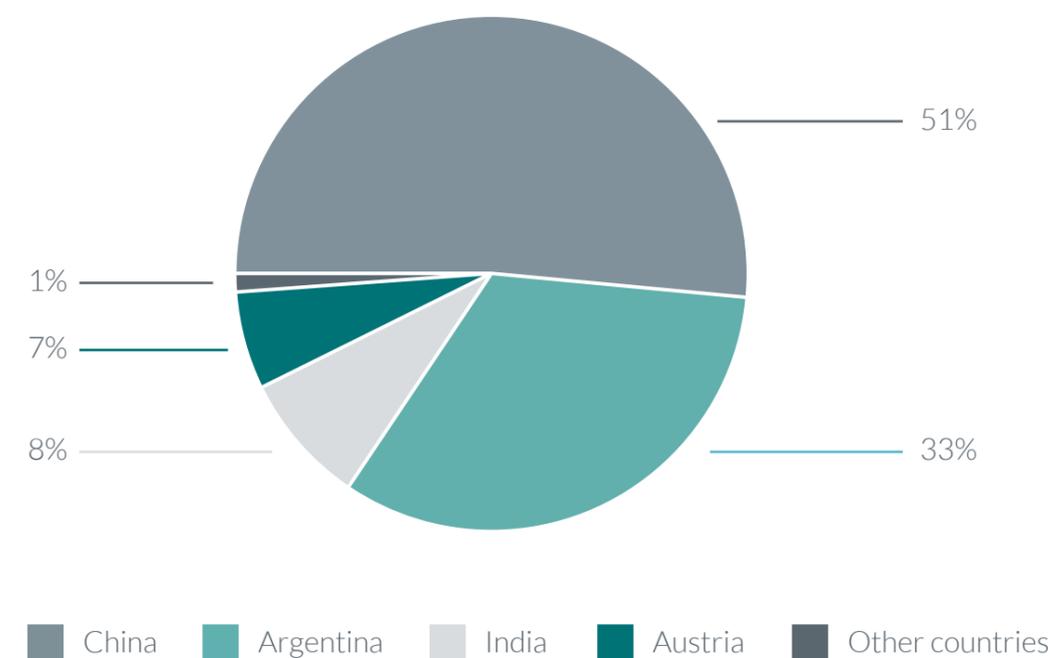
204-1

The estimate amount of payments to suppliers, in thousands, reached \$1,639,571 in 2019 and \$1,756,687 in 2020

Distribution of suppliers' expense by purchase origin



Suppliers' expense percentage by country of origin





# Environmental impact mitigation

Environmental management approach



Argentine Industrial Complex (BU1)



Business Unit 3



## Enfoque de la gestión ambiental

103-1; 103-2

From the beginning of our projects we seek to minimize their impact on the environment and therefore on the communities where we operate.

We are aware that our development must be sustainable, articulating economic growth with social responsibility and respect for the environment. We are committed to the continuous improvement of processes and procedures to mitigate their impact on the environment and contribute to a cared for and livable planet in the present and future.

We have an Environmental Policy, which we review periodically and which is applicable to the entire operation of the company. It establishes the principles of our management and makes explicit the commitments we make with our stakeholders.

### Commitments made

- Educate, train and commit the employees.
- Considerer the eco-efficiency of operations and products.
- Provide employees with a healthy and safe workplace.
- Encourage the application of good environmental practices among our suppliers.



## Argentine Industrial Complex (BU 1)

### Environmental management

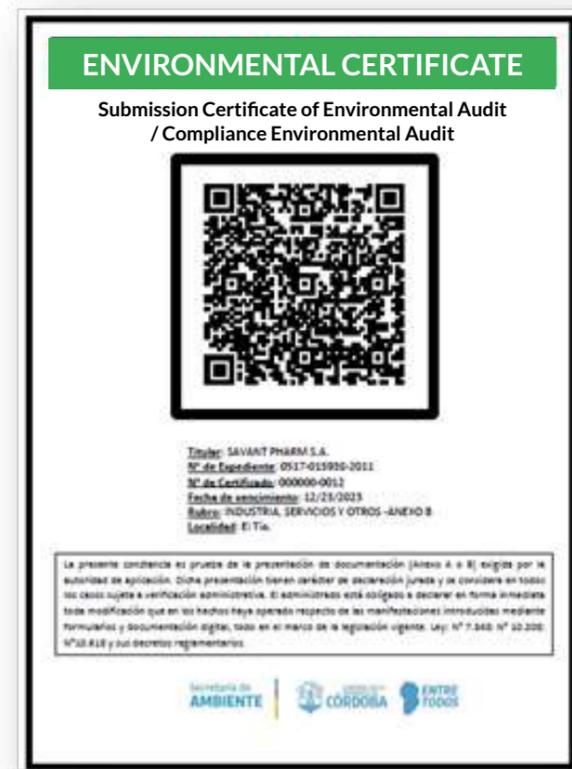
103-1; 103-2; 103-3

Environmental management in the Industrial Complex depends on Occupational Health and Safety, which works together with the Engineering and Operations Management. It also has the external support of an environmental management and safety consultancy that advises on all matters relating to legislation and process improvement.

In the last two years, the new Environmental Management Plan was designed where key indicators were defined, that made possible to monitor environmental management over time and, based on the analysis of its results, develop minimization strategies.

There was no need to make structural adjustments since we have always complied with the legal requirements, but plans were updated and processes, actions and monitoring were documented.

All this facilitated the Environmental Compliance Audit process by the Secretary of Environment of the Province of Córdoba, which granted us the Environmental Certificate for the Complex, valid until 12/23/2023.



During this period, we also received audits from:

-  The National Administration of Drugs, Food and Medical Technology (ANMAT).
-  Vitiviniculture National Institute, in charge of ensuring the traceability of alcohol-related products.
-  Occupational Risk Insurer (ART).



## Energy optimization

103-1

To operate, the Industrial Complex depends on the electrical energy provided by the Argentine Interconnected Electric System, where public and private operators coexist, the electrical energy coming from non-renewable sources and, to a lesser extent, renewable sources.

## Adopted measures and control

103-2; 103-3

To make efficient use of energy and reduce consumption, an integrated energy performance control system is available for immediate measurement.

In a complementary way, daily measures are applied, the purpose of which is to reduce energy consumption:

- Strategy for switching on and off the equipment, during production shifts, when this is possible.
- Replacement of luminaire in productive areas by LED lighting that saves energy, provides ergonomic lighting comfort and provides efficient protection for photosensitive products since there is no emission of ultraviolet wavelength. In Plant II, during the period reported, the total replacement of luminaries with LEGs was completed, including in the warehouses.
- Awareness campaigns on rational use of lighting and air conditioning.
- Reduction on production hours, when possible.
- Adjustment of the chiller water temperature set point.

## Reduction on the energy requirements of the products

302-5

The technology incorporated with the two new ROMACO automatic blistering and cartoning lines has, at the end of the line, a carton banding process that reduces the consumption of traditional heat-shrinkable PVC film and the corresponding energy consumption by placing a strip of self-sealing film that groups the cartons according to the unit of sale.

Production Lines / units	2019	2020
Romaco line 1 total production	174.173.709	116.257.723
Romaco line 2 total production	38.238.606	140.738.993
Energy Saving in kW/h	26.076	31.610
Heat-shrinkable film saving in kg	721	883

This process is feasible thanks to the possibility offered by the cartoning machine of gluing or sealing cartons that guarantee their anti-tamper condition (Tamper Evident).

## Electric Energy total consumption evolution

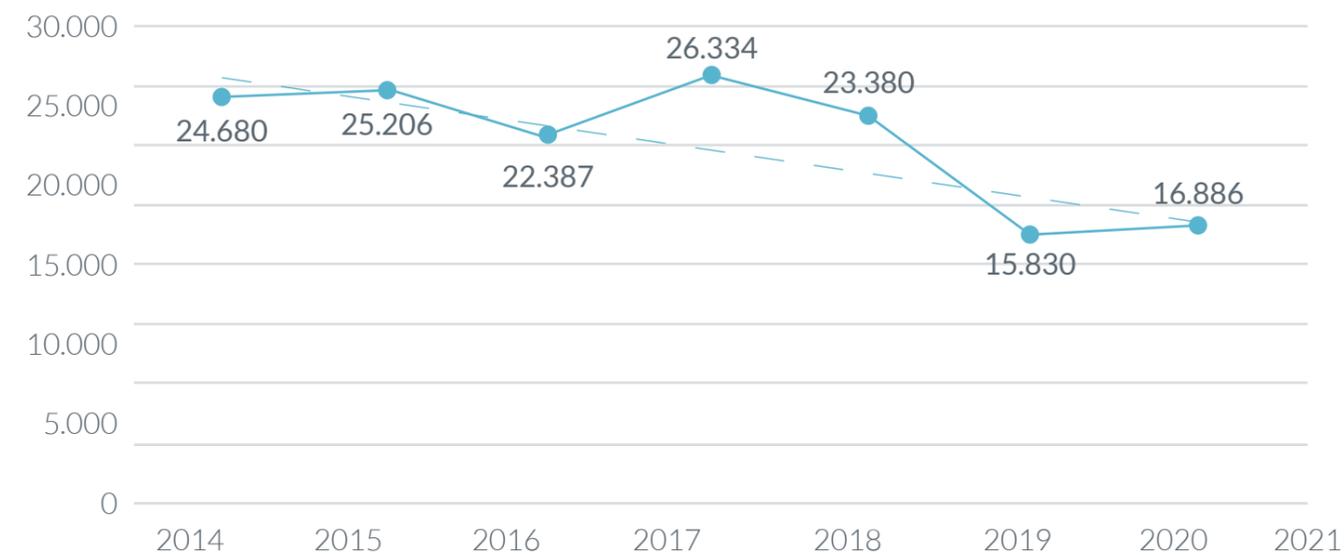
103-1; 103-2; 103-3; 302-1; 302-4

### Electric Energy Consumption in GJ Unit 1 Manufacturing Plant El Tío

2014	24.680
2015	25.206
2016	22.387
2017	26.334
2018	23.380
<b>2019</b>	<b>15.830</b>
<b>2020</b>	<b>16.886</b>



Electricity consumption evolution in GJ



Energy consumption shows a clear downward trend in absolute terms. In addition to the measures taken to optimize energy consumption, particularly in the course of 2020, online work, the existence of new distribution channels and the closure of the corporate building in Buenos Aires have had an impact.

## Energetic intensity

302-3

The energy intensity value is calculated based on the incidence of the electric energy consumed in the billing (KW-h/ U\$D), without showing great changes in the last 3 years.

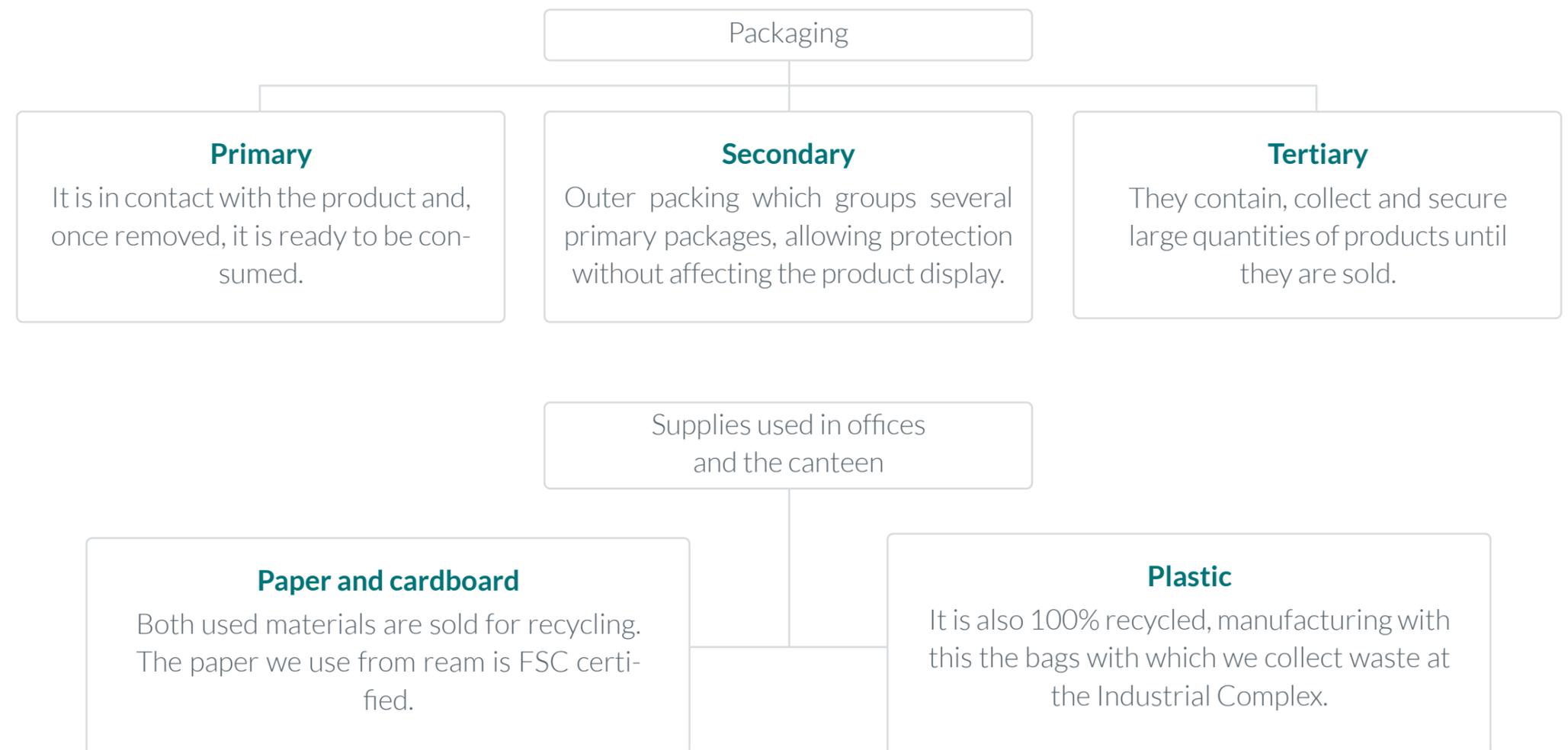
Energy intensity	
2014	0,147
2015	0,124
2016	0,124
2017	0,128
2018	0,157
<b>2019</b>	<b>0,163</b>
<b>2020</b>	<b>0,157</b>

## Material and supply management

103-1; 103-2; 103-3; 301-1

Our materials and supplies can be classified according to the areas of work: production, in the first place, offices and canteen.

In the production activities carried out in the Industrial Complex, our priority materials are active ingredients and excipients. We also use plastic, paper, cardboard, aluminum and various types of packaging, namely:



Materials and main supplies	Recyclable	Non-Recyclable	Units 2019	Units 2020	Thousands of Kg. 2019	Thousands of Kg. 2020		
Active Ingredients		○			278,5	292,2		
Excipients		○			167,2	300,1		
Primary Packaging	○	[Greyed out]	5.349.018	3.300.159	[Greyed out]	[Greyed out]		
Secondary Packaging	○							
Tertiary Packaging	○							
Plastic	○		44.826.002	7.490.625				
Paper and cardboard	○							
Aluminum	○						110,14	146,49

## Waste management

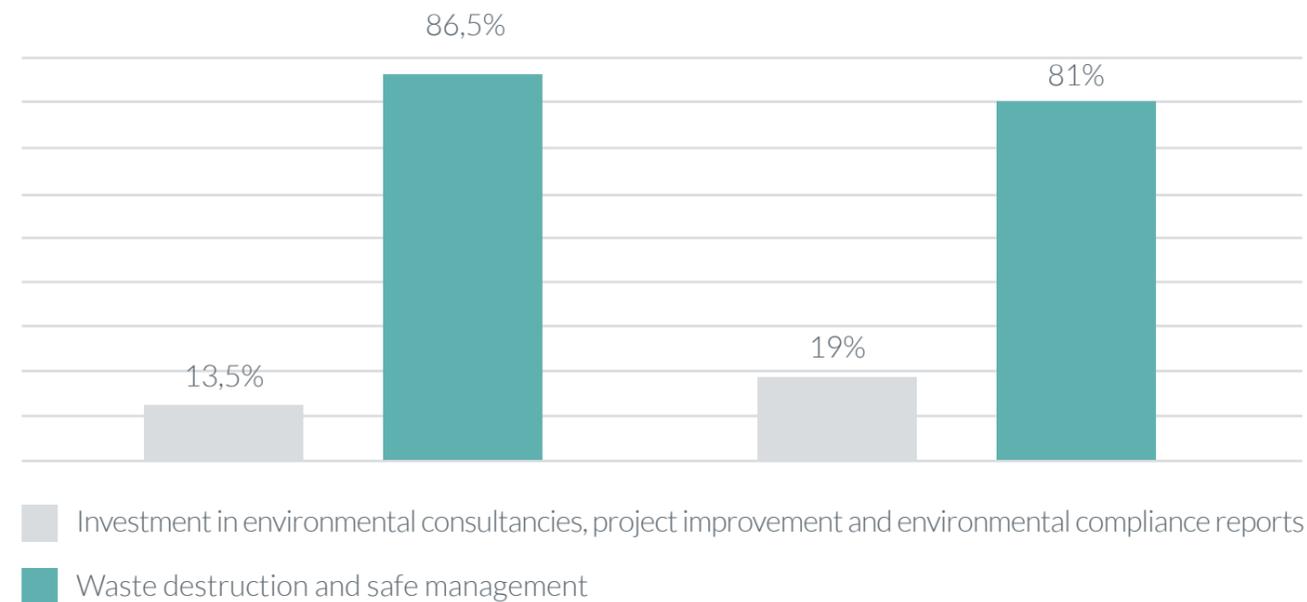
103-1; 103-2; 102-3; 306-1; 306-2;  
306-3; 306-4; 306-5

The generation of hazardous waste is one of the main environmental issues in the pharmaceutical industry. Therefore, the special management of waste is a key to minimize it.

These wastes are part of the categories under control called Y3<sup>1</sup> and Y2<sup>2</sup>, regulated in Argentina by Law No. 24,051 and its complementary regulations, corresponding to the Secretariat of Environment and Sustainable Development of Argentina.

The Nation authorizes us to outsource, from the companies that have the approval to issue certifications, the treatment and final disposal of the hazardous waste that we generate.

This makes waste management the highest expense within environmental issues; reaching more than 80% of the total in the last two years.



Non-recyclable and organic waste are disposed of as municipal solid waste (MSW) and the local Municipality is in charge of its disposal. Those generated by offices and canteens are recycled or reused: paper is recycled while recyclable plastic is sold in exchange for waste bags.

The toner cartridge supplier also provides us with a printer loan service. Therefore, we have an agreement for the removal of cartridges and the reutilization by other customers. Likewise, we only print what is extremely necessary and even more so with the home office mode.

All the toner cartridges we consume in the year are remanufactured.

1. Waste of medicines and pharmaceutical products for human and animal health.  
2. Waste resulting from the production and preparation of pharmaceutical products.

Waste origin-wise and management method-wise		Recycling	Reutilization	Storage for final disposal	MSW	Final disposal as per Law No. 24,051
Offices	Ream paper	○	○			
	Plastic (plastic glasses, bottles, bags etc.)	○	○			
	Toner cartridges (remanufactured)		○			
	WEEE			○		
	Fluorescent lamps and tubes			○		
Canteen	Organic waste				○	○
	Plastic	○	○			
	Paper	○				
Production process	Y2 Waste of medicines and pharmaceutical products for human and animal health					○
	Y3 Waste resulting from the production and preparation of pharmaceutical products					○
Kg year (2019/2020) with Final Disposal Certification		2,600 per year	2,600 per year		10,000 per year	58,000 (2019) 35,600 (2020)

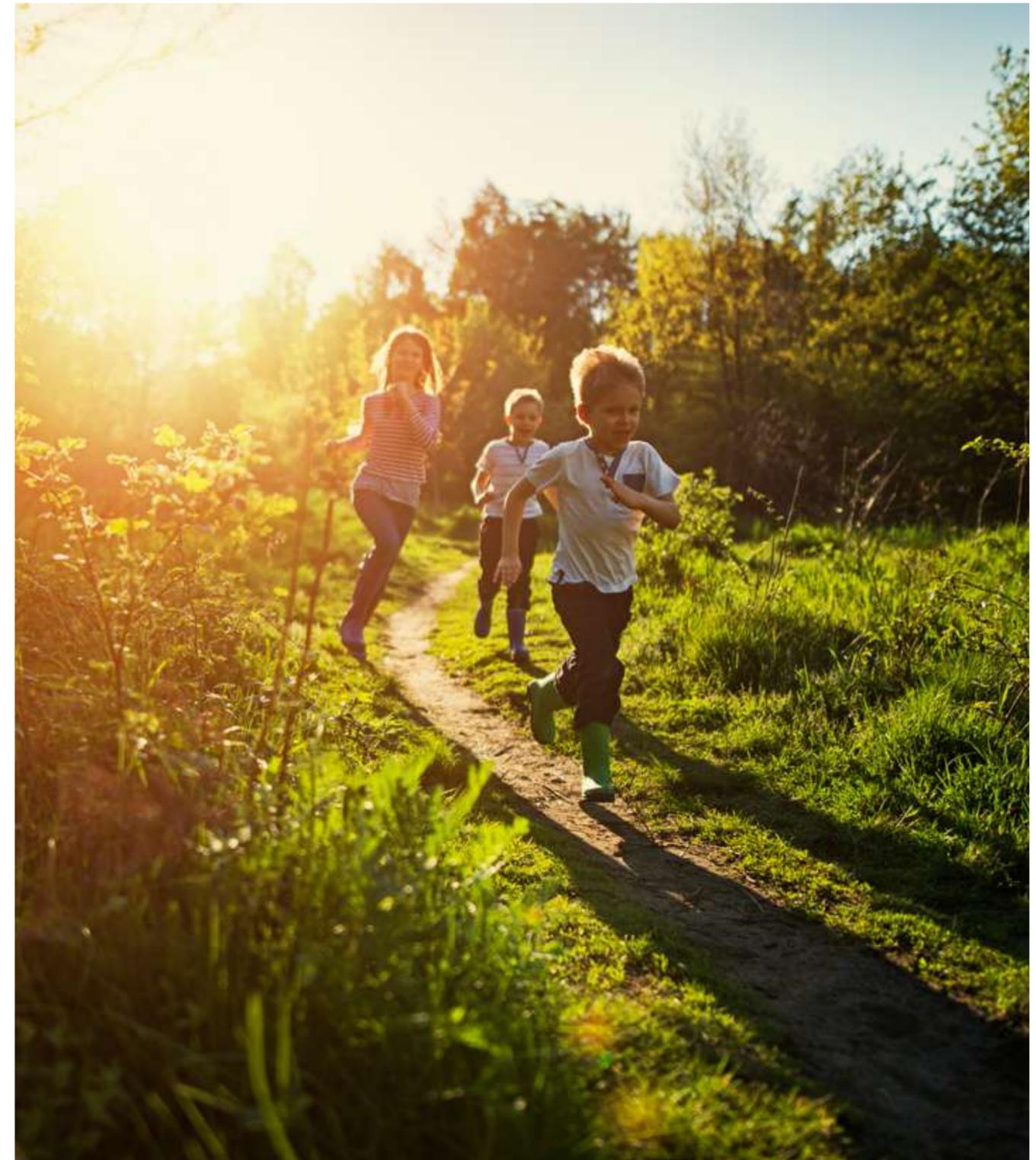
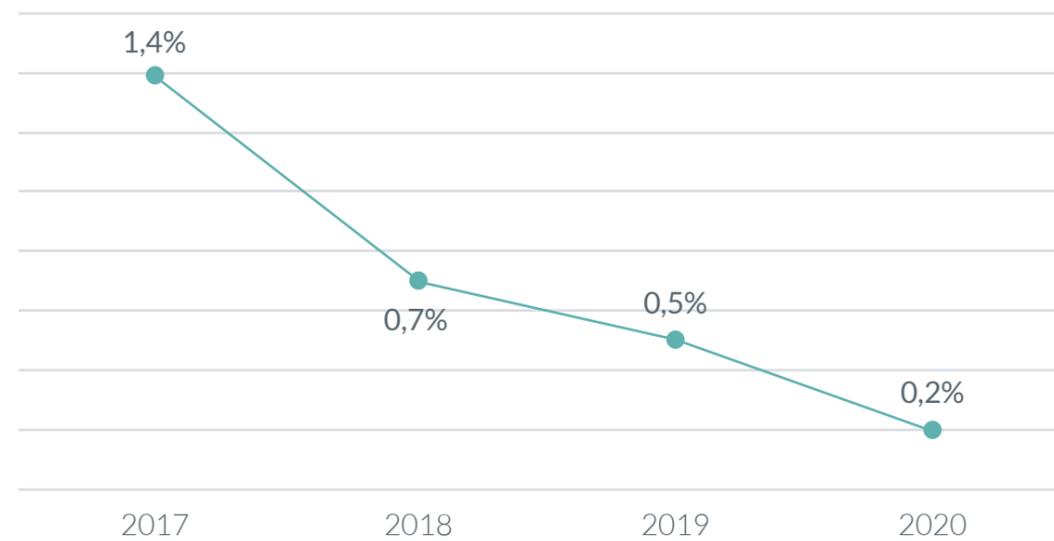
### Biological waste

The culture strains for microbiology and oncological residues are inactivated and neutralized in an autoclave before their final disposal.

### High scrap reduction

Scrap / material used relation

In the previous biennium, we had achieved a substantial improvement in scrap reduction that increased even more in the last two years, reaching 0,2% by 2020.



## Air quality and emissions

### Particulate emission of active substances.

In dust extractions systems, to vent the particulate emission of active substances into the atmosphere, we use high-efficiency HEPA filters. Every year, we test their integrity to verify that they work properly.

In 2020, we carried out measurements, the results of which showed 0 emission and 0 presence of particulate in the atmosphere in our dust extraction systems in production areas.



## CO2 Emission

305-2

Since the consumption of electrical energy is one of the main factors of environmental impact of the operation, the Scope 2 emissions generated in the last two years have been calculated,

Emissions	CO2 metric tons in relation to KWH consumed annually	
	2019	2020
Scope 2 Emissions	4.400.000 kw/h	4.690.000 kw/h
Indirect emission due to the electric energy consumption generated by 3rd parties.	3.118	3.324

## GHG Emission intensity

305-4



0.1155 grams  
x billed USD



0.1112 grams  
x billed USD



## Water and effluents

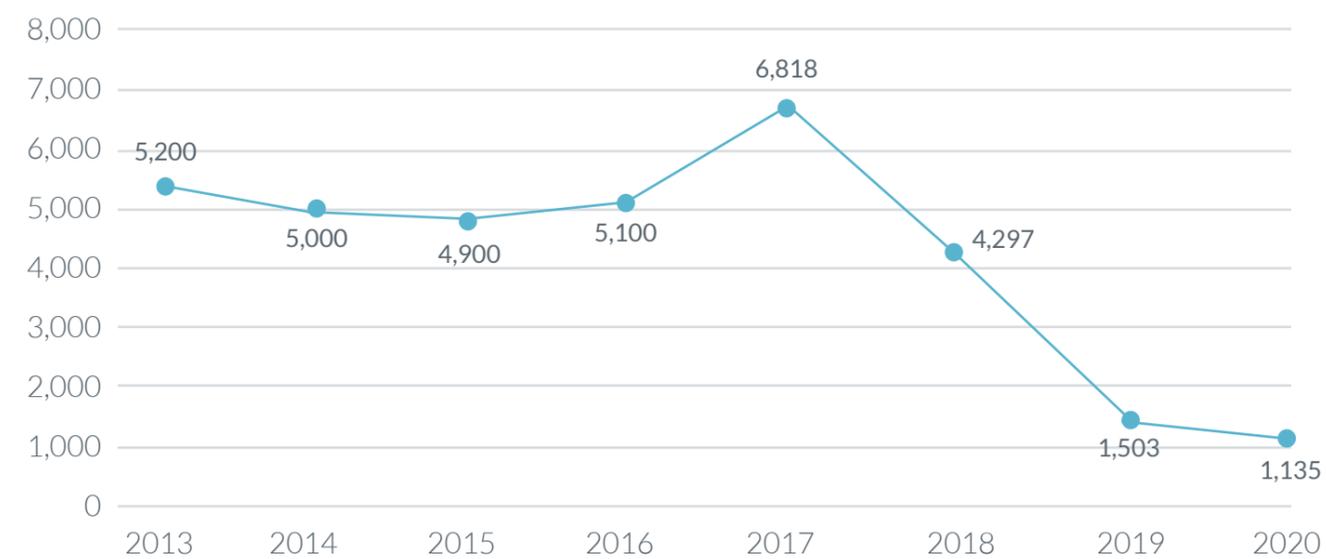
103-1; 103-2; 103-3; 303-1; 303-2; 303-3; 303-4; 303-5

Water is used in industrial processes and for personal use.

The water used comes from a borehole on the property (underground water) and from the local household network.

Year	m3 (Consumed)	Manufactured EU
2018	4,297	6,214,703
2019	1,503	2,175,148
2020	1,135	1,642,890

Industrial Complex water consumption (m3)



## New effluent processing plant

Within the framework of adapting our company to decree No. 847/16 regarding the feasibility and / or authorization of discharge of liquid effluents in receiving bodies of the Province of Córdoba, a URS generation process was started, as well as a tender and selection called for bids and selection of the company to carry out the project and execution of a new effluent treatment plant.

In May 2019, a company for such operation was selected and hired, which has vast experience in installing similar plants in the pharmaceutical industry. After the detailed study of our production processes and the analyzes carried out on the industrial liquid effluents generated, the characterization and volumes of the tipping liquid effluent were determined and how they should be treated, and the preliminary engineering process necessary to prepare the descriptive report to be submitted to the competent authority: the Provincial Administration of Water Resources (APRHI) and Environment of the province of Córdoba.

This process included the preliminary engineering and design of the effluent treatment plant after an environmental impact study through analysis of the receiving body and characterization of the water table, environmental management plan and everything related to the elements necessary to present to the competent authority for your approval and request for a rollover permit.

At the end of June 2021, it is expected that the necessary loan will be obtained to finance the investment of the project, the execution of which is estimated in 6 months from its start to the entry into the plant regime.



The treatment capacity of the plant was defined based on the estimated flows:

### Plants I & II

It is estimated that they produce industrial effluents of 50m<sup>3</sup> / day.

### Estimated population

Sewage effluents for a maximum total of 235 people (35 m<sup>3</sup> / day, equivalent to 17.6 kg of COD / day).

### Planta III

It is estimated that industrial effluents of high 50m<sup>3</sup> / day will be produced.

## Business Unit 3

### Environmental aspects of the Production Plant in Spain.

On December 30th, we submitted the preliminary draft of the finished plant before the corresponding authorities. This allowed us to move forward with approval requirement demanded by the European Community.

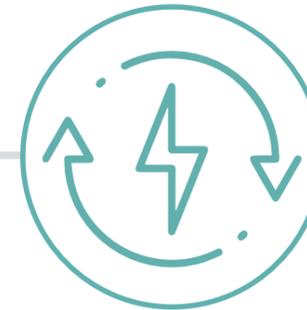
On December 30th, 2020, we submitted the preliminary draft of the finished plant to the corresponding authorities. This enabled us to move forward in the request for the approvals required by the European Community, the one issued by the Spanish Health Authorities AEMPS (Spanish Agency for Medicines and Health Products) and those issued by the León City Council for the construction and environmental authorization based on the environmental impact analysis presented together with the preliminary project.

The main aspects related to environmental impact that have been considered are the control of air quality, energy consumption and industrial effluents.



#### Air quality

Air quality is a highly regulated aspect in the pharmaceutical industry, even more so in this project that requires very pure sterile areas with high level of filtering (90%) of the recirculated air, which translates into energy savings since less external air treatment is needed.



#### Energy consumption, lighting and boilers

The lighting in the building will use LED lamps. The boilers for steam generation will be maintained with the gas provided by the industrial estate where the plant will be located.

The electricity supply project in general is still being analyzed, considering trends in the use of solar panels. However, these could only be used in the office sector and in the canteen, since the production process of sterile production needs much attention and permanent energy. Unable to have interruptions, the plant is 100% dependent on electrical power.



#### Effluent treatment

The project counts with the construction of an effluent treatment plant to be managed in accordance with environmental legislation.



## Participation in the community

We are an active part of the community



Commitment to the SDG



A time to learn in community



Activarse to be where we are needed



## Somos parte activa de la comunidad

102-13

We are members of different organizations with which we actively work and with which we are committed to their causes since we understand that, in this way, we contribute to the community development.



### **YPO (Young President Organization)**

Global web of young business leaders, with approximately 24,000 members in more than 130 countries, who participate, learn and grow through this contact platform.



### **ENDEAVOR**

NGO that seeks to contribute to the country development through the promotion of entrepreneurial culture, identifying high impact business and providing strategic advice for their companies to have a higher market share.



### **Junior Achievement**

International NGO which trains young people for the future work positions, through experienced learning and making their entrepreneurial ideas grow in a way that they assure a better quality of life for them, their families and their communities.



### **Voces Vitales Argentina**

Voces Vitales Argentina is a foundation dedicated to promote women's leadership as a motto for economic, political and social progress of the whole community.



### **Comunidad Empresaria**

Private non-profit organization, composed of a group of businessmen devoted to generating a meeting and debate point about reality.



### **Centro de Medicina Familiar y Comunitaria San Pantaleón**

The Community and Family Medicine Centre, San Pantaleón, is a FM (Family Medicine) Foundation program which considers the patient from a familiar, communitarian and social perspective. Its objective is to improve the health situation of its beneficiaries in Bajo Boulogne (City of Buenos Aires, Argentina) through primary care, highlighting the disease prevention and health promotion and education.

## Commitment to the SDG

Considering mainly our interest in the value creation with the Community, we analyze how we can contribute, from the managerial point of view, to achieve the Sustainable Development Goals (SDG)<sup>3</sup> which we feel we are committed to.



### Sustainable growth and good governance

- Company globalization.
- Industrial Complex in Argentina with 2 Production Plants (Anti-biotics and general solid products, liquid products and soft-gel capsules) and a Quality Laboratory for oncology medicines.
- 25% growth in manufactured units in the Industrial Complex and 13% increase in number of manufactured batches in the last year.
- “BBB+” qualification for Negotiable Obligations.
- Ongoing project of the Manufacturing Plant of high-potency sterile medicines in León (Spain).



3. The SDGs are promoted by the United Nations as a universal call to governments and the private sector to adopt measures -with goals for 2030- to finish with poverty, protect the planet and ensure that all individuals enjoy peace and prosperity. <https://www.undp.org/content/undp/es/home/sustainable-development-goals.html>



## Better working practices

- 238 people employed directly.
- 45% women, 55% men in the total staff.
- 42% women Team Leaders.
- 44% women Coordinators.
- 96% of employees hired for indefinite time.
- 60% of employees appreciated the company's effort during the pandemic (working environment).
- Specific training program for healthcare.
- Covid-19 Prevention Protocol at the Industrial Complex.
- 43% of the total trainees between 2019 and 2020 were women. 13% more than the previous biennial.
- 204 trained employees in 2020 on GMP; 40 hours average per employee.



## Environmental impact mitigation

- Certification of environmental aptitude that identifies us as a company with controlled environmental impact.
- Reduction from 07% to 0,2% in scrap material / total material, which implies a 75% reduction in the costs of the material sent to scrap.
- 100% of the paper purchased is FSC certified and fully recycled.
- 100% of the toner cartridges we consume in the year are remanufactured.
- 100% of the plastic in the offices (glasses, bags, bottles, etc.) is recycled.
- MSW, Polypropylene waste management.
- High efficiency HEPA filters in dust extraction systems for the release into the atmosphere of particulate emissions of active substances.
- Reduction of energy consumption in products.





### Good purchasing practices

- 185 active suppliers (2019/2020).
- 50% of our suppliers are small and medium companies.
- 74% are local suppliers of goods and services. 57% more than the previous biennium.
- 31% of suppliers' expense in the biennial 2019-2020 is composed of local suppliers.



### Excellence & quality: responsibility on the product

- 3 commercial lines
  - Consumer
  - Generic
  - Dermatology
- 43 brands.
- 9 lines of products.
- 1 plant of soft-gel capsules with manufacturing annual capacity for 60 million tons.
- 5 new products in the period 2019-2020.
- Line of special products: 4 for oncology treatment and 3 for hematology.





### Value creation with the community

- 23 projects with the community, in person or virtually, during 2020.
- 62 SAVANT's volunteers.
- 387 volunteering hours.
- Alliance with Voces Vitales to promote women's leadership.



## A time to learn in community

103-1; 103-2; 103-3; 203-1; 203-2; 413-1

Our Corporate Social Responsibility Program reflects the commitment we have with each of our audiences, but mainly with the community that surrounds us and forces us to be responsible through our initiatives.

After a 2019 full of activities, the 2020 pandemic challenged us to continue in our commitments, through home office mode. We learned new tools and resources to stay close to people and present at the events in which we usually participate with pleasure. The joint work and goodwill, that we all knew how to take advantage from, maintained our objectives of impacting society, with the effort of the entire company and its volunteers.

### ActivaRSE

Our key program to promote health and education, continued with much of its activities, reinforcing the commitment to create a more prosperous and sustainable environment.

Although the isolation caused by the pandemic forced many organizations to reduce their activities, we tried to maintain our participation, meeting with the representatives of the institutions to propose alternatives and new actions.

In this way, we were also able to identify the relevance of each project and evaluate its impact on the community near our El Tío Industrial Complex.



All the challenges of 2020 helped to capitalize on learning and adapt to an increasingly digitized and global world, but also to value the links that we have been building all these years and to continue proposing collaborative projects that promote better conditions for society.

## ActivaRSE to be where we are needed

During 2019 the activities that characterize us were developed normally and with good results. In 2020, the isolation necessary due to the pandemic forced us to participate in those actions that could be transferred to the virtual mode.

In both years, we maintained our alliance with the Junior Achievement Foundation and participated in their proposals, as well as we fulfilled our desire to make donations to different institutions that needed our support





Although the number of projects carried out decreased in 2020, all the volunteers remained and the home-office mode allowed us to incorporate members of the company who had not been able to participate in previous years due to the requirement of presence.

ActivaRSE	Total 2017-2018	Total 2019-2020
Total number of projects carried out	34	23
Invested hours	668	387
Number of volunteers	61	62

## We act for the children

Both in Children's Day and on other occasions, our volunteers participate in different actions to accompany the childhood of dozens of children, through the organization of celebrations or collaboration in the painting of a graffiti with children's rights in one of the walls of the Nursery.

Data
23 volunteers + Human Resources
121 invested hours
Addressed to: children of El Tío and employee's children



In 2020 we celebrated Children's Day together, but from our homes, preparing a special event with shows, games and lots of fun to share with the family. In addition, we made a financial contribution for a virtual raffle organized by the Municipality of El Tío, the town where the Industrial Complex is located.

## The importance of health

With various activities ranging from informative talks to a kermes, we seek to make children aware of the importance of health care. We do it in a fun and educational way, to capture their interest.

2019 Data

22 volunteers

22 invested hours

Nursery school, kindergarten, San Pantaleón

Participation in the local Health Festival

We teach about the pathologies that we attack with our medications, about oral health and nutrition. When the activity is face-to-face, we give each child a gift related to the topic at hand.



## Educating for work

Attentive to the need of young people and adults to prepare for the world of work, we carry out various trainings, either in a company or starting their own business. We work with both Junior Achievement and C.E.N.M.A. N° 60 Annex of the town of El Tío.

In 2019, we carried out an Internship for 6th year students (Chemical Technicians) in which four students were able to approach the tasks of the Industrial Complex Laboratory.

Meanwhile, in 2020, we dictated with Junior Achievement the following programs, virtually:

### Day of personal development

We seek to empower students so that they feel active subjects in the process of creating their lives.

### Innovation challenge

Exposing students to unknown problems, so that they can devise, validate and present alternative solutions.

### Interview workshop

We share basic notions about types of interviews, dynamics, expectations, in order to dispel myths.

Data
15 volunteers
133 invested hours
Addressed to: primary and secondary school students





## Welcome to our company

In 2019 we continued with the visits of students of different educational levels both to the Industrial Complex and to El Tío Laboratory. These visits had the participation of our volunteers, who planned the guided tours and extra activities such as children's shows for the little ones.

This activity could not be carried out in 2020, taking care of the protocols for Covid-19.

### 2019 Data

10 volunteers

27 invested hours

Addressed to: kindergarten, primary and secondary school students

## Empowering female leaders

As every year, we join the actions proposed by the Vital Voices Foundation, in which the leaders of each company and the rest of the collaborators are encouraged to participate in talks and meetings with other women to share experiences and learnings.

The adaptation to home-office mode due to the 2020 pandemic allowed us to cross physical limits, to achieve a greater impact and allow more women in our company to be part of these events



Data
21 leaders
84 invested hours
Addressed to: female leaders

## Supplies

Not even the pandemic stops solidarity

In 2019 we continue to make the traditional donations of medicines to the institutions of El Tío that we have supported for a long time, highlighting among them the one made to the local Kindergarten in order to set up their own pharmacy with the delivery of medicines for the whole year.

In 2020 the needs changed and so did our response. We helped different sectors to prepare for what occurred, both for health care and to promote education in children, with the supplies and equipment for the continuity of their studies.



Alcohol gel at the Municipal Dispensary  
José V. Poncini – El Tío



Supplies for the manufacture of alcohol gel  
– Municipality El Tío - Córdoba

## Medicines



Dr. C J. Rodríguez Hospital – Arroyito  
Community and Family Medicine Centre  
Pantaleón - Buenos Aires  
Municipal Dispensary José V. Poncini – El Tío

## laptops & mobile phones



Primary School student  
Esc. Jose Maria Paz



Primary school student  
Escuela José María Paz



Football Sub-Commission,  
El Trébol

## Health Day

In a special year, we decided to celebrate this day with different online chats providing information about different topics, we delivered presents to our employees and a participation certificate.



### Healthy Food

Dr. Daniela Bertolotti  
Tuesday 09/22 - 15hs



### Mental & Emotional Health

Lic. Rossana Speranza  
Wednesday 09/23 - 10hs



### Personal Finance

Lic. Julieta Caminetsky  
Thursday 09/24 - 10am



### Efective Time Management

Lic. Julieta Pantarotto  
Friday 09/25 - 15hs





## Economic data

2019 & 2020 Economic-financial performance >

Economic Value Generated & Distributed (EVGD) >

The information provided in this chapter corresponds to the sixth financial year of Savant Pharm S.A closed on December 31, 2020. VIRIXENE and VIVUNT have not yet closed their first financial year since their creation dates from the second semester of 2020.

## 2019 & 2020 Economic-financial performance

103-1; 103-2; 103-3; 102-7

2019 was a very complex year, marked by post-midterm political and economic instability. The Argentine economy continued in decline, registering an annual recession of 3.8%, inflation increased and there was a strong devaluation.

The increase in the dollar made it difficult for us both in supply, since most of our materials are dollarized, as well as in our commercial debts, which increased at the rate of the dollar by 50 to 60%. We had to do a strong internal team work, and a restructuring of our commitments, reduce payment terms to improve our financial position.

Despite the recession, the main milestone of 2019 for the company was the change of the model and the maturity that was acquired in financial management. Also due to the devaluation and difficulties in accessing long-term credits, it was decided to seek a new location for the oncology plant initially projected for Argentina.

### Economic & Financial Aspects 2019 <sup>4</sup>

- The result for fiscal year 2019 shows a loss of \$ 97,479,000, with a positive operating result of \$ 142,525 but mainly affected by the Financial Cost of \$ 317,199,000 due to high interest rates.
- Sales for fiscal year 2019 were \$ 1,918,331.
- Analyzing the Statement of Financial Position, it appears that the Current Liquidity is 1.2.
- Assets had a decrease of \$ 197,713,000 mainly explained by Current Assets (Inventories).
- Liabilities decreased by \$ 100,234,000 mainly originated by Current Liabilities (trade accounts payable and other accounts payable).

4. Data extracted from the 2019 Annual Report and Balance Sheet.

For its part, 2020 has been a complex year, both due to macroeconomic conditions, with strong volatility in its main variables, as well as social, political and health aspects at the national and international level.

The decrease in Argentina's gross product (GDP) was around 10%. Inflation, 36%. The exchange rate increased 41% compared to the previous year and the interest rate was in the order of 29 to 41%. The prospects for recovery are not in sight and the recovery projected for 2021 is between 4 and 5%. The economic activity of the national pharmaceutical industry has been stable, due to being essential for society and has sustained a solid level of activity during the pandemic.

On March 11, 2020, the WHO declares the Covid-19 virus pandemic, which was followed by containment and mitigation measures adopted by the National Government that decreed the health emergency and preventive social actions.

Within the framework of the generalized temporary interruption of economic activity, we implemented a protocol



that establishes the working conditions to operate in strict compliance with the public health regulations legislated by national and provincial authorities, in order to take care of the health of employees, clients and suppliers.

Despite the situation described, we have not interrupted at any time the operation of the production, distribution and sale of their products, not only due to the essential nature of the activity we carry out, but also because of the great dedication of all the parties involved in the operational development.

### Economic & Financial Aspects<sup>5</sup>

- The result for the year 2020 expressed in thousands of Argentine pesos shows a Profit of \$ 9,348.
- Positive income before income tax of \$ 119,059 affected by the financial cost of \$ 331,401 due to high interest rates.
- Sales \$ 2,542,706.
- Current liquidity 1.14.
- Assets had a decrease of \$ 166,415 explained by Non-Current Assets.
- Liabilities had a decrease of \$ 175,763 mainly originated by Current Liabilities.

5. Data extracted from the 2020 Report and Balance Sheet.

## Perspectives

Given the scenario of evolution of the financial and economic situation at the global level and especially at the country level, we hope to go through the year 2021 focused and accentuating the usual premises to maximize efficiency in working capital and expenses, maintain the Liquidity and solvency achieved, betting firmly on the positioning of our brands, which will allow to improve, period after period, the quality of its results and therefore execute the necessary projects to continue growing.



## Economic Value Generated & Distributed (EVGD)

201-1

Information on the creation and distribution of economic value indicates basically how an organization has generated wealth for stakeholders.

When presented at the national level, the EVGD also provides a useful representation of the direct monetary value added to local economies.

### Economic value generated & distributed table

Values expressed in constant currency as per RG CNV 777/18  
Thousands of Argentine Pesos  
Data extracted from the Certified Complete Annual Balance Sheet

Recitals	Data	2019	2020
<b>Direct economic value generated</b>			
a) Income	Sales	2.608.990	2.542.706
Total, income		2.608.990	2.542.706
<b>Economic value distributed</b>			
	Sale's costs	1.175.897	1.265.581
	Innovation	16.117	17.982
b) Operation costs	Operation exp.	201.091	271.928
	Exports exp.	3.402	4.862
	Marketing exp.	243.063	196.334



Recitals	Data	2019	2020
Economic value distributed			
c) Employees' salaries & social benefits	Salaries, Prepaid Medicine, Insurance, Retirement & Benefits	740.541	544.928
d) Capital payment to suppliers	Interests	369.564	180.428
e) Tax payment	National, Province & Local taxes	60.865	63.675
f) Investment in the community	External Activarse	1.013	924
Total, economic value distributed		2.811.554	2.546.642
Economic value withheld			
		202.564	2.546.642
"Direct economic value generated, minus the economic value distributed".			



# NEXUS: GRI table of contents

102-55

## General basic contents

### 102 - 2016 General Contents

#### GRI Standard

#### Page | Direct answer | Information link

#### Organization profile

CORPORATE GROUP VIRIXENE LLC  
 Wilmington, DE 19801 - EEUU  
<https://virixene.com/>

#### 102-1 Name of the organization

Affiliated companies:  
 VIVUNT PHARMA SLU  
 Complejo Industrial Polígono Industrial V8  
 24392, León - España  
<https://vivunt.live/>

SAVANT PHARM S.A.  
 Administration & Industrial Complex  
 Ruta 19 km 204 El Tío, Córdoba - Argentina  
 (+54) 3576 491 346  
<https://www.savant.com.ar/>

#### 102 -2 Activities, brands, products and services

Pp. 19 to 25; 27 to 44

#### 102 -3 Headquarters' location

Wilmington, DE 19801 - EEUU

## 102 – 2016 General Contents

## GRI Standard

## Page | Direct answer | Information link

## Organization profile

102 -4 Operations' location

Pp. 19 to 25

102 -5 Property nature and legal form

VIRIXENE es una LLC (Limited Liability Company)  
Sociedad de Responsabilidad Limitada.

102 -6 Target markets

Pp. 12 to 13; 19 to 25

102 -7 Organization size

Pp. 49 to 51; 58 to 59; 110 to 112

102 -8 Information about employees and other workers

Pp. 58 to 59

102 -9 Supply Chain

Pp. 69 to 70; 73 to 74

102 -10 Significant changes in the organization and its supply chain

Pp. 9 to 13

102 -11 Precaution principle or approach

See information in the Environmental Impact Mitigation chapter.

102 -12 External initiatives

We have not subscribed to this kind of initiatives.

102 -13 Membership in associations

Pp. 93 to 94

## 102 – 2016 General Contents

## GRI Standard

## Page | Direct answer | Information link

## Strategy

102-14 Statement from senior decision-makers

Pp. 2

102-15 Main opportunities, risks and impact

Pp. 12 to 13; 72

## Ethics &amp; integrity

102-16 Conduct rules, standards, principles &amp; values

Pp. 13; 18

102-17 Advisory mechanisms &amp; ethical concerns

Pp. 18

## Governance

102-18 Governance structure

Pp. 14 to 16

## Stakeholders' participation

102-40 Stakeholders' list

Pp. 5 to 7

102-41 Collective bargaining agreements

Pp. 58

## 102 – 2016 General Contents

## GRI Standard

## Page | Direct answer | Information link

## Stakeholders' participation

102-42 Stakeholders identification and selection

Pp. 5 to 7

Our stakeholders are all those with whom we maintain formal relationships and specific responsibilities such as our employees and the regulatory bodies of our activity. Besides, we include the community where we develop our production activity and very specially our clients and suppliers.

102-43 Enfoque para la participación de los grupos de interés

Pp. 36 to 37; 65; 69 to 70

102-44 Temas y preocupaciones clave mencionados

Pp. 5 to 7

The subjects approached provide answers to the information expectations of the main groups to which we are related. They are extracted from the internal analysis we perform on the information that is communicated to the office through the formal channels established with each of them.

## Practices for report preparation

102-45 Entities included in the consolidated financial statements

The Consolidated Financial Statements include Savant Pharm as of December 31st, 2020.

102-46 Report's contents and scope of the issue

Pp. 5 to 7

The material management issues refer to the expectations of the public, the internal analysis of the main impact of the activities inside and outside the company, those considered as material issues by the GRI and those specific or specific to the business activity that complements the GRI standards, considering the particularities of the pharmaceutical sector and the economic, social and health context in which we operate.

## 102 – 2016 General Contents

## GRI Standard

## Page | Direct answer | Information link

## Practices for report preparation

102-47 List of material issues

Pp. 5 to 7

102-48 Re-expression of information

This is the first VIRIXENE's report.

102-49 Changes in the report's issuance

We are applying standards GRI 2016 and their updates.

102-51 Date of last report

6/3/2019.

102-52 Reports' issuance cycle

Every two years

102-53 Contact persons for queries

[dbattistella@virixene.com](mailto:dbattistella@virixene.com)  
[capitalhumano@savant.com.ar](mailto:capitalhumano@savant.com.ar)

102-54 Declaration of preparation of reports in accordance with GRI standards

Pp. 5 to 7

102-55 GRI Contents Index

Annex 1.

102 – 2016 General Contents

**GRI Standard**

**Page | Direct answer | Information link**

Practices for report preparation

102-56 External verification

The data contained in the report is guaranteed by the company and extracted from the records, systems, internal audits and environmental reports. The economic data is extracted from the audited Financial Statements submitted before the Argentine National Commission Value (CNV).  
<https://www.argentina.gob.ar/cnv>

Subject contents

**GRI Standard**

**Gri 200 Economic**

**Page | Direct answer | Information link**

**Omission**

201 – Economic Performance 2016

103-1 Explanation of the material issue and its limitations

Pp. 12; 46; 110 to 112

103-2 Components and management approach

Pp. 17; 46; 110 to 112

103-3 Management Approach Evaluation

Pp. 17; 110 to 112

201-1 Direct Economic Value Generated & Distributed

Pp. 113 to 114

GRI Standard	Page   Direct answer   Information link	Omission
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## 201 – Economic Performance 2016

201-2 Financial implications and other risks & opportunities derived from climate change.

It is not a material issue at the moment of preparing the report.

201-3 Obligations of the plan of benefits defined and other retirement plans

Pp. 66

Social Security Expense	2019	2020
Prepaid Medicine	\$11.319.704	\$12.236.465
Risk Insurance Management (ART)	\$3.348.934	\$3.469.601
Life Insurance Osde Binaria Legal extra	-	\$255.366
<b>Total</b>	<b>\$14.668.637</b>	<b>\$15.961.432</b>

201-4 Financial support provided by the government

We are exempt from the payment of Turnover Tax and Stamp Tax, in the Province of Córdoba.

## 202 – Market share 2016

103-1 Explanation of the material issue and its limitations

Pp. 64

103-2 Components and management approach

Pp. 64

103-3 Management Approach Evaluation

Pp. 64

GRI Standard	Page   Direct answer   Information link	Omission
<b>202 – Market share 2016</b>		
202-1 Ratio of salary of standard initial category by sex vs. the local minimum salary.	Los salarios de convenio se encuentran por encima del SMVM. En Sanidad representan más del 100% y en tanto en APM's como en Viajantes de Comercio la diferencia es superior al 300%.	
202-2 Proportion of high executive positions hired from the local community	100% de los altos ejecutivos de las 3 Unidades de Negocio son argentinos.	
<b>203 – Indirect economic impact 2016</b>		
103-1 Explanation of the material issue and its limitations	Pp. 99 to 108	
103-2 Components and management approach	Pp. 99 to 108	
103-3 Management Approach Evaluation	Pp. 99 to 108	
203-1 Investment in infrastructure and services.	Pp. 99 to 108	
203-2 Significant indirect economic impact	Pp. 99 to 108	

GRI Standard	Page   Direct answer   Information link	Omission
<b>204 – Procurement Practices 2016</b>		
103-1 Explanation of the material issue and its limitations	Pp. 69 to 70	
103-2 Components and management approach	Pp. 69 to 70	
103-3 Management Approach Evaluation	Pp. 69 to 70	
204-1 Proportion of local suppliers' expense	Pp. 75	
<b>205 – Anti-corruption 2016</b>		
103-1 Explanation of the material issue and its limitations	We reject any type of act of corruption. Giving or receiving bribes is illegal, highly unethical, and can lead to serious consequences for everyone involved, including deprivation of liberty and heavy fines for the company.	
103-2 Components and management approach	We are committed to conducting our operations in a transparent and comprehensive manner, so all our transactions must comply with anti-corruption laws, including the requirements to maintain complete, accurate and truthful accounting books and records.	

GRI Standard	Page   Direct answer   Information link		Omission
Gri 200 Economic			
205 - Anticorrupción 2016			
103-2 Components and management approach	<p>We cannot do indirectly what we are not authorized to do directly. Therefore, we must not use intermediaries or third parties for them to make inappropriate payments. Ignorance is not a sufficient excuse to violate anti-corruption laws.</p> <p>Before dealing with third parties or intermediaries, we must ensure their good reputation and their willingness to comply with the provisions of our Code of Ethics.</p>		
103-3 Management Approach Evaluation	<p>All forms of bribery are unethical and illegal. We investigate any allegations of corruption and take disciplinary action, and, where appropriate, legal consequences against those involved.</p>		
205-1 Operations evaluated for risks related to corruption	<p>Frequent audits are performed.</p>		
205-2 Policy communication and training and anti-corruption procedures	<p>Pp. 69 to 70</p> <p>Our employees know and adhere to the Code of Ethics. Human Resources supports its dissemination and compliance. Our suppliers must know and adhere to the Code of Ethics and behave in accordance with the declared values and principles.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
Gri 200 Economic			
205 – Anti-corruption 2016			
205-3 Confirmed corruption cases and measures taken	None.		
206 - Dumping 2016			
103-1 Explanation of the material issue and its limitations	<p>The Code of Ethics constitutes the cornerstone of the company’s way of acting and culture, without neglecting the identity of each of the Business Units and of each of the countries where we are present. This is not only to guarantee that the activities we carry out strictly adhere to the laws of the countries where we are present, but also to ensure the application of the highest standards and principles of corporate social responsibility.</p>		
103-2 Components and management approach	<p>The Code of Ethics formalizes the guidelines to be followed in a wide range of business situations and procedures. It sets out the key principles that serve as a guide for the Company’s operations within it and in its relationship with its competitors.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
Gri 200 Economic			
206 - Dumping 2016			
103-3 Management Approach Evaluation	<p>We seek that the promotions and sales arguments we use be free from false information regarding the availability, delivery date or quality of our products, as well as the terms of sale, including payment. We offer our products in an honest and precise manner. The use of deceptive or dishonest practices is a violation of our Code of Ethics.</p>		
206-1 Legal actions related to unfair competition, monopolistic practices and against free competition	<p>None during the report's period.</p>		
207 - Taxation 2019			
Management approach			
103-1 Explanation of the material issue and its limitations	<p>We comply with taxation regulations of a tax and legal nature, in a timely manner. We have the advice of a consultancy specialized in tax regulations, in order to be attentive to the fulfillment of our tax obligations and the changes that may arise.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
Gri 200 Economic			
207 - Taxation 2019			
103-2 Components and management approach	<p>The Board of Directors and the Shareholders´ Meeting are in charge of reviewing and approving the fiscal strategy. The Administration and Finance Management is responsible for complying with the established terms and forms. Our tax advisors keep us updated with changes in current laws. In this way, we avoid tasks risks that could arise.</p>		
103-3 Management Approach Evaluation	<p>Our external auditors control the Financial Statements quarterly and annually. At present, we do not have records of non-compliance in tax matters and this is verifiable in the published balance sheets that can be accessed from the website of the Argentine National Securities Commission.  <a href="https://www.argentina.gob.ar/cnv">https://www.argentina.gob.ar/cnv</a></p>		
207-1 Tax approach	<p>Tax advisors send notifications on a daily basis to keep us updated and comply with the law.</p>		
207-2 Tax governance, risk management & control	<p>During the process of assembling our balance sheets, quarterly and annually, the external auditors verify the fiscal processes and then dump the information in the respective balance sheets.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
<b>Gri 200 Economic</b>			
207 - Taxation 2019			
207-3 Stakeholder participation and management of tax concerns	Our annual and quarterly Financial Statements are available on the website of the Argentine National Securities Commission for shareholders, subscribers of Negotiable Obligations and the general public interested in the economic and fiscal development of the company. See: <a href="https://www.argentina.gob.ar/cnv">https://www.argentina.gob.ar/cnv</a>		
Subject contents			
207-4 Report submission per country	See Savant Pharm's Financial Statements at <a href="https://www.argentina.gob.ar/cnv">https://www.argentina.gob.ar/cnv</a>		
GRI Standard	Page   Direct answer   Information link		Omission
<b>GRI 300: Environmental</b>			
301 – Materials 2016			
103-1 Explanation of the material issue and its limitations	Pp. 77 to 78; 82 to 83		

GRI Standard	Page   Direct answer   Information link	Omission
<b>301 – Materials 2016</b>		
103-2 Components and management approach	Pp. 77 to 78; 82 to 83	
103-3 Management Approach Evaluation	Pp. 78; 82 to 83	
301-1 Materials used per weight or volume	Pp. 82 to 83	
301-2 Recycled supplies used	In the Pharmaceutical industry it is not possible to reuse valued materials given the possibility of product contamination.	
301-3 Re-used products and packing materials	In the Pharmaceutical industry it is not possible to reuse valued materials given the possibility of product contamination.	
<b>302-1 Energy</b>		
103-1 Explanation of the material issue and its limitations	Pp. 77 to 79; 81	
103-2 Components and management approach	Pp. 77 to 78; 80 to 81	
103-3 Management Approach Evaluation	Pp. 78; 80 to 81	

GRI Standard	Page   Direct answer   Information link	Omission
<b>GRI 300: Environmental</b>		
<b>302-1 Energy</b>		
302-1 Energy consumption inside the organization	Pp. 81	
302-2 Energy consumption outside the organization		At present, there is no record of third parties' consumption
302-3 Energy intensity	Pp. 82	
302-4 Energy consumption reduction	Pp. 81	
302-5 Energy requirements reduction of products and services	Pp. 80	
<b>303 – Water &amp; Effluents 2018</b>		
<b>Management approach</b>		
103-1 Explanation of the material issue and its limitations	Pp. 77 to 78; 89 to 90	
103-2 Components and management approach	Pp. 77 to 78; 89 to 90	

GRI Standard	Page   Direct answer   Information link	Omission
<b>303 – Water &amp; Effluents 2018</b>		
103-3 Management Approach Evaluation	Pp. 78; 89 to 90	
303-1 Interaction with water, as a shared resource	Pp. 89 to 90	
303-2 Management of impacts related to water discharges	Pp. 89 to 90	
<b>Subject contents</b>		
303-3 Water extraction	Pp. 89 to 90	
303-4 Water discharge	Pp. 89 to 90	
303-5 Water consumption	Pp. 89 to 90	
<b>305 - Emissions 2016</b>		
103-1 Explanation of the material issue and its limitations	Pp. 77 to 78; 87	
103-2 Components and management approach	Pp. 77 to 78; 87	

GRI Standard	Page   Direct answer   Information link		Omission
305 - Emissions 2016			
103-3 Management Approach Evaluation	Pp. 78; 87		
305-1 GHG direct emission (scope 1)	They are not significant since there are no gas consumption elements, such as boilers.		Other emissions are not measured yet. Scope 1
305-2 GHG indirect emission when generating energy (scope 2)	Pp. 88		
305-3 Other GHG indirect emissions (scope 3)			Not measured yet.
305-4 Intensity of GHG emissions	Pp. 88		
305-5 Reduction of GHG emissions	Not applicable since this is the first year in which Scope 2 Emissions are informed.		
305-6 Emissions of ozone depleting substances (ODS)	Not relevant.		
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions.	Not relevant.		

GRI Standard	Page   Direct answer   Information link	Omission
<b>306 - Waste 2020</b>		
<b>Management approach</b>		
103-1 Explanation of the material issue and its limitations	Pp. 77 to 78; 84 to 86	
103-2 Components and management approach	Pp. 77 to 78; 84 to 86	
103-3 Management Approach Evaluation	Pp. 78; 84 to 86	
306-1 Waste generation and significant impact related to waste	Pp. 84 to 86	
306-2 Management of significant impact related to waste	Pp. 84 to 86	
<b>Subject contents</b>		
306-3 Waste generated	Pp. 84 to 86	
306-4 Waste not destined for disposal	Pp. 84 to 86	
306-5 Waste destined for disposal	Pp. 84 to 86	

GRI Standard	Page   Direct answer   Information link	Omission
<b>307 – Environmental compliance 2016</b>		
103-1 Explanation of the material issue and its limitations	Pp. 77 to 78	
103-2 Components and management approach	Pp. 77 to 78	
103-3 Management Approach Evaluation	Pp. 78	
307-1 Non-compliance of the environmental regulations and laws.	No fine in the last four years.	
<b>308 - 2016 Supplier environmental evaluation</b>		
103-1 Explanation of the material issue and its limitations	Pp. 71; 77 to 78	
103-2 Components and management approach	Pp. 77 to 78	
103-3 Management Approach Evaluation	Pp. 78	
308-1 New suppliers who have passed the evaluation and selection filters in accordance with the environmental criteria	Pp. 71	

GRI Standard	Page   Direct answer   Information link	Omission
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308 - 2016 Supplier environmental evaluation

308-2 Negative environmental impact in the supply chain and measures taken

Not measured yet.

GRI Standard	Page   Direct answer   Information link	Omission
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401 – 2016 Employment

103-1 Explanation of the material issue and its limitations

Pp. 57 to 59; 64 to 65

103-2 Components and management approach

Pp. 57 to 59; 64 to 65

103-3 Management Approach Evaluation

Pp. 58; 64

GRI Standard

GRI 400 Social

Page | Direct answer | Information link

Omission

401 – 2016 Employment

401-1 Employees' new recruitments & staff turnover

New recruitments	2019		2020	
	M	W	M	W
18 to 30 years old	3	4	4	3
31 to 50 years old	11	10	4	6
More than 50	4	0	3	2
Total	18	14	11	11
<b>Per country</b>				
Argentina	18	12	8	9
Paraguay	0	0	1	1
Bolivia	0	2	1	0
Uruguay	0	0	1	1
<b>New recruitments rate</b>	<b>18%</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>
Volunteers (voluntary staff turnover)	0	0	10,64	11,38
Non-volunteers (involuntary staff turnover)	10,32	10,97	6,72	7,19

GRI Standard	Page   Direct answer   Information link	Omission
<b>401 – 2016 Employment</b>		
401-2 Benefits for full-time employees not granted to those who are part-time or temporary employees	Pp. 66	
401-3 Parental leave	100% of the employees who became parents were granted the parental leave. 100% of those having enjoyed said benefit last year, continued working for the company.	
<b>402 – Employee-employer relationship 2016</b>		
103-1 Explanation of the material issue and its limitations	Pp. 57 to 59; 64 to 65	
103-2 Components and management approach	Pp. 57 to 59; 64 to 65	
103-3 Management Approach Evaluation	Pp. 58	
402-1 Minimum notice periods on operational changes.	We respect the Labor Contract Law in reference to the notice stipulated in the terminations.	

GRI Standard	Page   Direct answer   Information link		Omission
403 – Health & Safety at work 2018			
<b>Management approach</b>			
103-1 Explanation of the material issue and its limitations	Pp. 46; 60 to 63		
103-2 Components and management approach	Pp. 46; 60 to 63		
103-3 Management Approach Evaluation	Pp. 60 to 63		
403-1 Management system on Health & Safety at work	Pp. 60 to 63		

403-2 Hazards identification, risk evaluation and incident investigation.

Page 60 to 63

For the identification and evaluation of occupational risks, we work through a systematic procedure in each of the jobs that allows us to identify the most significant risks, analyze preventive and corrective measures together with our employees. This procedure works as a continuous system of permanent feedback.

Risk management is carried out in each area and with the participation of all the personnel that make it up. Tasks are carried out in an integral way with the premise of educating and maintaining a culture of safety, creating work environment according to the employees.

GRI Standard	Page   Direct answer   Information link		Omission
GRI 400 Social			
403 – Health & Safety at work 2018			
403-2 Hazards identification, risk evaluation and incident investigation.	The main types of workplace injuries are cutting and particle projection.		
403-3 Health Services at work	Pp. 60 to 63		
403-4 Employees’ participation, queries & communication about health & safety at work	Pp. 60 to 63		
403-5 Employees’ training on health & safety at work	Pp. 60 to 63		
403-6 Promotion of workers’ health	Pp. 60 to 63		
403-7 Prevention & mitigation of impact on health and safety of workers directly linked to business relationships	The outsourced workers of the Industrial Complex (4% of the total in 2020) must be covered by health insurance and work risks, to work in the facilities. Their contractors must submit to the administration the compliance with the social security and health coverage of their workers, each time they enter the Industrial Complex.		

GRI Standard

GRI 400 Social

Page | Direct answer | Information link

Omission

403 – Health & Safety at work 2018

Subject contents

403-8 Occupational health & safety management system coverage

Pp.61

We do not have areas with high accident rates and the accidents that occur are minor. Even so, the procedure in case of occurrence is as follows:

- It is reported in the place of the same HSE personnel and the area involved.
- The variables involved are analyzed in detail.
- If necessary, other interviews or studies are carried out in order to determine the causes.
- Preventive measures are presented.
- Definitive corrective measures are presented and implemented.

403-9 Injuries for work-related accidents

The number of injuries due to work-related accidents with great consequences (excluding fatalities) has been zero during 2019 and 2020.

GRI Standard	Page   Direct answer   Information link		Omission
403 – Health & Safety at work 2018			
403-10 Occupational ailments & diseases	<p>The main types of occupational ailments and diseases are low back pain, hernias in the part of the spine. The number of recordable cases of occupational ailments and diseases has been zero during 2019 and 2020.</p>		
404 – Training & teaching 2016			
103-1 Explanation of the material issue and its limitations	Pp. 67		
103-2 Components and management approach	Pp. 67		
103-3 Management Approach Evaluation	Pp. 65;67		
404-1 Training hours annual average per employee	Pp. 67		
404-2 Programs to improve employee skills and transition assistance programs	<p>Pp. 67 The training programs are aimed at training for the development of the position and compliance with the Good Manufacturing Practices protocols. Employability or retirement assistance programs are not yet in place.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
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404 – Training & teaching 2016

404-2 Programs to improve employee skills and transition assistance programs

What has been done is to work hard on tools that enhance the communication space between employees, for example Zoom talks (about Finance, emotional state, anxiety) to also help with everything that is being experienced due to the pandemic.

404-3 Percentage of employees receiving regular performance and career development reviews.

In 2020, the Performance Management Cycle went into review in order to adapt it to the new working conditions, seeking to achieve the following objectives: Continuously develop the competencies, skills and cultural aspects to improve the performance of the employees. Generate a model for the Performance Management Cycle process to be carried out continuously and systematically to help leaders on very specific issues that they consider.

With respect to the employee: consider their opportunities for improvement, provided in the feedback to self-implement them in order to develop continuously. Regarding the leader: analyze and select employees who require their participation in a special accompaniment of those aspects to improve that help in their development.

The new system is expected to be implemented by 2021 to then resume performance evaluation and professional development.

GRI Standard	Page   Direct answer   Information link		Omission
405 – Diversity and equal opportunities 2016			
103-1 Explanation of the material issue and its limitations	<p>The recruitment, selection and hiring of personnel is based on the capacity, professional experience and level of identification that candidates have with the values and leadership competencies of the company. This process is carried out with respect and without creating false expectations in the candidates.</p>		
103-2 Components and management approach	<p>The Human Resources Management is responsible for ensuring the principles and values contained in the Code of Ethics regarding equal opportunities and non-discrimination.</p>		
103-3 Management Approach Evaluation	<p>The implementation of the Ethics Line is one of the channels made available to receive non-conformities to the Code of Ethics.</p>		
405-1 Employees & Governance organs diversity	Pp. 58 a 59		
405-2 Ratio of base salary ad remuneration of women compared to men	<p>There are no differences in wages between men and women. Wages are set by job category regardless of the worker’s gender.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
GRI 400 Social			
406 - No discrimination 2016			
103-1 Explanation of the material issue and its limitations	El Código de Ética expresa el respeto absoluto por las diferencias y opiniones de los demás, con la consecuente prohibición de todo tipo de acoso y discriminación por género, edad u origen de nacimiento.		
103-2 Components and management approach	The recruitment, selection, hiring of personnel and promotions are based on the capacity, professional experience and level of identification that candidates have with the values and leadership competencies of the company.		
103-3 Management Approach Evaluation	The implementation of the Ethics Line is one of the channels made available to receive non-conformities to the Code of Ethics.		
406-1 Cases of discrimination and corrective actions taken	There is no record of cases in the last two years considered for this report.		

GRI Standard	Page   Direct answer   Information link		Omission
GRI 400 Social			
407 – Freedom of association and collective bargaining 2016			
103-1 Explanation of the material issue and its limitations	We respect the fulfillment of fundamental rights. We comply with applicable labor laws and regulations.		
103-2 Components and management approach	The Human Resources Management is in charge of ensuring the principles and values contained in the Code of Ethics regarding human and labor rights.		
103-3 Management Approach Evaluation	The implementation of the Ethics Line is one of the channels made available to receive non-conformities to the Code of Ethics.		
407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	In the company, there is no such a risk since it complies with labor laws. Within Supply Chain, the respect to said right is not assessed yet.		

GRI Standard	Page   Direct answer   Information link		Omission
GRI 400 Social			
408 – Child labor 2016			
103-1 Explanation of the material issue and its limitations	<p>The respect and protection of Human Rights and Labor is expressed in our Code of Ethics; therefore, we are against child labor in all its forms.</p>		
103-2 Components and management approach	<p>Child labor is not allowed in the company regardless of the country where it operates, following the guidelines, following the guidelines on respect for human rights expressed in the Code of Ethics. There are clear guidelines regarding the search and selection of personnel that respects compliance with the legislation regarding the age of entry to the labor market. In addition, we promote among our suppliers' compliance with its principles, and we recommend that they carry out their activities within the framework of the laws in force to comply with the protection of labor rights and the prohibition of the work of children and adolescents.</p>		
103-3 Management Approach Evaluation	<p>In the company, each employee has a file that corroborates the hiring criteria that were stipulated regarding age. With respect to suppliers in Argentina, since 2018 we have been working with a Pre-Audit Questionnaire for the Approval and Qualification of Suppliers that includes, among others, the Selection, Competencies and Training of personnel.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
GRI 400 Social			
408 – Child labor 2016			
408-1 Operations and suppliers with significant risk of cases of child labor	Between 2019 and 2020, we evaluated 20% of local critical suppliers, following the criteria of the Pre-Audit Questionnaire for the Approval and Qualification of Suppliers.		
409 -Forced or compulsory labor 2016			
103-1 Explanation of the material issue and its limitations	Respect and protection of Labor Rights and adherence to the law is expressed in our Code of Ethics, therefore, we are against forced of slave labor in all its forms.		
103-2 Components and management approach	Informal and/or forced labor is not allowed in the company regardless of the country where it operates, following the guidelines on respect for the law expressed in the Code of Ethics. There are clear guidelines regarding the search and selection of personnel that respects compliance with the legislation. In addition, we promote among our supplier’s compliance with its principles, and we recommend that they carry out their activities within the framework of current laws to comply with the protection of labor rights.		

GRI Standard	Page   Direct answer   Information link		Omission
GRI 400 Social			
409 -Forced or compulsory labor 2016			
103-3 Management Approach Evaluation	<p>The company contains the files of each employee that corroborates the hiring criteria. With respect to suppliers, since 2018, we have a Pre-Audit questionnaire for the Approval and Qualification of Suppliers that includes, among others, the Selection, Competencies and Training of personnel.</p>		
409-1 Operations and suppliers with significant risk of cases of forced or compulsory labor	<p>Between 2019 and 2020, we evaluated 20% of local critical suppliers, following the criteria of the Pre-Audit Questionnaire for the Approval and Qualification of Suppliers.</p>		
412 – Human Rights assessment 2016			
103-1 Explanation of the material issue and its limitations	<p>Respect and protection of Human Rights is expressed in the Code of Ethics.</p>		
103-2 Components and management approach	<p>Training and instructions are provided in the induction on the content of the Code and it is required to adhere to the declaration of principles that includes the respect and protection of human rights.</p>		
103-3 Management Approach Evaluation	<p>Confidential Ethics Line available for employees.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
<b>412 – Human Rights assessment 2016</b>			
412-1 Operations subject to reviews or impact assessments on human rights	Although no specific audits are implemented on compliance with human rights, the availability of the Ethics Line guarantees a totally confidential reporting mechanism.		
412-2 Employee training in human rights policies or procedures	All employees must know the Code of Ethics when they join the company, they are trained during the induction and adhere to its statements.		
412-3 Significant investment agreements and contracts with human rights clauses or subject to human rights assessment	Although clauses referring to human rights are not specifically included, every agreement is in accordance with the legal framework of the country/ies in which it is celebrated and what is established by the company's Code of Ethics, which includes values and principles related to respect for human rights for each one of the relationships established with the main stakeholders.		
<b>413 – Local communities 2016</b>			
103-1 Explanation of the material issue and its limitations	Pp. 99 to 108		
103-2 Components and management approach	Pp. 99 to 108		
103-3 Management Approach Evaluation	Pp. 99 to 108		

GRI Standard	Page   Direct answer   Information link	Omission
<b>413 – Local communities 2016</b>		
413-1 Operations with local community participation, impact evaluations and development programs	Pp. 99 to 108	
413-2 Operations with significant negative impact -actual or potential- on local communities	See chapter Environmental Impact Mitigation.	
<b>414 – Social evaluation of suppliers 2016</b>		
103-1 Explanation of the material issue and its limitations	Pp. 71	
103-2 Components and management approach	Pp. 71	
103-3 Management Approach Evaluation	Pp. 71	
414-1 New suppliers who have passed selection filters in accordance with social criteria	Pp. 71	
414-2 Negative social impact in the supply chain and measures taken	Pp. 71	

GRI Standard	Page   Direct answer   Information link	Omission
<b>416 – Clients’ Health &amp; Safety 2016</b>		
103-1 Explanation of the material issue and its limitations	Pp. 52 to 55	
103-2 Components and management approach	Pp. 52 to 55	
103-3 Management Approach Evaluation	Pp. 52 to 55	
416-1 Impact evaluation on health & safety of the product/service’s categories	Pp. 52 to 55	
416-2 Cases of non-compliance related to the impact on health & safety of the products of categories & services	Pp. 52 to 55	
<b>417 - Marketing &amp; labelling 2016</b>		
103-1 Explanation of the material issue and its limitations	The objective is to provide care for the products, give visibility to the quality with which we work every day for customers, and making this as clear as possible for consumers and customers.	

GRI Standard	Page   Direct answer   Information link		Omission
417 - Marketing & labelling 2016			
103-1 Explanation of the material issue and its limitations	The objective is to provide care for the products, give visibility to the quality with which we work every day for customers, and making this as clear as possible for consumers and customers.		
103-2 Components and management approach	Pp. 52 We seek that the promotions and sales arguments we use be free from false information regarding the availability, delivery date or quality of our products, as well as the terms of sale, including payment. We offer our products honestly and accurately. The use of deceptive or dishonest practices is a violation of our Code of Ethics.		
103-3 Management Approach Evaluation	Pp. 52		
417-1 Requirements for the information and labelling of products and services	The competent health authority of each country establishes in its regulations the compulsory information, as well as the rules on the location of each item.		
417-2 Cases of non-compliance related to the information and the labelling of products and services	The health authorities apply strict controls but we have not had any issue of this sort.		
417-3 Cases of non-compliance related to marketing communications.	None.		

GRI Standard	Page   Direct answer   Information link		Omission
GRI 400 Social			
419 – Social-economic compliance 2016			
103-1 Explanation of the material issue and its limitations	<p>The Code of Ethics constitute the frame of reference that guides our actions and behaviors. It is based on our Mission and Values. It expresses the guidelines to be followed in a wide range of business situations and procedures.</p>	<p>It embodies the key principles that serve as a guide for all members of the company in their daily work. Our commitment is to hold ourselves accountable for its compliance and application. We believe that a culture based on principles strengthens virtues and competencies. That ethical behavior is a means to build a stable and prosperous organization, minimizing the risks of conflicts and problems, both internal and external.</p>	
103-2 Components and management approach	<p>The corporate governance is led by a Board of Directors (BOD), who guards and ensures compliance with the values.</p>		

GRI Standard	Page   Direct answer   Information link		Omission
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419 – Social-economic compliance 2016

103-3 Management Approach Evaluation

The company prioritizes:

- Compliance with labor laws and regulations.
- We seek to be the best option for patients and consumers; supplying high quality products, and promoting a relationship based on professionalism and integrity.
- We offer our products honestly and accurately.
- We also respect intellectual and industrial property rights.
- We reject all types of acts of corruption.

419-1 Non-compliance of laws and rules in social and economic sphere.

The inspections by the ART (Occupational Risk Insurer) and the Labor Ministry flowed normally. The Financial Statements are submitted in a timely manner and in accordance with the regulations.

## Credits

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### VIRIXENE

**Mauro Bono**

Chair

**Ivanna Mandolesi**

Vice Chair

**Hernán Giovanini**

Executive Director

**Federico Svriz**

Executive Director

**Diego Batistella**

Strategy Manager

### SAVANT

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Plant Manager

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