

Sustainability Report **2022**



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Message from the Chairman GRI 2-22

Over the 35 years of Blau Farmacêutica's history, which we completed in December 2022, the focus of our journey has been to develop cutting-edge products and solutions to contribute to the creation of a healthier and more sustainable world, expanding the population's access to medicines.

Since its founding, we have maintained in our essence the DNA of entrepreneurship and innovation, achieving objectives through continuous investments in RD&I, productive capacity and human capital, always seeking to consolidate ourselves as the largest pharmaceutical industry in the institutional segment in Latin America. In 2022, we reached the record launch milestone with 8 new products and presentations; and submissions, 39, 19 in Brazil (Anvisa) and 25 in Latin America. In our pipeline until 2026, we have 49 products under development, with a total addressable market of BRL 7.8 billion.

We live in a sector with constantly repressed demand, which is why we have intensified investments in expanding production capacity.

In 2023, we will begin to reap the fruits of the investments made in recent years, with the start of sales of medicines for hospital use produced by our new Specialty Unit plant, the P210, in Cotia (SP).

In Pernambuco, we signed the contract for the acquisition of an area of 64 hectares within the Industrial Zone of Suape for the construction of our new industrial complex, the P1000, with a total investment of around BRL 1 billion. The start of works is scheduled for the second half of 2023. The plant will start operating in a modular way, starting in 2026, with the expansion of our production capacity and the installation of new production lines, which will generate up to 1,400 direct and indirect jobs. The project also takes into account environmental aspects, anticipating possible impacts on the environment, and our commitment is that the work follows sustainable construction guidelines, such as efficient use of natural resources, waste management and gas emissions and energy efficiency, among other aspects. We will pursue LEED Certification, a global recognition of sustainability in the industry.

The year 2022 was also marked by the expansion of our horizons, with the launch of the new Strategic





Plan, including changes in Purpose and Vision, a lever for our growth and effort to ensure even better results and returns for shareholders.

Even in the face of so many challenges, we ended the year with record revenue and profits. The record for launching new drugs was also achieved, which gives us confidence that our path is clear and well paved.

One year after our IPO, recurrently seeking the best environmental, social and governance practices, we established the new ESG Committee (acronym for Environmental, Social & Governance), which has independent members of the Board of Directors and an external consultant specialist in the area, supporting all actions related to the topic within Blau. In order to direct all efforts and incorporate the concept into everyday life, we created the People, Management and ESG Department with the aim of permeating the ESG culture throughout the organization, we held workshops, with the participation of the Board of Management and employees, and we created committees related to our causes to support and ensure the direction and efforts of the entire organization. In this sense, one of the achievements of the year was our inclusion in the Stock Exchange's Female Leadership Index (B3), the first ESG index in the Brazilian market focused on gender diversity, which includes shares of companies with greater participation of women in boards of directors, boards of directors and supervisors and management committees.

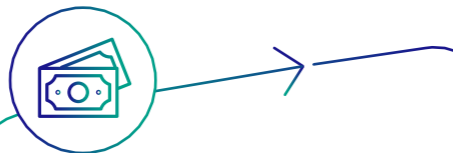
We created the **People, Management and ESG Board** with the objective of further permeating the theme in Blau's daily routine.

Our expectation for 2023 is to launch 13 products, of which 10 are oncology products and 3 are specialty products that, together, have an addressable market of BRL 926 million. The launches, together with the increased capacity of the plants, give us confidence in the success and growth of our market share in the Brazilian pharmaceutical market.

I thank everyone for their trust, especially our employees. It is the dedication of each one of you that brings Blau closer to its purpose and goals. Our solid strategic pillars, aligned with our commitment to ESG, will continue to lead us into the future, always to provide more health and quality of life for the greatest number of people.

Have a good read.

Marcelo Hahn
CEO and founder



BRL 1 billion
will be invested in the new plant in PE

About this report

GRI 2-2, 2-3

Welcome to another edition of the Blau Farmacêutica Sustainability Report.

The purpose of this document is to report on the Company's main projects, indicators, results and economic-financial, social, environmental and governance topics in 2022. To this end, the Global Reporting Initiative (GRI) Standards, in their 2021 version, were adopted. The IFRS Foundation's integrated reporting guidelines (<IR>) were also observed in the structural design of the document.

The data presented covers Blau Farmacêutica in a consolidated manner, in Brazil, its subsidiaries and the operation in the United States where information and data were collected from the leaders of various areas, by its own Working Group, with the participation of members of the Executive Board.

Topics related to Blau's strategic planning are

prioritized, such as innovation, technology and culture, with special emphasis on ESG issues considered most relevant from the perspective of stakeholders - consolidated in the Company's materiality (see the following topic).

The report covers the period from 1 January to 31 December 2022, with qualitative information eventually addressing topics from early 2023 for contextualization purposes only.

If you have any questions about the content of this report, please contact us at ri@blau.com



Leticia Reis Paiva, Research and Development Board.

Material themes

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

The process of determining the material topics was carried out, in 2021, taking into account the precepts of the GRI Standards, with five steps:

ANALYSIS OF STRATEGIC DRIVERS

Interviews were conducted with members of the Executive Board and managers and the strategic drivers were analyzed in order to identify the main themes related to Blau.

ANALYSIS OF RISKS AND OPPORTUNITIES

Stage of documentary analysis of the main guidelines, principles and sustainability publications of the market in general, also unfolding specific themes and references of the health sector, which include the protocols of the organizations in the following table:

Global Reporting Initiative

GRI Standards

Sustainability Accounting Standards Board

SASB – Pharma & Biotechnology

Sustainability Yearbook 2020

Sam S&P – Biotechnology

Sustainable Development Goals

SDG

UN Global Compact

The Global Risks Report 2021

World Economic Forum (WEF)

World Economic Forum (WEF) – Strategic Intelligence

Future of Health and Healthcare SEB3

We consulted **524** stakeholders, including employees, suppliers, shareholders, NGOs and customers, among others.

ANALYSIS OF IMPACTS AGAINST ESG ISSUES

Consolidation of the themes from stages 1 and 2 and application of the Impact Analysis Tool on the 49 selected themes, with the participation of six managers who evaluated the impact of each theme from the perspectives of (1) linkage to Strategic Planning; (2) representing risk for Blau in the short, medium or long term; (3) regulation; (4) sector of activity; (5) opportunity and innovation (themes with the potential to explore opportunities and innovative solutions).

STAKEHOLDER MAPPING AND ENGAGEMENT

The stakeholder mapping and engagement process, as well as materiality, has been completed and will be reviewed every three years. The Board of Boards and the Investor Relations area were responsible for mapping the stakeholders, whose groups were engaged in assessing the influence of the 49 themes of steps 1 and 2. For this process, an online survey was conducted with the participation of 524 stakeholders divided into: employees, suppliers, shareholders, *sell side* analysts and *buy side*, CMOs, trade unions, media, distributors, advisors, committee members, third parties, NGOs and customers.

MATERIALITY MATRIX

The matrix was then elaborated, taking into account the result of the impact analysis tool (x-axis of the matrix) and the influence of the themes from the stakeholders' perspective (y-axis). Check out the themes below:

Matrix	Material theme GRI 3-2	Limit	Capital <IR>	Related SDGs	Impacted stakeholder
1	Economic Performance	Internal and External	Financial	8 9	Employees, Suppliers, Shareholders, <i>Sell Side</i> Analysts and Buy Side, CMOs, Distributors, Advisors, Committee Members, Third Parties, NGOs and Clients
4	Innovation and Technology	Internal and External	Intellectual	8 9 17	Employees, Shareholders, <i>Sell Side</i> Analysts and Buy Side, CMOs, Media, Board Members, Committee Members and Clients
17	Water and Wastewater	External	Natural	6 12	Employees, Shareholders, <i>Sell Side</i> Analysts and Buy Side, CMOs, Board Members, Committee Members, Third Parties, NGOs and Clients
19	Waste	External	Natural	3 6 12 14 15	Employees, Suppliers, Shareholders, <i>Sell Side</i> Analysts and Buy Side, CMOs, Distributors, Advisors, Committee Members, Third Parties, NGOs and Clients
25	Attraction and Retention	Internal	Human	5 8 10	Employees, Shareholders, Trade Unions, Board Members, Committee Members and Clients.
27	Health and safety at work	Internal	Human	3 8 16	Employees, Shareholders, Trade Unions, Board Members, Committee Members and Clients
28	Training and Development	Internal	Human	4 5 8 10	Employees, Suppliers, Shareholders, Board Members, Committee Members, Third Parties and Clients
33	Discrimination and respect for diversity	Internal and external	Human	5 8	Employees, Suppliers, Shareholders, Distributors, Media, Board Members, Committee Members, Third Parties, NGOs and Clients
39	Social investment	External	Social and relationship	3 5 8	Employees, Shareholders, Media, Board Members, Committee Members, Third Parties and NGOs
40	Access to medication	Internal and external	Social and relationship	3 12	Employees, Suppliers, Shareholders, Trade Unions, Media, Board Members, Committee Members, Third Parties, NGOs and Clients
41	Client health and safety	Internal and external	Social and Relationship	3 12	Employees, Suppliers, Shareholders, <i>Sell Side</i> Analysts and Buy Side, CMOs, Trade Unions, Media, Distributors, Counselors, Committee Members, Third Parties, NGOs and Clients
44	Safety of medicines	Internal and external	Social and Relationship	3 12	Employees, Suppliers, Shareholders, <i>Sell Side</i> Analysts and Buy Side, CMOs, Unions, Media, Distributors, Advisors, Committee Members, Third Parties, NGOs and Clients
45	Quality	Internal and external	Social and Relationship	3 12	Employees, Suppliers, Shareholders, <i>Sell Side</i> Analysts and Buy Side, CMOs, Unions, Media, Distributors, Advisors, Committee Members, Third Parties, NGOs and Clients

2022 in highlights



Net revenue of BRL 1.407 billion
3% growth compared to 2021.

Gross profit of BRL 668 million
with a margin of 47.5%

Net profit of BRL 360 million
11% growth compared to 2021,
with net margin of 25.6%



Publication of health records:
19 new

medicines for Brazil

25 new

new registrations in
LATAM countries

Pipeline until 2026:

49

medicines at different
stages of the
development process

Investments of approximately
BRL 76 millions in RD&I

Partnership with JSR Life Sciences (Similis Bio) for the development of 4 monoclonal antibodies currently under patent protection, with global addressable market of +USD 42 billion

BRL 44 millions

invested in Innovation Projects related to the Good Law



Improving structure

Governance, Risk, Compliance and Internal Audit structure

Entry in the portfolio of the **Women's Leadership Index** index portfolio **at B3**

10 institutions

and social projects supported by Blau

2022 in highlights



carbon off-set

of truck fleet for distribution in the city of São Paulo, with the acquisition of electric vehicles, reducing emissions of polluting gases

Operation of plasma collection in an accelerated ramp-up, with the expectation of opening in 2023, the 2nd and 3rd Collection Centers, in Florida



Completion of the acquisition of the 600,000 m2 site for the construction of the Pernambuco Industrial Complex (P1000), in the Port of Suape, Cabo de Santo Agostinho, with an estimated investment of BRL +1 billion. BRL +1 billion and 36 production production lines



3rd position

in the Pharmaceutical Sector from Exame Melhores e Maiores

4th position

in the Pharmaceutical Sector from Valor Inovação

4th position

on Innovation in the Pharmaceutical Sector and Cosmetics of *Época Negócios 360º*

8th position

in Industries in the Top 10 of the *Valor 1000*

Great Packaging Cases Award from EmbalagemMarca magazine, by Blau presenting differentials such as innovation, technology and consumer experience. Innovation is one of the pillars for the advancement of ESG in the Company, in addition to being in its DNA, which constantly guides the company in its projects, actions and initiatives.

1

Blau Farmacêutica

GRI 2-1, 2-6



Blau Farmacêutica is a Brazilian industry founded 35 years ago, whose purpose is to develop and provide cutting-edge products and solutions for a healthier and more sustainable world.

With a strong presence in the areas of immunology, oncology, hematology, nephrology and specialties, the company supplies several therapeutic classes in more than 8,400 hospitals, clinics and health centers throughout Brazil, where it has a modern pharmaceutical industrial complex, composed of five industrial plants, with state-of-the-art technology, dedicated to the production of biological, biotechnological, oncological drugs, antibiotics, injectable anesthetics and biotechnological pharmaceutical inputs.

In Latin America, there are six subsidiaries - Argentina, Chile, Colombia, Ecuador, Peru and Uruguay - and a plasma collection unit in the United States. Today, Blau is preparing for further geographical expansion by increasing its production capacity and developing new products.

Constant investment in innovation and research has enabled the formation of a robust product portfolio, with a predominance of highly complex injectable medicines, to meet the growing demand in healthcare, with an addressable market estimated at BRL 7.8 billion by 2026. Likewise, the company's pioneering spirit allows for advances

in the verticalization of strategic inputs for the manufacture of various drugs. With an integrated platform, the Company is able to produce Active Pharmaceutical Ingredients (APIs), develop, register, manufacture and market finished products.

Currently, the workforce has more than 1,600 employees, 62% of whom are pharmacists, and a technical team fully dedicated to the RD&I area, called Blau Inventta, which houses a biotechnology platform, innovative in the Brazilian pharmaceutical market.

Since 2021 Blau has been a publicly traded company, with shares listed on B3's Novo Mercado (BLAU3). It is a leader in the institutional segment and a pioneer in biotechnology, with a portfolio of its own brands of highly complex medicines. high complexity medicines.

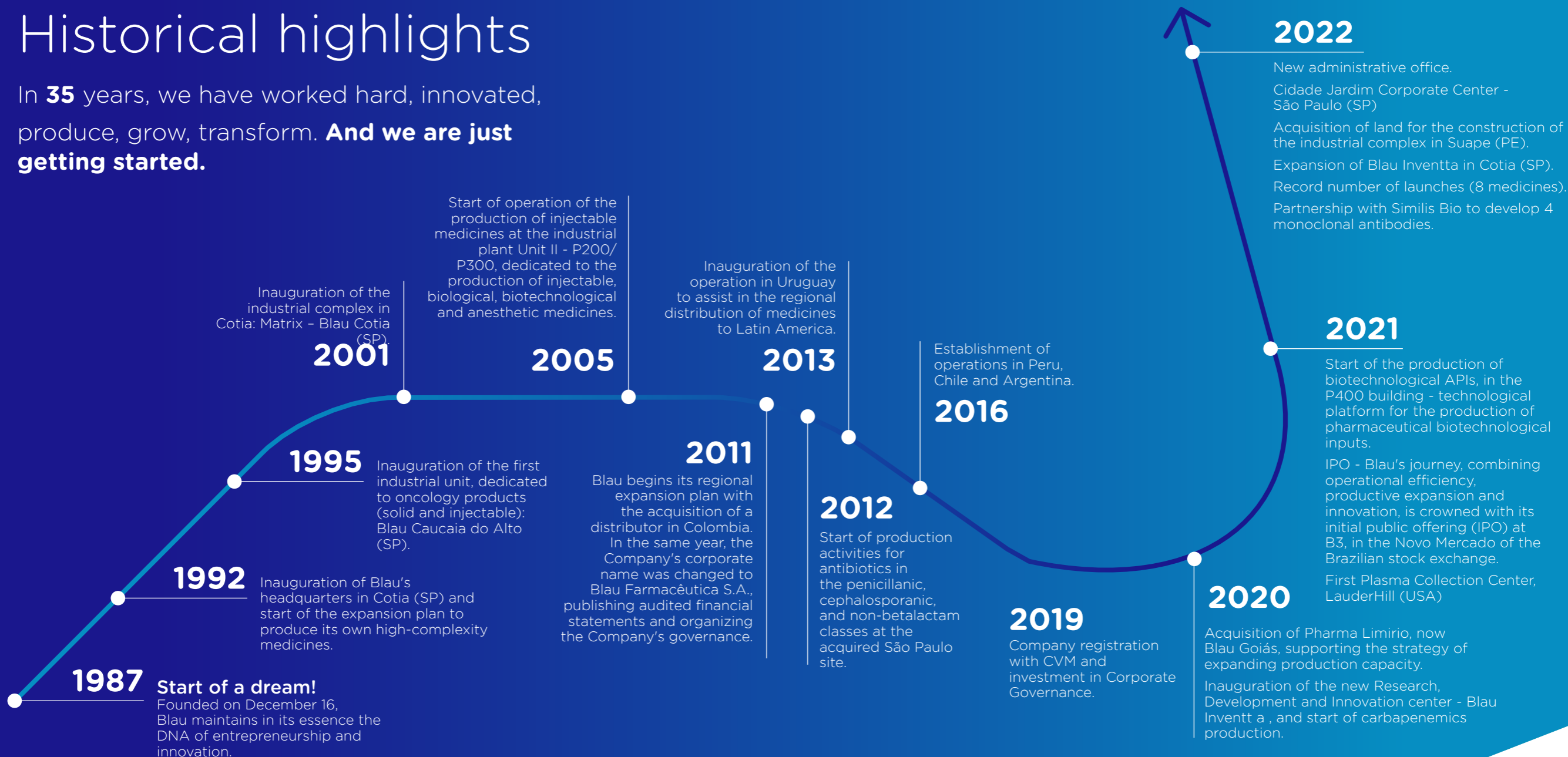


Marina Nali de Magalhaes Fugimoto, Nathan Centofante Motter and Erica Aparecida Santos Pereira from the Research and Development area.



Historical highlights

In **35** years, we have worked hard, innovated, produce, grow, transform. **And we are just getting started.**



Our Guidelines

PURPOSE

Developing and delivering cutting-edge products and solutions for a healthier and more sustainable world.

VISION

To be the leading Brazilian company in sales in the institutional market in Latin America.

Increase participation in other health markets.

Increasing verticalization of operations

VALUES

- Integrity
- Quality
- Efficiency
- Team spirit
- Boldness



Industrial operations and plants

GRI 2-6 , 3-3: Access to medication

With comprehensive operations and a broad product portfolio, Blau Farmacêutica has four business units where it sells medicines for the various therapeutic classes of the institutional segment, including immunology, oncology, hematology, nephrology and infectology, operating in several therapeutic classes.

BIOLOGICAL

With a prominent position in this sector, due to high global demand, the biologics product line includes medicines produced using living cells or from a biological source. Organic products can be made from two types of raw materials:

a) biological material extracted from microorganisms (living, attenuated or dead), organs and tissues of plant or animal origin, cells or fluids of human or animal origin, such as blood plasma;

b) biotechnological medicines, which are obtained by genetically modified cellular process, and produced through cell cultivation, fermentation among others.

ONCOLOGY

With great efforts in RD&I and a pioneering platform in Brazil dedicated to oncology products, Blau's oncology products unit is composed of medicines for the treatment of various types of cancer, through oral or injectable administration. The Company has been preparing to meet the high demand of this sector worldwide in the coming years.

SPECIALTIES

Blau's line of specialties is composed of medicines such as: antibiotics, muscle relaxants, anesthetics, among others used in the daily life of hospitals.

OTHER

It encompasses prescription medicines, over-the-counter medicines (OTCs), dermo medicines, condoms, among others, sold in the pharma channel and healthcare institutions.

Blau Units

The pharmaceutical industrial complex of Blau's pharmaceutical industrial complex has five plants, four of which are in the state of São Paulo: two in Cotia, where the Company is headquartered; one in the municipality of São Paulo and another in Caucaia do Alto, in the metropolitan region. The other is in Goiás, in the municipality of Anápolis. In 2022, Blau announced the construction of the **Suape Industrial Port Complex**, in Cabo de Santo Agostinho, Pernambuco, with works starting in 2023.

The Company's plants have modern facilities, equipped with advanced technological resources, which support the Company's strategies of expanding production capacity and verticalization of inputs in the production of medicines.

In 2022, Blau announced the purchase of the land for the construction of the Suape Industrial Port Complex, in Cabo de Santo Agostinho, Pernambuco, with construction starting in 2023.



Bioreactors for Cell Cultivation
- Blau Cotia



5 plants in the industrial complex Blau pharmaceuticals

ADMINISTRATIVE HEADQUARTERS (SP)

The capital of São Paulo now houses the administrative headquarters of Blau Farmacêutica after the inauguration of the new office, at Cidade Jardim Corporate Center, a project that has technology as one of its main pillars and offers the open space concept, integrating all areas, facilitating the sharing of ideas and innovation.

The new address has the AQUA Certificate - Sustainable Construction, providing savings in water and electricity consumption during the useful life of the property, reduced condominium costs, better comfort and health conditions and increased awareness of sustainable development; points that meet the Company's ESG pillars.

In addition, with a facial recognition system, the

new office provides more agility and security to day-to-day processes, allowing employees to schedule rooms, register visitors, request cleaning and pantry services with just a click on the cell phone. Thinking about the well-being and life balance of employees, Blau also chose to maintain the home office up to twice a week and implemented flexible hours.

INDUSTRIAL PLANT SÃO PAULO

Also located in São Paulo is the industrial unit dedicated to the production of , penicillanic, cephalosporanic and , injectable drugs packaged in vials, ampoules, common sterile powders, as well as semi-solids from the line of common sterile powders specialties.



Medicines Produced at the São Paulo Industrial Plant

Cephalosporins in the form of sterile powder for injection

Penicillins in the form of sterile powder for injection

Common injectables as sterile powder for injection and solution

Semi-solids

Packaging in general

The facility has four independent lines for the production of each class of medicine.



Ampoule filler for the injectables production area - Blau Cotia



São Paulo Industrial Unit is recertified by Invima

Colombia's National Institute of Medicines and Food Surveillance (Invima) has recertified the São Paulo Industrial Unit in GMP (Good Manufacturing Practices) and GLP (Good Laboratory Practices). The audit, carried out in 2022, **granted the recertification without pointing out any pending issues**. This guarantees the maintenance of the export of Blau products and further reinforces the importance of the commitment to product quality in all units.

CABO DE SANTO AGOSTINHO (PE)

One of the main milestones of 2022 is the Suape Port Industrial Complex, an achievement aligned with the purpose of providing effective and high-quality medicines to promote access to health and quality of life.

The sixth production unit in Brazil is the main investment of the expansion project. The work will receive a total contribution of BRL 1 billion, and construction is scheduled to begin in 2023.

In October 2022, the acquisition of a 64-hectare area within the Suape Industrial Zone was signed with the state government, a site strategically selected because it already offers the necessary infrastructure, with natural gas lines, energy, water and logistical road and port access, facilitating international trade.

The new plant, which starts operating at the end of 2024, will expand Blau's activities with new products, increase production capacity with the installation of 36 production lines and generate around 1,400 direct jobs in the region when fully active.

COTIA INDUSTRIAL PLANT

The municipality in the metropolitan region of São Paulo is home to one of the main milestones of the investment in the expansion of the Company's production capacity: the P210 plant, with two production lines dedicated to injectable synthetic medicines.

The site, where hospital medicines and injectable antibiotics are also manufactured, occupies an area of 3,000 m² and received an investment of around BRL 200 million. The plant has state-of-the-art technology with applications developed to perform all management and supervisory controls in a fully digital way, which guarantees quality, safety, traceability and productivity.

P200 houses the production of biological, biotechnological and synthetic injectable medicines in the form of solution, emulsion and lyophilized powder, marketed in ampoules, vials and syringes. The plant also packages blood products and imported medicines.

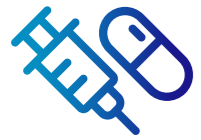
The Company received the Good Manufacturing Practices Certificate for biological active pharmaceutical ingredients from the National Health Surveillance Agency (Anvisa) and will thus be able to produce four biotechnological APIs using recombinant DNA technology for proteins. They are: Alfaepoetin, Filgrastim, Pegfilgrastim and Somatropin.

In all, there will be 12 products, with six for medicines to be launched in the future.

The Cotia Industrial Complex also houses two other plants, P200 and P400, as well as Blau Inventta, a research, development and innovation (RD&I) center (read more on p.30).

P400 concentrates the Company's biotechnology Active Pharmaceutical Ingredients (APIs) verticalization strategy, and produces recombinant

proteins used in the world's most modern medicines. Independence in the production of strategic medicines enables the expansion of Blau's product mix and opens the door to new markets.



Medicines produced at the Cotia Industrial Plant - Biologicals and Anesthetics

- Injectables
 - Lyophilized
 - Filled syringes
 - Active
- harmaceutical Ingredients (API) Plant
- Cell culture line - CHO (chinese hamster ovary cells)
- Fermentation line E. Coli

INDUSTRIAL PLANT CAUCAIA DO ALTO

Blau Farmacêutica's first industrial unit has two sterile (cytotoxic) production lines: Lyophilized Powders; Small Volume Parenteral Solutions with Aseptic Preparation. duly certified by Good Manufacturing Practices and Quality Control by Production Line by the National Health Surveillance Agency (ANVISA).



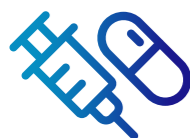
Medicines produced at the Caucaia do Alto Plant - Oncologics

Oncological injectables in the form of solution and lyophilized powder

Oral solid oncologics in the form of tablets, coated tablets and capsules.

ANÁPOLIS INDUSTRIAL PLANT (GO)

Blau's industrial unit in Goiás has three production lines for fractionation of antibiotic, carbapenem and cephalosporin sterile powders, injectables and other sterile injectable powders, incorporated into the Company's portfolio after the acquisition of Pharma Limirio, currently Blau Farmacêutica Goiás).



Medicines produced at the Anápolis Plant

Cephalosporins in the form of sterile powder for injection

Carbapenems in the form of sterile powder for injection

Operations in the United States

In the USA, Blau ended 2022 with a plasma collection center, used for the production of biological medicines and blood products, such as human albumin, immunoglobulin, coagulation factors VIII and IX, among others, aimed at the treatment of various diseases.

The first, Hemarus, is in Lauderhill, Florida, and was authorized in 2021 by the Food and Drug Administration (FDA) to use the collected input. The unit has a management system for the entire plasma collection chain, from donor accreditation to product sale. By the end of 2022, the Center was operating at 53% of its capacity and, in 2022, more than 21,000 procedures were performed and more



than 17,000 liters of plasma were collected.

The second center is in North Miami, also in Florida, scheduled to open in September 2023. Also in 2022, the Company started hiring and training teams, and resumed the process of obtaining licenses. The third center, in Flamingo, Miami, is in the final design phase, with construction expected to begin in 2023.

Blau also has a fourth Plasma Collection Center, Hemarus LLC, in Jacksonville, Florida, where it acquired a 25% stake with the possibility of acquiring the other 75% by 2026. Inaugurated in 2009, this center has the particularity of collecting, in addition to "natural" plasma, "hyperimmune" plasma, extracted from horses, with a higher market value.



3 centers plasma collection centers will be operational in the US by the the end of 2023



Quality Control

Area that works to ensure Blau's commitment to the highest standards of quality, safety and efficacy of medicines.



API Plant

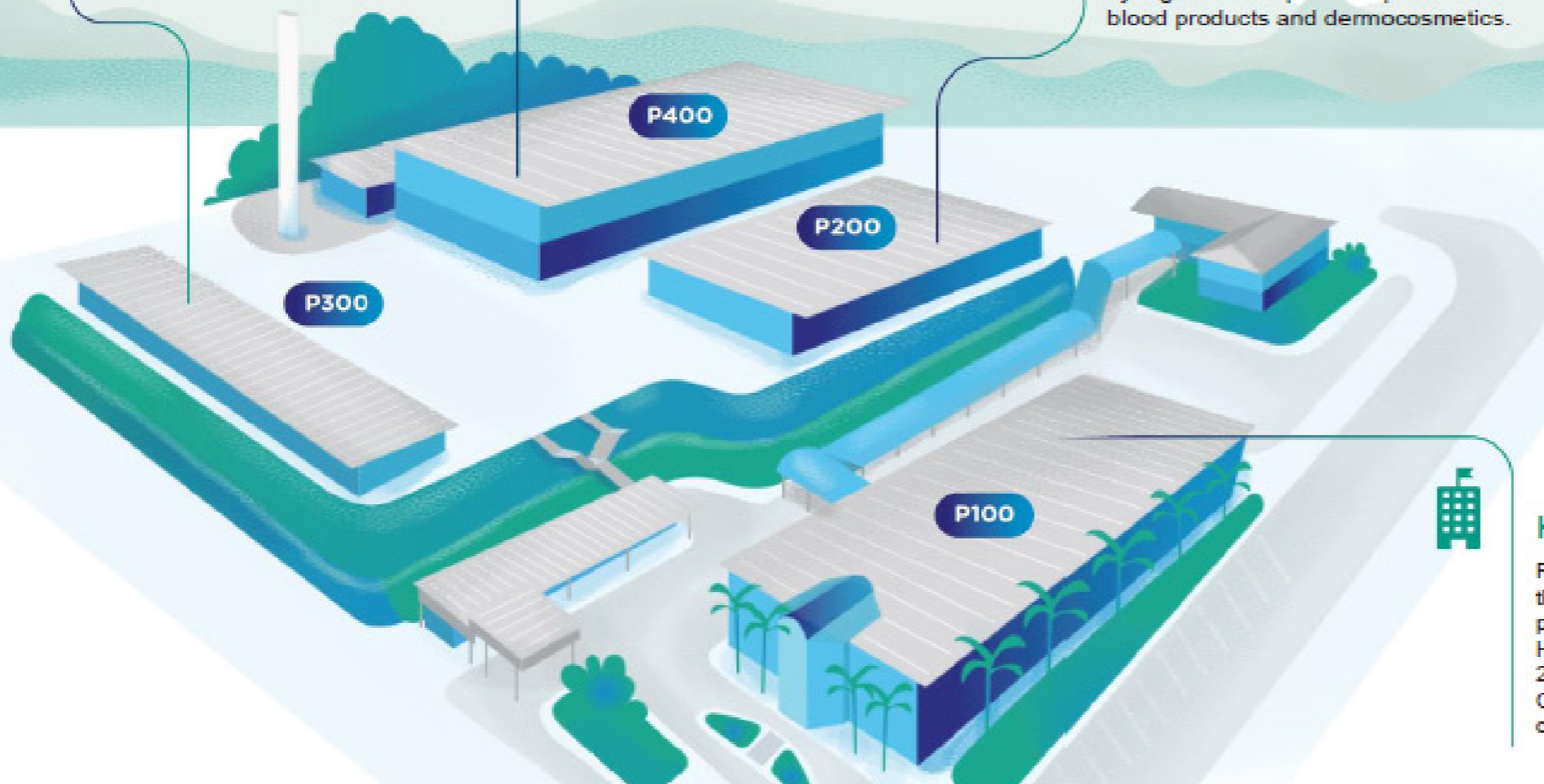
The biotechnological Active Pharmaceutical Ingredient (API) production plant, with two distinct areas, for the cultivation of prokaryotic and eukaryotic cells.



Injectables

It produces biological and biotechnological injectable drugs and synthetic drugs, in the form of liquid solution, emulsion and lyophilized powder, in ampoules, vials and syringes. It also packs imported blood products and dermocosmetics.

Expansion in Cotia



See what has changed in the Industrial Complex to support Blau's strategy of expanding production capacity and verticalizing input manufacturing



Head Office

RD&I, expansion of the area to increase the capacity to develop new drugs. Space previously used as Administrative Headquarters, which since December 2022, is in the new office, named Blau Cidade Jardim, located in the South Zone of São Paulo.

Governance Corporate

Stefany Ramos Galdino and
Renata Lopes Souza, from the
Commercial Board.



2

Blau Farmacêutica is committed to maintaining high standards of corporate governance, based on principles that favor transparency and respect for shareholders, which have guided the Company's performance and the relationship with its stakeholders, as well as the conduct of activities based on the creation of value for society.

In 2022, the short, medium and long-term strategic planning was reviewed, reflecting in a structured model, with incentives aligned with shareholders' interests, for the new growth cycle.

The Company has and complies with specific rules defined for the identification and management of conflicts of interest, following the guidelines defined by the Brazilian Corporate Law, the Novo Mercado Regulation and its Policy on Transactions with Related Parties. It also maintains policies and guidelines aligned with the Code of Best Governance Practices of the Brazilian Institute of Corporate Governance (IBGC), and permanently seeks measures and processes to ensure business ethics. One of the highlights of the year was the inclusion of the Company's shares in the portfolio of the women's leadership index on the Brazilian stock exchange (B3). **GRI 2-15**

The Company has been intensifying these commitments after the initial public offering of



Blau Board members during Strategic Planning meeting

shares (IPO), in the Novo Mercado segment of B3, a segment that establishes the highest standards of corporate governance, with stricter rules than those provided for in Brazilian legislation. Blau's commitments and policies are available at ri.blau.com. **GRI 2-23**

In 2022, Blau revised its short-, medium- and long-term strategic planning, reflecting on a structured model, with incentives aligned with shareholders' interests, for the new growth cycle.

GOVERNANCE STRUCTURE AND ITS COMPOSITION GRI 2-9

Senior management formulates and proposes the strategic objectives and defines the relevant actions for their implementation. The Board of Directors, in turn, reviews and approves such strategic objectives, in line with the Company's purpose, vision and risk tolerance level. Finally, management and employees put the defined actions into practice. **GRI 2-12**

The Internal Audit, Compliance and Corporate Governance departments report to the Audit and Ethics Committee, with a focus on corporate responsibility, allowing the monitoring of risks, the management of business impacts on the economy, people and the environment and the observation of compliance with strategic processes.

On Blau's board of directors and advisors are professionals who are highly qualified for their roles, with extensive experience in the pharmaceutical market, in the health sector and also in other segments, valuing diversity throughout its structure.

Since 2020, Blau has had a Management Appointment Policy applicable to the appointment of members to the Board of Directors, the Statutory Executive Board, the Fiscal Council (when installed) and the advisory committees to the Board of Directors. According to the document, the general requirements for nomination and election are: to be a highly qualified professional, with notable

experience; to have an undisputed unblemished reputation, moral suitability and to be aligned with the Company's Code of Ethics and Conduct, values and principles; and to have communication skills, analytical skills, robust technical competence compatible with the position and knowledge in best risk management and corporate governance practices. **GRI 2-10**

The Company also maintains a formal communication and information process for

Directors on ESG issues. ESG is part of the agenda of all Board meetings where topics on social and environmental responsibility and governance are discussed. In addition, the continuous training process with the realization of workshops are fundamental to permeate the theme in the day-to-day business. **GRI 2-17**



Board members and Executive Directors during Strategic Planning meeting

Effective Councillors



Rodolfo Alfredo Gerardo Hahn
president



Marcelo Roldolfo Hahn
vice-president

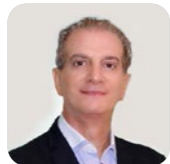


Roberto Carlos
from Campos Morais

Independent Directors



Andrea Destri



Dr. Antonio Buzaid



Simone Agra



Dr. José Antonio Miguel Neto

The Company has **advisory committees** to the Board of Directors:

Strategy and M&A Committee

Composed of four members, one permanent director and three independent directors, all elected on April 19, 2023 for a unified term of two years.

Marcelo Rodolfo Hahn
Committee Coordinator

Dr. Antônio Carlos Buzaid
Independent Member

Dr. José Antônio Miguel Neto
Independent Member

Simone Petroni Agra
Independent Member

Audit and Ethics Committee

Composed of three members (non-executive positions), one independent director and two independent members and external to the Company, all elected on April 19, 2023 for a unified term of two years.

Dr. José Antônio Miguel Neto
Committee Coordinator

Renato Akaishi
External Specialist

Bruno Sá Barbosa
External Specialist

Human Resources and Remuneration Committee

Composed of four members (non-executive positions), two independent directors and two independent members and external to the Company, all elected on April 19, 2023 for a unified term of two years.

Dr. José Antônio Miguel Neto
Committee Coordinator

Andrea Destri Gonçalves dos Santos
Independent Member

Renato Akaishi
External Specialist

Marcos Morales
External Specialist

ESG Committee

Composed of three members (non-executive positions), two independent directors and one independent member and external to the Company, all elected on April 19, 2023 for a unified term of two years.

Andrea Destri Gonçalves dos Santos
Coordinator

Simone Petroni Agra
Independent Member

Carlos Nomoto
External Specialist



Executive Board

Composed of 14 members (all executive positions), the first five below were elected on April 19, 2023 for a unified term of two years and the others, despite their position as directors, do not hold statutory positions (they were not elected by the Board but appointed by the CEO).

Marcelo Rodolfo Hahn
Chief Executive Officer

Douglas Rodrigues
Dir. Finance Administration and Investor Relations

Eliza Yukie Saito
Quality Director

Roberto Carlos Campos de Morais
M&E Director

Roberto Altieri
Legal Director

Rafael Eliseo Barrientos Astigarraga
Industrial Vice President

Helcio Garcia
Industrial Director

Vanderlei Jose Schiavo
IT Director

Andre Lameri
Commercial and Marketing Director

Erica Maluf
Director of Regulatory Affairs

Lucilene Rezende Scurato
Director of People, Management and ESG

Dr. Marcelo Lima
Medical Director

Roque Ocantos
New Business Director

Uilberson Silva
Director of Research, Development and Innovation

Compliance

GRI 2-23, 2-24

Blau conducts its business guided by the best practices of transparency, equity, trust and quality, always complying with legislation, environmental, health and safety standards, respecting diversity and all stakeholders, such as employees, customers, third parties, suppliers.

The Company's Compliance Area is responsible for supporting and disseminating the concepts of Ethics, Integrity and Respect through the conduct of an effective integrity program, which includes compliance policies and procedures, training and communications, assessment and supervision of third parties, as well as monitoring and conducting investigations.

This area reports directly to the Audit and Ethics Committee (independent advisory body to the Board of Directors).

Through monthly meetings with the members of the Audit and Ethics Committee, relevant topics and updates on the progress of the Integrity Program are addressed.

Douglas Leandro Rodrigues, Finance and Investor Relations directorate; and Vanderlei Jose Schiavo, Technology, Digital Transformation and Innovation directorate.



CODE OF ETHICS AND CONDUCT

Blau Farmacêutica seeks to maintain its recognition as a leading Company and an example of ethical behavior in the health sector.

Trust is the key to success in our business and relationships and the Code of Ethics and Conduct presents the rules and principles of behavior to be adopted by employees, service providers, suppliers, business partners and other stakeholders who relate to or represent the Company.

The Code of Ethics and Conduct was designed to guide directors, officers, employees and third parties about Blau's values and principles and guide them on the expected behavior in the most varied situations faced in the day-to-day business.

To ensure commitment to integrity and compliance with legislation, there is active work with regulatory bodies to ensure that processes and products meet best market practices and have the required quality.

Our processes are also standardized through policies such as the Relationship with Public Officials, Related Parties, Anti-competitive, Anti-corruption, among others.

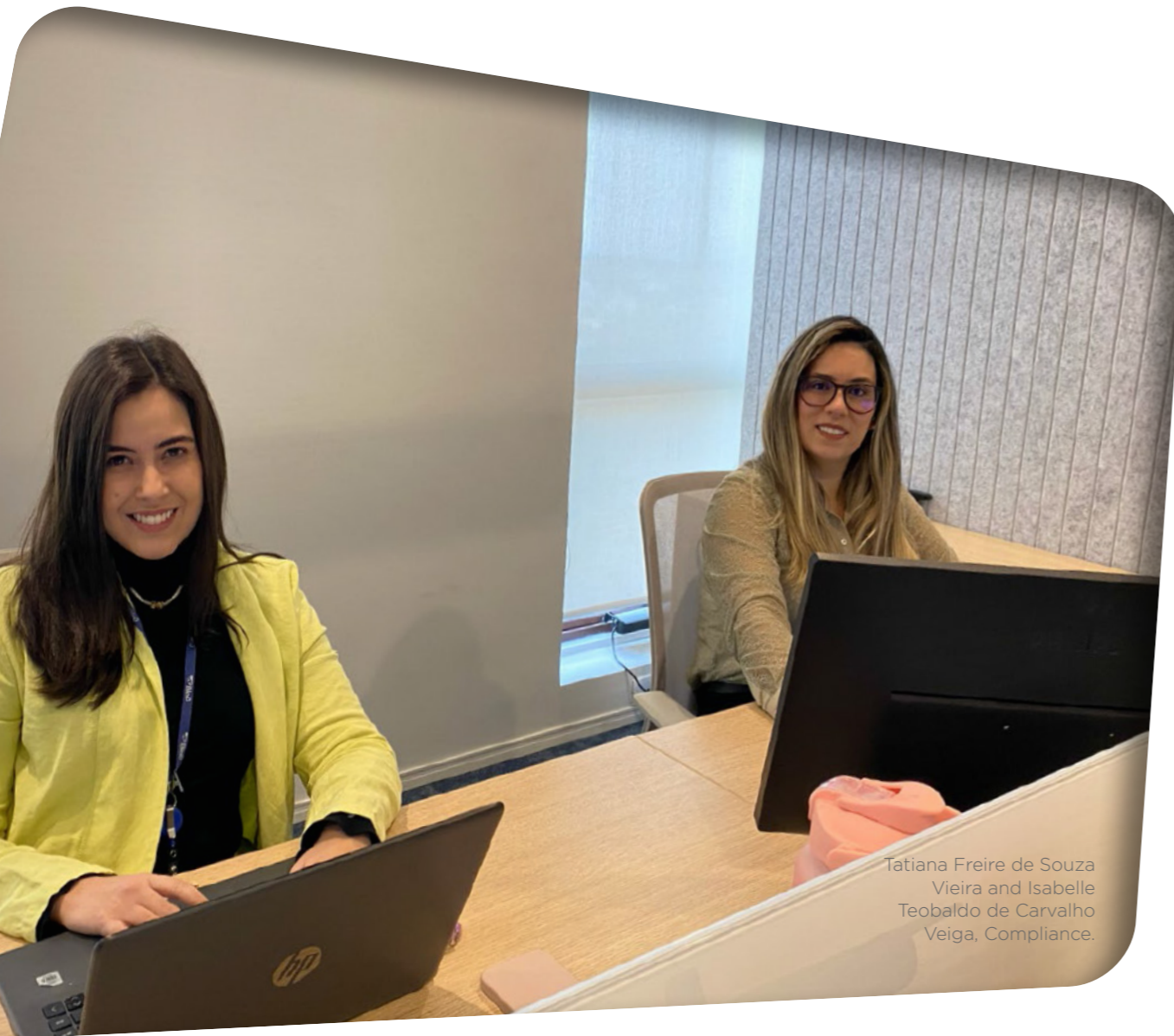
EMPLOYEE TRAINING

Blau conducts onboarding training for all its employees and conducts timely training on compliance policies and integrity-related topics.

All this with the aim that our employees can fulfill their role of protecting Blau's image and reputation and are supported in making the right choices when faced with ethical dilemmas and taking necessary corrective action.

Training on the Code of Ethics and Conduct takes place annually, as does training on the anti-corruption policy for the financial, regulatory, commercial, procurement and supply areas. For the other areas, it happens every two years.

Blau Compliance reports to
to the Audit and Ethics Committee



Tatiana Freire de Souza
Vieira and Isabelle
Teobaldo de Carvalho
Veiga, Compliance.

The **Ethics Line** channel brings agility and ensures attitudes aligned with **Blau's Code of Ethics and Conduct**.

INTEGRITY DUE DILIGENCE

Our supplier contracting process also includes an integrity assessment stage for all our business partners, carried out by the Compliance area, where transparent competitive aspects are considered, defined by technical, professional and ethical criteria.

This analysis has levels and types of assessments, such as reputational, money laundering, corruption and fraud, theft, human rights and environmental crimes.

We expect our suppliers and other business partners to be committed to standards of ethical conduct and good environmental practice and to conduct their business with integrity and transparency.

ETHICS LINE GRI 2-25, 2-26

The ethics line is an independent channel, under the management of the Compliance area, with total secrecy and confidentiality in its dealings.

Audit and Ethics Committee in order to determine what actions will be taken.

The Company encourages all its managers, employees and third parties to report any concerns so that it can preserve its corporate environment with ethics, integrity, transparency and productivity. Since 2022, Blau has carried out periodic training to guide its employees on the functionalities of the reporting channel and its pillars of the Integrity Program.

Stakeholders using these grievance mechanisms are involved in the design, review, operation and improvement of these mechanisms in accordance with the provisions of Blau's Whistleblower Policy. The organization also tracks the effectiveness of complaints mechanisms and other redress processes.

Phone: 0800-892-5055

Web Site: blau.com/compliance

All cases are analyzed from the perspective of the

Risk management GRI

2-23

Blau Farmacêutica is susceptible, in the normal course of its activities, to a wide range of risks. The strategic risk management framework should ensure that management has processes for setting objectives and that these are aligned with the strategy in relation to risk appetite.

All the concepts, guidelines and responsibilities of the risk management process are described in the Strategic Risk Management Policy, a document that aims to equalize knowledge and provide visibility on the appropriate processes, in addition to clarifying the phases of identification, categorization, assessment, treatment and monitoring of risks arising from the business carried out by the Company and its subsidiaries.

The identification, categorization and assessment of these risks makes it possible to prevent the most relevant ones from negatively affecting the achievement of the Company's objectives, causing financial losses, fluctuations in future revenues, impact on image, among other consequences.

In 2022 Blau reinforced its Risk and Internal Controls area, bringing from the market a senior leadership, whose main objective is to continue the initiatives and actions always aligned with the Company's purpose. A work based on the constant search for process improvement, information transparency, reinforcement of our governance and compliance pillars.

The **Strategic Risk Management Policy** describes all Blau's processes on the topic.

Privacy and security of data

Blau Farmacêutica is committed to the privacy, protection of Personal Data and Information collected from users and visitors who access and use the services made available on its website.

Through the Privacy and Personal Data Protection Policy, the Company demonstrates its commitment to adopting internal processes and policies that ensure compliance with standards and good practices related to security, privacy and protection, in order to comply with current legislation and best market practices.

Always thinking about safety and innovation, Blau has created the position of Director of Technology, Transformation and Innovation. The new Director came to further support the data security area, and together with the leadership of the area, reinforced the team with highly qualified professionals, who monitor all our processes ensuring our integrity, as well as that of our employees, suppliers and customers. Our care goes beyond our products, we always seek to ensure that all our processes have the highest standard of quality and completeness.



Server room - CPD (Administrative Headquarters)

Future and Innovation

GRI 3-3: Innovation and Technology

3



Innovation, science and technology are in Blau's DNA. For more than a decade, the company has been promoting the verticalization of inputs for the production of medicines, manufacturing the Active Pharmaceutical Ingredient (API).

To ensure our purpose with people's lives and health, we believe in collaboration to achieve results from innovations in products and business processes for sustainability.

We strengthen our innovation ecosystem, using direct interaction with public entities, universities and national and international research centers to improve solutions, overcome challenges, research, develop and produce Active Pharmaceutical Ingredients (APIs) and highly complex medicines in Brazilian territory.

Enthusiastic about technological pioneering, since 1998 we have integrated biotechnology as one of the sources of disruptive innovation for our business strategy. We have an industrial plant with international standards dedicated to the production of APIs, biological and biotechnological medicines, among which we also manufacture the products known as biosimilars, that is, those developed through the physicochemical, biological and functional comparability between the biosimilar and the comparator product with the guarantee of a

high degree of similarity between the products.

To subsidize the Company's growth, the Research, Development and Innovation Center (RD&I), Blau Inventta, annually provides the company with new biological and biotechnological APIs and highly complex biological and synthetic medicines, developed with technical-scientific know-how and its own infrastructure. Also in this growth pillar, the New Business area seeks to identify strategic partnerships to expand the Company's portfolio with a focus on technology transfers and local production.

Based on the vision of the future, we use intellectual property as an inducer of the innovations developed and indirect sources of support such as the Lei do Bem to stimulate the RD&I activities carried out.

We expanded our operational capacity to operate in the production of monoclonal antibodies and first and second generation recombinant proteins used in the most modern medicines in the world and acquired Plasma Collection Centers in the United States to ensure the independence of collection of this product and thus advance the strategy of verticalization of inputs.

We value our talents and invest in training and technical improvement programs so that our professionals work at the frontier of knowledge in an applied way.

Connected with the digital transformation, we seek to make our routines more efficient, responsive and agile in any situation. We recently hired an innovation HUB to bring our activities closer to the digital environment of health techs and start-ups, as well as to bring Big Data and Artificial Intelligence expertise to the business.



Gilberto Santos de Oliveira, Board of Research and Development.

In 2022, the Company invested approximately

BRL 76 million

equivalent to 5.4% of net revenue in RD&I, which will result in new launches and expand the population's access to Blau's highly complex medicines.



RD&I Center – Blau Inventta

GRI 3-3: Innovation and Technology

Inaugurated in 2020 and located in the Cotia Industrial Complex, Blau's Research, Development and Innovation Center operates with biological and biotechnological APIs and medicines of biological and synthetic origin of high complexity, developed with technical-scientific know-how and its own infrastructure.

Blau Inventta ensures consistency in achieving results as well as growth. This center has more than 600 m2 of modern laboratory area, state-of-the-art technologies and equipment duly qualified and certified for research. By the end of 2023, the expansion works of Blau Inventta will begin,

which will have an additional 1,200 m² of areas dedicated to RD&I, which will allow to accelerate the development of new products and increase the capacity for project analysis. The project is expected to last twelve months, with an estimated opening date of 2024.

The center is structured in two areas, Biological Division and Synthetic Division, aligned with the company's strategies and based on the following RD&I guidelines:

Core: Improve and transform our performance, improving processes and generating value to impact Science, Society and the Company.

New: Create bold new solutions, products and processes for unmet medical needs with sustainability.

Exponential: Develop innovations and new business models in partnerships with the innovation ecosystem, aligned with Blau's strategic vision for health promotion in Brazil and worldwide.

There are more than 60 projects in the RD&I pipeline, at different stages of development,

to feed back into the system of medicines made available to expand access to health, thus maintaining constancy in obtaining results for the healthy and sustainable growth of the Company. Projects are evaluated and developed according to the TRL (Technology Readiness Level) scale, which determines their level of technological maturity and goes through the stages of ideation, conception, proof of concept, optimization and prototyping to the stages of scale-up, demonstration in a production environment, continued quality monitoring, stability and launch.

In this scope, the diversity of the project pipeline involves highly complex products, to overcome challenges involving formulations and analytical methodologies for injectables, lyophilized powders, sensitizing and non-sensitizing solids, semi-solids, oral liquids, among others.

Blau Inventta also carries out the process of developing biotechnological inputs (recombinant human proteins) by obtaining genetically modified prokaryotic and eukaryotic cell lines.

High Performance Team

Blau believes in multidisciplinary expertise to contribute to innovations in products and business processes for sustainability. Thus, the team is composed of highly qualified professionals with undergraduate, specialization and/or postgraduate degrees. Our staff is mostly made up of pharmacists (62%), but also has more professionals such as chemists, biologists, biotechnologists, among others, who use their specific skills to assist in technical-scientific challenges for the benefit of the business.

In numbers

150
researchers

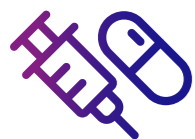
28%
with a master's or
doctoral degree

62%
pharmacists



We strengthen the innovation ecosystem using direct interaction with public entities, universities and national and international research centers to improve solutions, overcome challenges, research, develop and produce Active Pharmaceutical Ingredients (APIs) and highly complex medicines in Brazilian territory. In this way, the products developed by Blau Inventta comply with all the regulations and requirements for drug registration in the Regulatory Agencies of Brazil and Latin America.

Ensuring the quality, safety and efficacy of the APIs and medicines developed is a commitment of the RD&I Center and the Company.



Products launched - 2022

Ampicillin
+ Sulbactam
Dexperta
Letrozol
Meropenem

Noxx¹
Piperacillin
+ Tazobactam
Sugamadex
Polymyxin B Sulfate

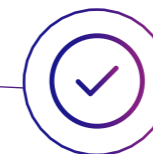
New presentation and indications for Enoxaparin¹ by 'biosimilar medicine'

NUMBER OF RECORDS OBTAINED BY BLAU Indicator Own Blau 01

2022: 44 Brazil: 19 LatAm: 25	2021: 20 Brazil: 4 LatAm: 16	2020: 33 Brazil: 8 LatAm: 25
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NUMBER OF NEW PRODUCTS LAUNCHED BY BLAU

2022: 12 Brazil: 8 LatAm: 4	2021: 12 Brazil: 9 LatAm: 3	2020: 12 Brazil: 3 LatAm: 9
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Quality Management

GRI 3-3: Subject Material ; Own Blau Indicator 05



Blau is committed to the highest standard of quality, safety and efficacy of medicines, continuously investing in process automation. Therefore, the Pharmaceutical Quality System provides strict control of all processes involved in the development, manufacturing, storage, shipment and distribution cycle of medicines.

This control is carried out through various management tools, such as the evaluation of quality indicators, the monitoring of processes in all manufacturing units to identify and correct any non-conformities and the internal and external audit program. The Quality System has an indicator monitoring panel, which integrates and standardizes the presentation of results, and also a risk analysis process. There is also the Blau Quality Manual that guides training for all employees.

It is noteworthy that, as it operates in a highly regulated market, Blau is attentive to the requirements of the regulatory bodies. In addition to having an internal Quality Policy and Manual, the Company follows national and international regulations, such as the National Health Surveillance

Agency (Anvisa), which establishes normative standards according to the Pharmaceutical Inspection Cooperation Scheme (PIC/S) and the International Council for Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH), among others, which requires certifications such as Good Manufacturing Practices and Good Laboratory Practices.

Blau is aligned with the standards in force in the countries to which it sells its products, considering the determinations of the American Food and Drug Administration (FDA), the European Medicines Agency (EMA), the World Health Organization (WHO), the National Institute of Medicines and Food Surveillance of Colombia (Invima) and the General Directorate of Medicines, Supplies and Drugs (Digemid). All production plants have a Good Manufacturing Practice Certificate (GMPC) from the regulatory bodies. In 2022, the reform of the quality laboratories received investments of BRL 8,818 thousand, to improve the process of quality control analyzes and guarantee a better final product to our customers. GRI 203-1

The Company is committed to the highest quality standards, continuously investing in the automation of processes and activities. This reference is applied, for example, in the implementation of the Projects: LIMS (Laboratory Information Management System - technological innovation of laboratory operations processes); MES-eBR (Electronic Batch Record - electronic management of production operations, replacing paper instructions and records); and iQMS - (integrated Quality Management System - electronic management of Quality documents,

replacing the printing of documents, such as Standard Operating Procedures, Non-Conformity Reports, Change Control, Market Complaints, Training Records, by electronic management), focusing on technological improvement in a robust way and care for the environment.



Geraldo Anderson de
Castilho, Industrial Board

SAFETY OF MEDICINES

GRI 3-3: Safety of Medicines;
Own Indicator Blau 04

Blau is dedicated to delivering products with traceable and monitored quality, safety and efficacy to all of society, including outside Brazil. Each material and product has its own identity, by means of a batch number automatically generated by the system, which shows the traceability of all the material applied, in addition to being packaged in such a way as to display the batch number, the corresponding code, manufacture and expiry date.

All suppliers contracted by Blau must be qualified prior to release for batch production. The manufacturers of the inputs used (raw materials and packaging materials) undergo a quality assessment and good practices pertinent to the production processes in question, based on the Company's standard operating procedures and policies, as well as regulatory agency standards.

The management of the investigative process of the proposed actions, as well as the evaluation

of compliance with deadlines and effectiveness, is carried out through the quality tools with Non-Conformity Reports, Corrective Actions/ Preventive Actions (C aapa), Minutes of meetings of the Pharmaceutical Quality System (SQF) and the fulfillment of this quality objective is the responsibility of the company's Senior Management and requires the participation and commitment of the team at all levels of the organization, as well as its suppliers and distributors, incorporating Good Manufacturing Practices and Quality Risk Management.

The Pharmaceutical Quality System is fully documented and its effectiveness monitored through management review to promote continuous quality improvement.

In 2022, there was no medicine recall. The 460 adverse event reports recorded represent 0.0033% of the quantity of products marketed, which demonstrates the quality of our products and the safety effectiveness of our processes.

In 2022, there were **no cases** of non-compliance with voluntary or **non-voluntary laws regarding health and safety impacts** caused by products and services during the reporting period.

Financial result

GRI 3-3: Economic Performance

Blau Farmacêutica discloses its financial statements in accordance with the rules of the Brazilian Securities and Exchange Commission (CVM) and the technical opinions of the Accounting Pronouncements Committee (CPC), as well as with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards (IASB).

The information includes the parent company Blau Farmacêutica S.A. and its subsidiaries, and has been independently audited.

In 2022, Blau continued to deliver solid and consistent results, reinforcing its commitment to profitability.

Net revenue was a record BRL 1.4 billion, exceeding the result obtained in 2021 by 3%. Gross profit reached BRL 668 million, in line with the previous year's result, with a margin of 47.5%. Ebitda also remained in line in the comparison between both periods, totaling BRL 474 million, with a margin of 33.7%.

The Company reported record net income, which



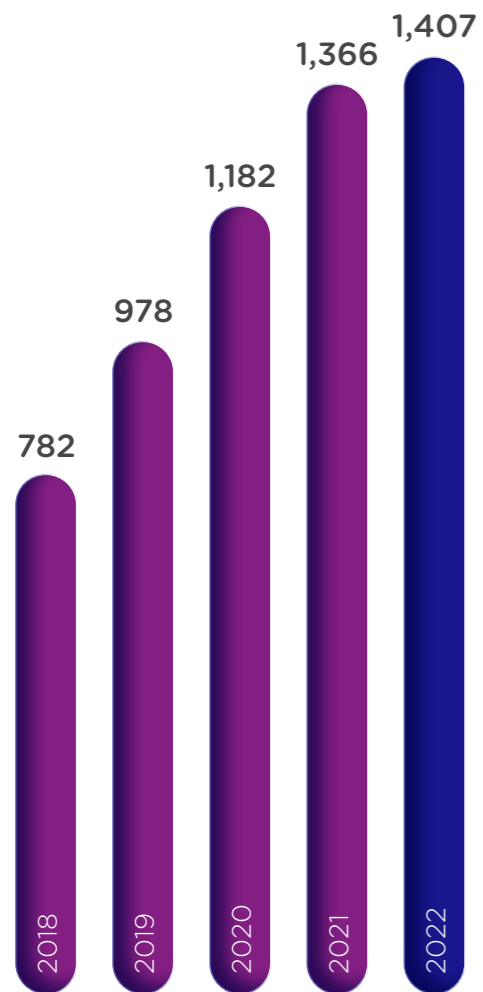
Blau ended the year 2022 with a comfortable net cash position of **BRL 364 million** and remains committed to its long-term growth, with term, with investments of **BRL 213 million** in the year and Roic of 18.5%.

expanded by 11% in the comparison between 2022 and 2021, and reached BRL 360 million, with a margin of 25.6%.

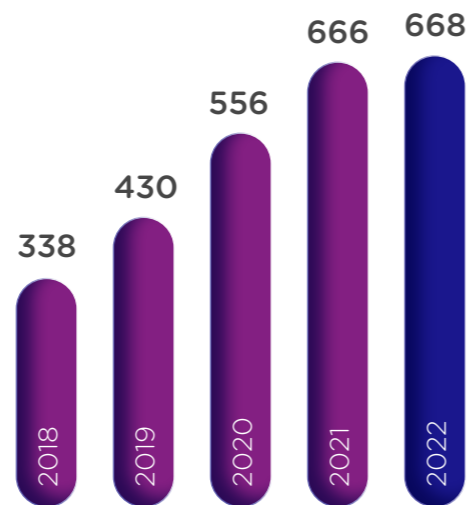


EVOLUTION OF FINANCIAL RESULTS

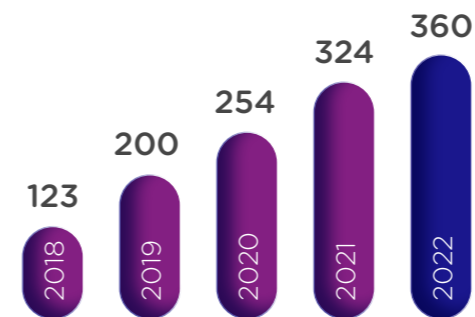
Net revenue (BRL million)



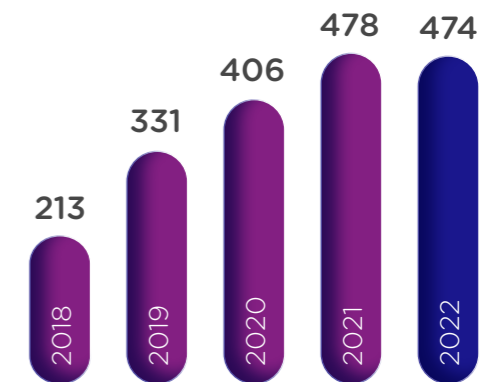
Gross profit (BRL million)



Net profit (BRL million)



Ebitda (BRL million)



Clemência Gonçalves da Silva Cruz and Isabel de Arruda Silva, Commercial Board

Direct economic value generated and distributed GRI 201-1

	2020	2021	2022
Gross Revenue	1,286,443	1,508,169	1,510,348

Economic value distributed (BRL k)

Distributed	2020	2021	2022
Operational costs	641,104	719,321	740,661
Salaries and employee benefits	126,522	154,000	162,452
Payments to capital providers	254,330	323,864	360,492
Payments to the government	200,073	314,203	238,833
Community investment	2,414	3,259	2,200
Total	1,224,443	1,514,467	1,549,638

Economic value retained (BRL)

	2022
"Direct economic value generated" minus "Economic value distributed"	5,744

Economic value distributed (%)

	2022
Operational costs	49.23
Salaries and employee benefits	10.80
Payments to capital providers	23.96
Payments to the government	15.87
Community investment	0.14
Total	100.00

Note: Data are presented on an accruals basis. There are no significant economic values generated and distributed to other countries.

Kaique Daniel Scala Lopes, Brenda Victoria Prado and Renata Ventura da Silva, Financial and Investor Relations Department


EMPREENDEDORISMO
E INOVAÇÃO
ESTÃO NO
NOSSO F
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Perspectives of the business

Blau started the year 2023 with good expectations regarding its business plan and confident about what lies ahead. Even in the face of challenges in the commercial and credit areas, and a deregulated market scenario, the Company continues on the path to consolidate itself as a leading pharmaceutical company in Latin America.



Blau's solid cash position makes it easier to get through more turbulent times. Therefore, the company remains prepared to deliver results in accordance with strategic planning and its 2023-2025 vision.

The Company continues to balance the delivery of consistent results with continuous investments, and remains a protagonist in issues of expanding access and regulatory frameworks.

The work to strengthen a culture based on ESG principles continues to evolve, as well as the definition of causes such as access to medicines, innovation and education, which will be the basis of work, directing social actions and projects. Also noteworthy are the environmental fronts for reductions in water and electricity consumption, waste generation and gas emissions.

Two years after the IPO, Blau continues to look to the future, focused on fostering a culture of initiative, excellence and innovation, delivering a more robust and accessible portfolio, accelerating presence in healthcare markets in the Americas to maximize our results by continuously pursuing excellence and innovation.

4

Impact Social

GRI 2-1, 2-6

“Nosso engajamento e compromisso com o desenvolvimento econômico, social e ambiental fazem parte das nossas ações de sustentabilidade”

Marcelo Hahn

Blau Farmacêutica's performance with responsibility and recognition of its role in fostering the country's development is present in the Company's commitments and material themes.

Through initiatives aimed at disseminating technologies, medicines and knowledge that impact Brazilian health, the Company seeks to reinforce the positive reach of its actions to supply public equipment, clinics and places of care to the population.

In addition, Blau's current social impact strategy advocates direct action in investing in education and culture and in supporting innovative initiatives that go beyond its own walls, contributing to the construction of impactful knowledge networks.

Blau's action also takes place through the associations it is part of. At the end of 2022, the Company participated in the following organizations: **GRI 2-28**

- Brazilian Association of the Pharmaceutical Input Industry (Abquifi);
- Brazilian Association of Fine Chemical Industries (A bifina);
- Association of Credit and Collection Professionals in the Pharmaceutical and Allied Industries (Credinfar);
- National Association for Research and Development of Innovative Companies (Anpei);
- Brazilian Federation of Associative and Independent Pharmacy Networks (Febrafar).

Access to medicines

GRI 3-3: Access to medicines, Own Blau Indicator 02

Blau Farmacêutica has among its objectives to provide high complexity medicines at affordable prices in order to contribute to improving the health, well-being and quality of life of the population.

Throughout 2022, **more than 8 million patients benefited** from the Company's main therapeutic solutions present in **8410 health institutions in Brazil.**



Education, culture and social action

GRI 3-3: Social

Investment

Blau Farmacêutica supports social, sports and cultural projects as a way to expand the reach and effectiveness of its performance as an agent of social transformation in the lives of people and society around its manufacturing units.

This support is given through quarterly financial contributions, via incentive laws, to social institutions that operate in four pillars: **Health, Inclusion, Culture and Sport**. There are also volunteering initiatives, carried out by the employees themselves.

Initiatives should be aligned with Blau's Values and Purpose and, whenever possible, should benefit the communities surrounding its operations, offering education, culture and inclusion, aiming at lasting results for the communities, as well as employee engagement.

The management of the initiatives is the responsibility of a multidisciplinary team that has

the task of defining and monitoring the resources allocated, in addition to monitoring the work of the institutions that receive the support, to understand their progress and needs.

The process known as Integrity due diligence, defined jointly by the Internal Social Committee and the Compliance area, ensures that the supported projects are evaluated according to criteria and guidelines adopted by the company.

In order to maintain a close relationship with the beneficiary institutions and maintain transparency about the achievements, periodic visits were made to the projects.



In 2022, Blau invested

Own Blau indicator 03

BRL 10.4 million in social projects, sports and cultural projects being

BRL 8,2 million of own resources and

BRL 2,2 million from the Federal Tax Incentive Law

Hospital de Amor:
Project “Amparo ao Idoso”
www.hospitaldeamor.com.br

Health

Complexo Pequeno Príncipe Project
“For Another 100 Years”
www.pequenoprincipe.org.br

INVESTMENT

Own Blau indicator 03

Elderly

BRL 109 mil

Hospital de Câncer de Barretos

BRL 213 mil

Lar Francisco C. Xavier

Lar Escola Francisco Cândido Xavier
www.larxavier.org.br



Orquestra Locomotiva

Culture

Orquestra Locomotiva

Initiative that serves about 2,000 children and adolescents aged 7 to 17 years in the cities of Santo André, Mauá and São Paulo, in regions considered of high social vulnerability. The initiative offers free collective music classes, in which participants put into practice various fundamental skills for personal and social development.

www.projeto locomotiva.org

Inclusion

Apae Cotia - Early Stimulation and Habilitation Program

www.apaecotia.org.br

Afesu Moinho Cotia
www.afesu.org.br

INVESTMENT

Children and Adolescents

BRL 23 mil

Afesu Moinho Cotia

BRL 112 mil

Pequeno Príncipe Complex

BRL 187 mil

Apae Cotia

Sport

Project Racing

An initiative that opens up opportunities for promising drivers and riders looking for a place in the motorsport scene.

[@blaumotorsport](https://twitter.com/blaumotorsport)

Blau Motorsports visits Apae de Cotia

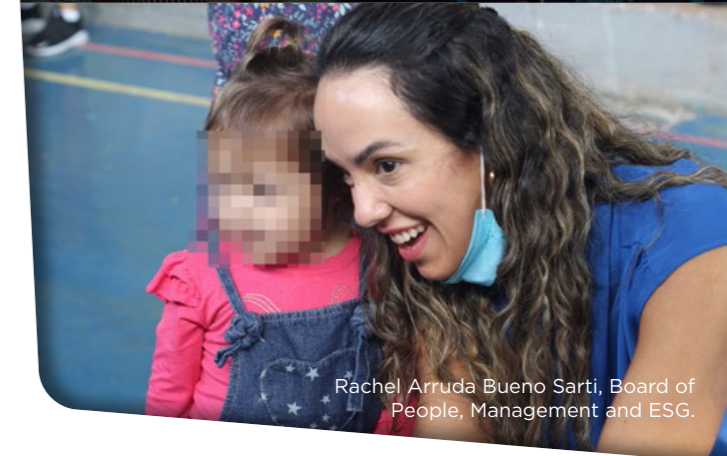
As part of the social actions, the drivers of the **Stock Car Blau Motorsport team** visited the children served by the Association of Parents and Friends and Exceptional (Apae) of Cotia, an institution supported by the Company via incentive law.

The action was attended by drivers **Diego Nunes** and **Allam Khodair** who, in uniform, autographed caps and interacted with the children.

On the occasion, the team presented the official car and provided the children with a unique experience of getting into a racing car and feeling like drivers for a day.



Drivers Allan Khodair and Diego Nunes visiting APAE Cotia.



Rachel Arruda Bueno Sarti, Board of People, Management and ESG.

PEP Project - Also at Apae, we support the Early Stimulation Program (PEP), which serves more than 40 children with disabilities, helping in their cognitive and social development. It is another project in which Blau seeks to serve the community where it is inserted. **GRI 413-1**

Capital Human

5

GRI 3-3: Attraction and Retention



The feeling of belonging and the pride of being part of Blau are our main differentiators and contribute directly to the growth of our business.

Governance related to people management includes a dedicated People, Organization and ESG lead, as well as an advisory committee on Human Resources and Remuneration and an ESG Committee. Organizational decisions are guided by four commitments, aligned with the purpose of developing cutting-edge solutions and products for a healthier and more sustainable world. They are:

- **Development and learning environment;**
- **An ethical environment for employees, as well as suppliers, customers and partners;**
- **Focus on innovation & technology culture; and**
- **Sense of belonging, collaboration and integration strengthened.**

Blau works strongly on actions aimed at attracting and retaining talent, as well as projects for the development of professionals, always ensuring an environment of respect and integration.

The Company has employees - "Blauers" - with a qualified, diverse and constantly learning profile. 58% of the team has a university degree, and areas such as Quality and R&D have more than half of the team with postgraduate levels. **In terms of diversity, 43% of our leadership is female, reinforcing our commitment to diversity and gender equity.**

In addition to the Brazilian team, Blau has 46 employees working outside Brazil.

In the constant search to keep its employees engaged and committed, Blau has been working on the review and implementation of people management policies and practices. Actions such as the implementation of the long-term incentive, which aims to recognize employees who deliver good results and believe in the company with an impact on retention; improvement in the performance evaluation process with the implementation of a calibration process, in which the main executives and managers jointly discuss the employees' evaluations, aiming to minimize biases and preferences, bringing more balance in the process, has helped in retaining people and key talents for the organization.



End of year party 2022

The remuneration policy is one of the Company's concerns, with actions designed from the senior management committee to local leaders. Premises of valorization, ethics, transparency and compatibility of positions, salaries and responsibility are adopted for the definition of remuneration, in line with collective agreements and legislation. Also on the radar is the pursuit of full gender pay equity. Profit Sharing (PLR) is linked to the achievement of targets in three spheres (corporate, departmental and individual).

Check out an X-ray of the company's workforce below.

Employees by gender and region GRI 2-7

REGION	2022		
	MAN	WOMAN	TOTAL
North East	10	2	12
Center-West	43	66	109
South East	645	840	1,485
South	9	6	15
Total	707	914	1,621

All Blau employees work full-time, with a guaranteed workload and on a permanent contract.

The employee base of 31 December 2022 was used. The fluctuation between 12/2021 (1,444) and 12/2022 (1,621) was 12% in the number of employees.

Workers by functional category and gender GRI 2-8

	2022		
	MAN	WOMAN	TOTAL
Apprentices	11	25	36
Trainees	0	0	0
Other	143	122	265
Total	154	147	301

Temporary workers (maternity leave coverage, leaves of absence and increased demand from the operation), full-time third parties (engineering, security and cleaning workers) and apprentices with reduced working hours (six hours) were considered under "other".

There were no significant fluctuations in the number of workers during 2022.

WE ARE

1,621 "Blauers"

(as of December 2022)

44% men

56% women

COEXISTENCE
OF GENERATIONS

generation X: **31%**

generation Y: **59%**

generation Z: **10%**



Lucilene Rezende Scurato and Juliana Bueno Coutinho from the People, Management and ESG Board

43%

of our leadership is female

Training and development

GRI 3-3: Training and Development, 404-1

The provision of technical and behavioral training that enables the acquisition of skills and the development of essential skills for business success is a priority at the Company. To manage the theme, Blau uses indicators of average training per employee and training programs. **Through the materiality process, opportunities for improvement were detected in the light of interests and needs.**

In 2022, the highlight was the training dedicated to anti-corruption and the Code of Ethics and Conduct, carried out in person and mandatory for the teams in Caucaia, São Paulo, including the head office, and Goiás, in addition to mandatory training in health and safety and trails developed based on the demands of the areas. Leaders were also trained on how to carry out a good selection process, with competency-based interview concepts and tips on how to engage potential Blauers, increasing transparency and leadership alignment in choosing the candidate, In 2022, Blau revisited the Blauers' performance evaluation model, updating concepts and competencies, aligned with the new purpose.

ESG and unconscious bias trainings were adopted to ensure an inclusive process, reinforcing the focus on diversity, as a diverse team can deliver better and more efficient results.

In relation to career development, attraction and retention, Blau has an Organizational Development Policy, which includes the creation of the succession plan. Actions are also stipulated to attract and retain employees who share the Company's values and working spirit. In 2022, the performance evaluation model was revisited, adding new concepts and aligning competencies to the new purpose, giving greater robustness to the evaluation process.

There was a 7.4% increase in Blauers' training/capacity building hours in 2022 compared to 2021. There was also a 19% increase in investment year-on-year. Learn more about our training hours on page 76 of the Indicator Annex. **GRI 404-1.**

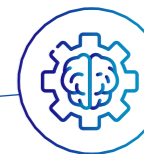
Applicable to each employee evaluated, the RD&I is structured based on a performance evaluation

process, guided by the Nine Box matrix, which in 2022 covered 100% of the leadership.

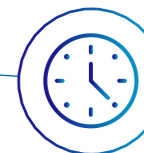
As part of people monitoring, a matrix of high-risk positions is maintained, with a specific pipeline and a succession plan for employees with potential to rise to leadership level.

In 2023, the goal is to start the Leadership Development Program, with assessments covering all directors and the CEO, as a reflection of the strategic planning revisited during the year.

Blau conducted **ESG and unconscious bias trainings, reinforcing the focus on diversity.**



The amount invested in development actions was **19% higher** higher than in 2021



7.4% of increase in training/capacity building hours of the Blauers 2021 to 2022



Procurement Team

Diversity and inclusion

GRI 3-3: Discrimination and respect for diversity

In 2022, Blau Farmacêutica was one of the companies that joined the Women's Leadership Index (ELAS1) of B3 - Brasil, Bolsa, Balcão. Launched in March of the same year, it is the first ESG index focused on gender diversity in the Brazilian market.

This achievement reflects Blau's efforts and measurable gains in elevating its female employees to leadership positions. In addition, since 2021, the Women on Board seal has been maintained, reflecting the presence of two women on the Company's Board of Directors (representing 28% of the group).

During 2022, the Company made progress in building its Diversity and Inclusion Policy and structuring the Diversity Program, with goals and metrics that will be managed from 2023.

Accessibility actions have been considered in recent processes, such as the new administrative office in São Paulo.

The diversity, equity and inclusion agenda proposes, in addition to affirmative actions, practices to ensure that there is no discrimination against people, harassment or actions in conflict with the Code of Ethics and Conduct. Since the integration trainings, the topic is addressed with the new employees.

The Company promotes internal dialogues on the subject and does not accept any type of discrimination in the workplace.

Since 2022, Blau has been one of the companies listed on B3's **Women's Leadership Index (ELAS1)**.

Health and safety at work

GRI 3-3: Health and safety at work, 403-1, 403-2, 403-3, 403-4, 403-5, 405-6, 403-8

Blau's Occupational Safety and Environment Management System (STMA) is based on various standards and legal requirements, complying with applicable legislation, with a dedicated department and actions covering training, risk analysis and mitigation, investigation of occurrences and awareness of quality of life and safe behavior.

The entire management system covers employees, service providers, third parties and others, i.e. any activity or service provision on the Company's premises is covered by the STMA area.

Opportunities, risks, accidents, diseases and diagnoses are analyzed and investigated by the Health team in conjunction with the Occupational Safety team.

Formed by permanent employees (elected and appointed), the Internal Commission for Accident Prevention (Cipa +A) is also engaged in promoting worker safety, being activated to support the analysis and investigation of the occurrence. A work plan is created annually to support this program, the Occupational Health Medical Control Program

(PCMSO) and the Risk Management Program (PGR).

Recent strengthening actions include the creation of operational procedures, STMA audit committees in processes and risk management programs; the intensification of the annual training plan; training and risk controls through task analysis; the creation of operational and strategic committees to discuss the STMA issue; behavioural inspection programmes; and the establishment of an organizational target for the frequency rate and the severity rate.

All of the Company's branches have training and follow-up actions focused on regulations and standard procedures, including the Risk Management Program (PGR) of each unit. With regard to employee safety, any activity is preceded

The Occupational Safety and Environment area covers employees, third parties and service providers, acting in all activity that takes place on the company's premises.



Eliane Mendes Barbosa,
Industrial Board

José Sica, Labor Physician; and Monica Cristina de Jesus, Board of People, Management and ESG



by technical training. The same extends to service providers, with documentary approval of companies that perform activities on Blau's premises.

Throughout 2022, Blau promoted 3,892 hours of training related to occupational safety, with the participation of 329 employees, adherence of 98% planned and investments of around BRL 50 thousand. The risk assessment routines, with monthly inspections in all areas and thematic safety dialogues, were also maintained, as well as the monitoring of performance indicators in each branch and unit. In industrial areas, the Safety Culture Index (SCI) is the main tracking metric. **GRI 403-5**

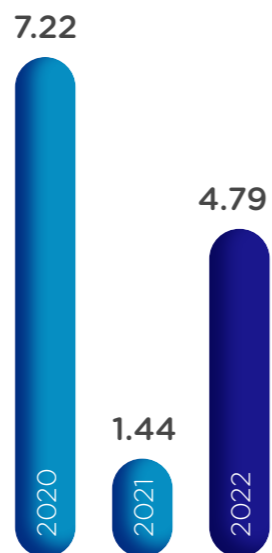
During 2022, the accident frequency rate was 4.79, higher than recorded in 2021. **There were no occupational deaths due to accidents at work.**

STMA INDICATORS MONITORED

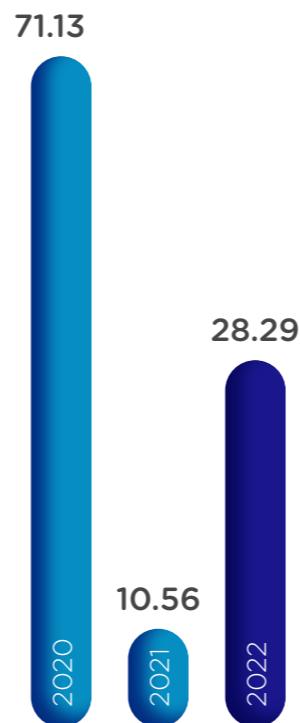
- Percentage of compliance with the Integrated Pending Management tool (0% for serious risk);
- Percentage of compliance with the Safety Culture Index;

- Percentage of adherence to the Annual Training Plan;
- Percentage of compliance with the Behavioral Observation Index;
- Reduction in the number of accidents;
- Reduction of the attendance rate;
- Reduction of the severity rate;
- Percentage of compliance with the Risk Assessment plan;
- Main deviations found during the analysis.

Attendance rate



Severity rate



WELL-BEING AND QUALITY OF LIFE

Blau's Health department is led by the occupational physician and includes nursing technicians and a social worker. In addition to the own outpatient clinic with a dedicated team, employees and their dependents have access to medical and dental insurance. Another initiative that impacted the well-being of employees in 2022 was the relocation of the administrative office, which included investments that improve the ergonomics and comfort of Blauers. **GRI 203-1**

Health programs and actions have scope and reach to our employees, service providers, third parties and others who perform some activity within the Company's business units. **GRI 403-6**

The organization ensures that personal information concerning the worker's health and participation in occupational health services is not used for any unfavourable treatment of the worker through the use of the system and database, which allow access only to members who are directly related to governance, in this case the occupational medical coordinator. **GRI 403-6**

Among the programs developed on its own initiative are nutritional

snacks, assistance and treatment of smoking, immunization control for all vaccines on the Ministry of Health calendar (including Covid-19 and Influenza - the latter offered free of charge to employees), the Cuidar Bem program (for pregnant women, spouses and children), scheduled medical appointments, the Women's Health Program, prevention campaigns, occupational exams and control of third-party exams (see below for some numbers of the initiatives).

The adhesion to the program is added to Blau's alignment with the Citizen Company Program, through which the duration of maternity leave is

180 days, and paternity, 20 days. The program also includes a gift card, personalized mugs and multi-professional follow-up throughout the pregnancy.

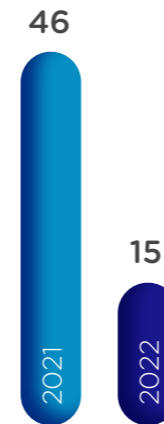
The year 2022 was also marked by the Covid-19 pandemic, although with a significant reduction in severity and hospitalizations in cases of infection of employees, reflecting the evolution of the government immunization program. The protocols and guidelines for sanitizing, distancing and protecting people were maintained, and the return to face-to-face included the adoption of a hybrid work model for the administrative areas.

Cuidar Bem is one of the highlights, offering pregnant women psychological support and practical help to exercise motherhood.

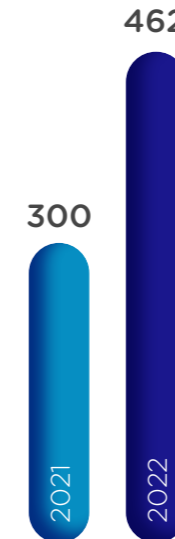


Richard Fernando de Andrade Alvares, Research and Development Board

Cuidar Bem (employees assisted)



Nutritional Snack (employees served)



Anti-smoking program (employees assisted)



Immunization Program (employees served)



Environment

6



For Blau, environmental management is one of the ways to make its growth healthy and even more efficient. Through it, the Company connects with its main stakeholders - employees, local community and society in general, government and press -, transmitting, through the commitments made, its purpose and its brand.

Blau continuously monitors and manages the environmental impacts resulting from its activities, seeking to promote an increasingly efficient management of energy and water resources, as well as the correct disposal of waste and effluents.

The Company also seeks to reduce greenhouse gas (GHG) emissions into the atmosphere and thereby curb global warming.

Currently, the company has 51 environmental licenses in Brazil, at the municipal, state and federal levels, and has fully complied with the requirements of the competent environmental agencies for the operation of its units.

In 2022, the creation of the ESG Committee was

In 2022 Blau consolidated the **creation of the ESG Committee**.

consolidated, focused on managing the guidelines related to social, environment and governance, which supports all Blau's actions. With this, the approach to environmental issues has gained transversality and presence in the agendas of senior leadership.



Councillors and Committees at the 1st ESG Workshop

Waste

GRI 3-3: Waste, 306-1, 306-2

Blau continuously monitors and manages the environmental processes and impacts arising from its activities. In 2022, more than BRL 776 thousand was invested in waste management and BRL 156 thousand in effluent disposal and treatment.

In 2022, the Zero Landfill Program was initiated, with the aim of eliminating the sending of non-recyclable and organic waste for disposal through Waste Derived Fuel (RDF), which aims to reuse these materials in other production processes such as boilers and furnaces. The goal is to eliminate the sending of waste to landfills.

The Company also actively participates in the discussion forum on waste management that involves 16 entities representing the pharmaceutical industry, including the Pharmaceutical Products Industry Union in the state of São Paulo (Sindusfarma), in which Blau is part of the Environment Group.

Another sectoral action is the reverse logistics program for household medicines for human

use, expired or in disuse, and their packaging, in compliance with the National Solid Waste Policy, according to Decree No. 10,388, of July 2020.

The program, carried out in partnership with Sindusfarma, provides consumers with a solution for disposing of expired or unused medicines in pharmacies that have collectors. The product is then removed by the distributor, who takes it to be destroyed at an environmentally suitable site approved by environmental authorities. Consumers therefore play a key role in ensuring proper disposal of medicines and their packaging.

As part of the waste disposal actions, the Company maintains a partnership with Braskem to promote the I'm Green Program, intermediated by the company Dinâmica Ambiental, in which used disposable cups are destined for reverse logistics, ensuring their recycling in a sustainable manner.

Internally, Blau implemented the Selective Collection Program called Eco Blau in the administrative areas, with the aim of improving the segregation of waste in a sustainable manner.

It is worth mentioning that selective collection was



Last year, the revenue generated from the selective collection of recyclables program was BRL 106.9 thousand. In 2022, Blau recycled approximately 219 tons of waste in Brazil.

already carried out in the Company's production areas. As part of the initiative, a training was held with all employees in order to guide them on the correct disposal of waste in the units. The Company has also observed an increase in awareness among professionals about environmental issues and the importance of recycling.

Recyclable and safe materials

GRI 3-3: Client Health and Safety

Blau's products use secondary paperboard packaging, which comes from a renewable source and is produced with 15% recycled fibers, 3% of which is post-consumer material. Cardboard boxes and some models of micro-corrugated displays are made of kraft paper, which in addition to being a renewable source material, also has a portion of recycled material, the percentage of which may vary from one manufacturer to another. The leaflets use offset paper material, from a renewable and recyclable source.

To guarantee the safety of the products throughout the chain, we use security seals or hot melt glue system, ensuring inviolability and reactive ink system, which after friction with a metal object, shows a Blau Quality logo, meaning it is an original product.

Blau has set a standard of 45 g/m² for all items, with the aim of reducing paper consumption for item production. With the implementation of the project, completed in May 2022, it was possible to reduce about 10% of the annual paper consumption in the production of Blau leaflets, an amount of 6.13 tons of paper/year (equivalent to 131 trees saved).

Blau has technologies for waste treatment such as co-processing, incineration, pyrolysis, composting, recycling and reuse.

INDUSTRIAL MANAGEMENT

The waste management process is directly integrated into the industrial operations for manufacturing pharmaceutical drugs. Thus, some actions and measures are taken to reduce, eliminate and/or neutralize the impacts of waste generation.

Operational efficiency of process and machines, specific procedures, operational controls, separation, segregation, study of addition of recycled material in the packaging chain and use of biodegradable stretch film in logistics operations, adoption of reverse logistics for products that are framed in PNRS - National Solid Waste Policy.

The final treatment of our hazardous and non-hazardous waste is managed and treated by third parties, is supported by current contracts and is periodically approved by the environmental department.

Waste performance indicators are in place, and data is analyzed, monitored and controlled by the environment department and captured through reports, final destruction certificates, transport manifests, invoices and internal controls. These performance data are periodically disclosed at a board meeting.

Water and effluents

GRI 3-3: Water and effluents, 303-1, 303-2

The use of water is directly linked to the manufacture of pharmaceutical products, physical-chemical and microbiological analysis in laboratories, cleaning of production areas and processes, steam production in boilers, supplies for human consumption and supply of the fire fighting system.

Our units have transitional water storage systems considered as "rejected" by the reverse osmosis process, after storage, this water starts to serve as reuse in the fire fighting system reserve and other uses. In addition, the organization has taps with automatic shut-off and water flow control.

In order to identify impacts related to water, Blau bets on the control of actions and projects related to the reduction of water consumption, the increase of water efficiency in production processes or water generation, the implementation of water treatment technologies and the implementation of systems for reuse/reduction.

In addition, according to the conditions established in the operating license, Blau needs to ensure the treatment of the effluent, following the guideline of disposal in a collecting network or directly into rivers after treatment.

The management of water resources promotes the rational use of water at Blau, captured from a natural source through artesian wells, duly licensed on its premises, to supply about 80% of its operation. The rest comes from the concessionaire of the public sanitation system and from a contract signed with a third party to supply water.

In addition, the Company periodically carries out potability analyses of well water, thus ensuring compliance with the standard required for human consumption.

For better water efficiency, Blau has acquired new equipment that requires less water and allows the reuse of the resource in the manufacturing process or in the operation of the machines.

In 2022,
Blau consumed

GRI 303-5

94.74 m³
of water, being:

9.8 m³ in Caucaia

34.23 m³ in Cotia

5.22 m³ in Goiás

45.49 m³
at the São Paulo site



The acquisition of a water generator equipment for injectables, thermocompressor, for example, reduced by 70% the disposal of water in the production process at the Company's headquarters.

Blau has also been acquiring modern systems for the production of water for injectables, thus increasing its water efficiency, in addition to continuous monitoring of water consumption.

In the Caucaia do Alto and Cotia units, there is a

water tank to store the volume generated.



Total volume of water abstracted in all areas and areas with water stress, by source (ML) - 2022 GRI 303-3

Source	All areas	Areas with water stress
Fresh water (≤ 1000 mg/l total dissolved solids)	0	0
Other waters (> 1000 mg/l total dissolved solids)	0	0
Groundwater (Total)	87.4	0
Fresh water (≤ 1000 mg/l total dissolved solids)	87.4	0
Marine waters (Total)	0	0
Fresh water (≤ 1000 mg/l total dissolved solids)	0	0
Other waters (> 1000 mg/l total dissolved solids)	0	0
Water produced (Total)	0	0
Fresh water (≤ 1000 mg/l total dissolved solids)	0	0
Other waters (> 1000 mg/l total dissolved solids)	0	0
Third party water (Total)	32.6	0
Fresh water (≤ 1000 mg/l total dissolved solids)	32.6	0
Total	120.0	0

Data captured by fixed measurement mechanisms and compiled in a monitoring and control spreadsheet. Blau has no supplier extraction operation.

Total water discharge in all areas and stressed areas, broken down by sources GRI 303-4

Type of source	All areas	Stressed areas
Surface water	3.63	0
Third party water	60.3	0
Fresh water (total dissolved solids ≤1,000 mg/L)	63.93	0

In 2022, Blau did not have any cases of non-compliance with the disposal limits.

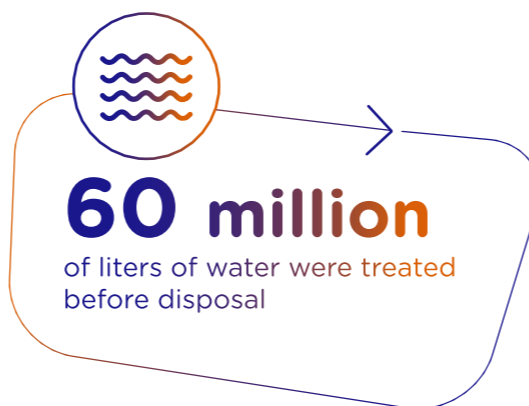
All substances originating from the production process, manufacturing pharmaceutical products, were considered in the effluent characterization. The approach to setting disposal limits is based on current legislation and supported by environmental legal requirements.

Regarding the type of treatment given to the discarded water, in 2022 there were 36.1 million liters of water with chemical treatment and 24.2 million with biological treatment, totaling 60.3 million liters of treated water before disposal.

EFFLUENT

Blau carries out the control and treatment of its effluents, following the guidelines of the Environmental Company of the State of São Paulo (Cetesb) and the environmental standards in force, in order to avoid contamination by chemical substances of the bodies of water in the regions where it operates.

Some units dispose of their effluents in a duly licensed public network and, in others, the effluents are collected and disposed of externally with the support of a licensed company. The units in Goiás, Cotia and São Paulo have Effluent Treatment Stations (ETE), which carry out the treatment before disposal into the public network, complying with all applicable environmental legislation.



Preservation Area - Blau Cotia



Emissions and energy

Blau maintains constant concern with energy efficiency levels in its manufacturing processes and has been expanding the participation of less polluting sources.

Over the past two years, Blau has replaced all artificial lighting with LED lamps, reducing electricity consumption.

With regard to climate, a relevant approach is the management of greenhouse gas emissions.

In order to progressively reduce its emissions generation, Blau has structured reduction, compensation and monitoring initiatives. Among the actions, the Company is carrying out the carbon off-set of its truck fleet and expanding the use of electric vehicles, initially for the delivery of medicines in the city of São Paulo.

Although challenging, the adoption of the electric fleet is considered important in the decarbonization strategy of the logistics chain, from the collection of raw materials to the transfer between units. **For deliveries to customers, Blau has maintained**

a partnership with the Movida car rental company since October 2021, and has joined the Carbon Free program for the neutralization of gases emitted by its fleet of light vehicles.

The Company has also established a partnership with the Black Jaguar Foundation in order to neutralize the CO₂ emission of the commercial fleet. With this, the CO₂ emission of the lease is calculated, and the result is translated into the number of trees that must be planted in the Araguaia River Biodiversity Corridor, one of the largest reforestation projects in South America.

In compliance with current legislation and based on the Forest Code (Law No. 12,651/12), the Company maintains at the Cotia unit a preserved green area of 10,515.04 m² "covered by native vegetation, with the environmental function of preserving the natural resources, geological stability and biodiversity of the region". The activities of preservation, maintenance and stability of the area, species and native seedlings are managed by a specialized company supported by a specific contract.



Summary of **Contents** of GRI

7

Declaration of use	Blau Farmacêutica reported in compliance with the GRI Standards for the period January 1, 2022 to December 31, 2022.
GRI 1 used	GRI 1: Fundamentals 2021

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF N. THE GRI SECTOR STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GENERAL CONTENT						
GRI 2: General Contents 2021	2-1 Organization details	10, 39				
	2-2 Entities included in the organization's sustainability reporting	5				
	2-3 Reporting period, frequency and contact point	5				
	2-4 Restatements of information	None.				
	2-5 External verification	None.				
	2-6 Activities, value chain and other business relationships	10, 14, 39				
	2-7 Employees	46				
	2-8 Workers who are not employees	46				
	2-9 Governance structure and its composition	23				
	2-10 Nomination and selection to the highest governance body	23				

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION REQUIREMENTS OMITTED	REASON	EXPLANATION	REF N. THE GRI SECTOR STANDARD
GRI 2: General Contents 2021	2-11 Chair of the highest governance body		The Chairman of the Board of Directors serves the Company exclusively in this capacity and is not a senior executive.			
	2-12 Role played by the highest governance body in overseeing the management of impacts	23				
	2-13 Delegation of responsibility for impact management		The Company's Board of Directors is advised by the ESG Committee to support impact management. The ESG Committee reports its activities to the Board at least quarterly.			
	2-14 Role of the highest governance body in sustainability reporting		The information review and approval process involves prior assessment by the Executive Board and the ESG Committee.			
	2-15 Conflicts of interest	22				
	2-16 Communicating critical concerns		Critical concerns are reported to the Board of Directors in quarterly meetings with the ESG Committee. However, during the reporting period, communications are made to the Board of Directors on a monthly basis, when the Board meets. In 2022, there were no reported complaints.			
	2-17 Collective knowledge of the highest governance body	23				

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION REQUIREMENTS OMITTED	REASON	EXPLANATION	REF N. THE GRI SECTOR STANDARD
GRI 2: General Contents 2021	2-18 Assessment of the performance of the highest governance body	69				
	2-19 Remuneration policies	69				
	2-20 Process for determining remuneration	69				
	2-21 Proportion of total annual remuneration	69				
	2-22 Declaration on sustainable development strategy	3				
	2-23 Policy commitments	22, 26, 27, 28				
	2-24 Incorporation of policy commitments	26, 27				
	2-25 Processes to repair negative impacts	27				
GRI 2: General Contents 2021	2-26 Mechanisms for advice and raising concerns	27				
	2-27 Compliance with laws and regulations	None				
	2-28 Participation in associations	40				
	2-29 Approach to stakeholder engagement	6				
	2-30 Collective bargaining agreements		99.69%, considering all active employees in December 2022, excluding the five in statutory regime, which had been considered in 2021, when the data reported was 100%.			

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF N. THE GRI SECTOR STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
MATERIAL THEMES						
GRI 3: Themes Materials 2021	3-1 Process of defining material topics	6				
	3-2 List of material themes	6, 7				
Economic Performance						
GRI 3: Themes Materials 2021	3-3 Management of material issues	35				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	37				
Social Investment						
GRI 3: Themes Materials 2021	3-3 Management of material issues	41				
GRI 202: Market presence 2016	202-2 Proportion of board members hired from the local community	92.31% of board members were hired from the local community. The location is considered to be the Brazilian territory.				
GRI 203: Indirect economic impacts 2016	203-1 Investments in infrastructure and support services	33, 50, 51				
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessment and development programs	43				
Own indicator	Blau 03 - Social actions carried out in the year (name, amount invested and number of people served)	41, 42				
Waste						

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF N. THE GRI SECTOR STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Themes Materials 2021	3-3 Management of material issues	54				
GRI 301: Materials 2016	301-1 Materials used, broken down by weight or volume	54	Blau does not monitor the production chain of manufacturers and suppliers of paperboard, paper and micro-corrugated paper that convert packaging into leaflets, cartridges, displays and accessories for the final product.			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	54				
	306-2 Management of significant impacts related to waste	54				
	306-3 Waste generated	71				
	306-4 Wastes not destined for final disposal	71				
	306-5 Waste destined for final disposal	71				

Water and Wastewater

GRI 3: Themes Materials 2021	3-3 Management of material issues	56				
GRI 303: Water and wastewater 2018	303-1 Interaction with water as a shared resource	56				
	303-2 Managing impacts related to water discharge	56				
GRI 303: Water and wastewater 2018	303-3 Water abstraction	57				
	303-4 Water disposal	58				
	303-5 Water consumption	56				

Attraction and Retention

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF N. THE GRI SECTOR STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 3: Themes Materials 2021	3-3 Management of material issues	44				
GRI 401: Employment 2016	401-1 New hires and employee turnover	72, 73				
	401-3 Maternity/paternity leave	74				
Health and safety at work						
GRI 3: Themes Materials 2021	3-3 Management of material issues	49				
	403-1 Occupational health and safety management system	49				
GRI 403: Health and safety at work 2018	403-2 Hazard identification, risk assessment and incident investigation	49				
	403-3 Occupational health services	49				
	403-4 Worker participation, consultation and communication with workers regarding occupational health and safety	49				
	403-5 Training of workers in occupational health and safety	49, 50				
	403-6 Worker health promotion	50, 51				
	403-7		All	Not applicable	The organization does not have this management format within the organization, thus not applicable to the business.	
	403-8 Workers covered by an occupational health and safety management system	49, 74				
	403-9 Accidents at work	74				
	403-10 Occupational diseases	We have no reports or records of work-related accidents and/or illnesses.				
Training and Development						
GRI 3: Themes Materials 2022	3-3 Management of material issues	47				

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF N. THE GRI SECTOR STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 404: Training and education 2016	404-1 Average hours of training per year, per employee	47, 75				
	404-3 Percentage of employees receiving regular performance and career development reviews	75				
Discrimination and respect for diversity						
GRI 3: Themes Materials 2021	3-3 Management of material issues	48				
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governance bodies and employees	76, 77				
	405-2 Ratio of basic salary and remuneration received by women to those received by men	77				
GRI 406: Non-discrimination 2016	406-1 Cases of discrimination and remedial action taken		The only report received with discrimination content did not have sufficient data (minimum information) for the investigation to be carried out.			
Client Health and Safety						
GRI 3: Themes Materials 2021	3-3 Management of material issues	55				
GRI 416: Consumer health and safety 2016	416-2 Cases of non-compliance in relation to health and safety impacts caused by products and services	None				
GRI 417: Marketing and labeling 2016	417-3 Cases of non-compliance in relation to marketing communication	None				
GRI 418: Client privacy 2016	418-1 Substantiated complaints regarding breach of privacy and loss of customer data	None				
Safety of Medicines						
GRI 3: Themes Materials 2021	3-3 Management of material issues	34				
GRI 417: Marketing and labeling 2016	417-2 Cases of non-compliance in relation to information and labeling of products and services	None				

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF N. THE GRI SECTOR STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
Own indicator	Blau 04 - Number of adverse events arising from the use of the product/medicine and of products recalled for non-compliance	34				
Innovation and Technology						
GRI 3: Themes Materials 2021	3-3 Management of material issues	29, 31				
Own indicator	Blau 01 - Number of registrations obtained, number of new products	30, 32				
Access to Medicines						
GRI 3: Themes Materials 2021	3-3 Management of material issues	14, 40				
Own indicator	Blau 02 - Initiatives to promote access to medicines	40				
Quality						
GRI 3: Themes Materials 2021	3-3 Management of material issues	33				
Own indicator	Blau 05 - Quality certificates	33				

Annex of indicators

PERFORMANCE EVALUATION AND REMUNERATION POLICIES

GRI 2-18, 2-19, 2-20, 2-21

Annually, the Board of Directors conducts a performance evaluation of the body as a collegiate body, with the result disclosed to all directors, who then propose actions that contribute to the improvement of the individual performance of each one, in view of the attributions conferred on them, as well as adjustments in processes, methods or practices in the dynamics of the group of Directors, aiming to improve the performance of the collegiate body.

It is the responsibility of the Chairman of the Board to conduct and coordinate the process, both of the body and of each director, as well as the individual evaluation of the members of the Company's Executive Board. The Board may, at its sole discretion, rely on external consultancy support in the evaluation process. Once the assessments are finalized, the information is made available to the Company's shareholder control for awareness and addressing of necessary actions.

Remuneration

The strategic remuneration policies and programs are aligned with the best market practices and are developed by the People & Management area through the Remuneration and Benefits area, which uses the methodology of the consulting firm WTW (Willis Towers Watson) for the analysis of fixed and variable remuneration programs and studies. The policy is aligned with leading market and corporate governance practices. The variable remuneration of executives is linked to the achievement of strategic goals and aligned with the organization's growth plan.

In 2022, the Long-Term Incentive program was implemented, with the participation of an independent consultant and an independent member participating in the HR Committee. The process for approving adjustments for executive and statutory directors is submitted to the CEO and Board of Directors.

Senior management remuneration in 2022 (BRL)

Fixed remuneration	Board: Annual fixed remuneration of 13.33 (Salary+Holidays+13th salary) for the directorate under the CLT regime. For the statutory board the annual fixed remuneration is 12 (Salary). Annual bonus of up to three salaries (PLR) ILP: two programs are in place, Retention (three salaries) and Performance (three salaries).
	Executive Manager: Annual fixed remuneration of 13.33 (Salary+Holidays+13th salary) Annual bonus of up to 2 salaries (PLR) ILP: only nominated employees participate in the program, Retention (two salaries) and Performance (two salaries).
	Manager and Senior Manager Annual fixed remuneration of 13.33 (Salary+Holidays+13th salary) Annual bonus of up to 2 salaries (PLR) ILP: only nominated employees participate in the program, Retention (two salaries).
	Coordinator and Expert: Annual fixed remuneration of 13.33 (Salary+Holidays+13th salary) Annual bonus of up to 1.5 salaries (PLR) ILP: only nominated employees participate in the program, Retention (two salaries).
	Analyst: Annual fixed remuneration of 13.33 (Salary+Holidays+13th salary) Annual bonus of up to 1 salary (PLR)
	Operational: Annual fixed remuneration of 13.33 (Salary+Holidays+13th salary) Annual bonus of up to 1.3 salary (PLR)
Attraction bonus	Initiatives to promote access to medicines
Return of bonuses and incentives (clawback)	Social actions carried out in the year (name, amount invested and no. of people served)

Percentage increase in total annual remuneration in 2022 (BRL)

	Value
Highest remuneration paid (in the reporting period)	2,375,245.66
Average annual total compensation for all employees (except the highest paid individual)	85,324.26
Proportion	28.44

Change in proportion of total annual remuneration in 2022 (BRL)

	Previous year	This year
Higher remuneration paid	5,050,654.12	2,375,245.66
Average annual total compensation for all employees (except the highest paid individual)	77,461.24	85,324.26
Percentage increase in the highest remuneration paid		16.66%
Percentage increase in average total remuneration		10.15%
Proportion of percentage increase in highest paid remuneration by percentage increase in average total remuneration		1.64

In remuneration paid, the annual base salary + payment of the PLR for the year 2021 is considered.

Environment

Total waste generated, by composition (t) GRI 306-3

Category	Type (hazardous or non-hazardous) (additional information)	2021		2022	
		Quantity generated (t)	Type (hazardous or non-hazardous) (additional information)	Quantity generated (t)	Type (hazardous or non-hazardous) (additional information)
Class I	Dangerous	347	Dangerous	363	
Class II	Not Dangerous	657	Not Dangerous	417	
Total		1,004		780	

There is monitoring and control of waste at the source of generation. These are received at the waste plant, then organized and destined for final treatment.

Total waste NOT destined for final disposal, by composition in metric tons (t) GRI 306-4

Composition	2021		2022	
	Quantity not destined for final disposal (t)	Quantity not destined for final disposal (t)	Quantity not destined for final disposal (t)	Quantity not destined for final disposal (t)
Paper / Cardboard	81		82	
Glazing	23		26	
Plastic	38		51	
Metal	24		12	
Aluminum	5		10	
Madeira	100		56	
Other	179		292	
Total	450		529	

"Other" was considered to be organic waste (food waste, leaves, branches, etc.), which is destined for composting and various pharmaceutical waste, which goes to co-processing.

Total waste NOT destined for final disposal, by recovery operation, in metric tons (t) GRI 306-4

Non-hazardous waste	2021		2022	
	Total	Total	Total	Total
Recycling	271		237	
Composting	-		44	
Co-processing	179		248	
Total	450		529	

All waste recovery processes are carried out outside the Organization.

Total waste destined for final disposal, by composition in metric tons (t) GRI 306-5

Composition	2021		2022	
	Quantity destined for final disposal (t)	Quantity destined for final disposal (t)	Quantity destined for final disposal (t)	Quantity destined for final disposal (t)
Class I	168		115	
Class II	386		136	
Total	554		251	

Class I considers oncological waste and Class II considers sanitary waste.

Total waste destined for final disposal, by operation, in metric tons (t) GRI 306-5

Non-hazardous waste	2021		2022	
	Total	Total	Total	Total
Landfill	386		136	
Hazardous waste				
Incineration with energy recovery	168		115	
Total waste destined for final disposal	554		251	

All waste recovery processes are carried out outside the Organization.

Human capital

New hires and employee turnover GRI 401-1

Employees hired, by age group

	2021		2022	
	N°	Fee	N°	Fee (%)
Under 30 years	150	-	154	44.77
Between 30 and 50 years	287	-	344	30.07
Over 50 years	9	-	36	27.07
Total	446	30.89	534	32.94

Employees hired, by gender

	2021		2022	
	N°	Fee	N°	Fee (%)
Men	210	32.36	240	33.95
Women	236	29.68	294	32.17
Total	446	30.89	534	32.94

Employees who left the Company, by age group

	2021		2022	
	N°	Fee	N°	Fee (%)
Under 30 years	97	-	70	20.35
Between 30 and 50 years	219	-	251	21.94
Over 50 years	33	-	36	27.07
Total	349	24.17	357	22.02

Employees hired, by region

	2021		2022	
	N°	Fee	N°	Fee (%)
North	0	-	0	0
North East	0	-	2	16.67
Center-West	50	-	57	52.29
South East	396	-	475	31.99
South	0	-	0	0
Total	446	30.89	534	32.94

Hiring rate = (hired/headcount of category)* 100

New hires and employee turnover GRI 401-1

Employees who left the Company, by gender

	2021		2022	
	N°	Fee	N°	Fee
Men	189	29.12	181	25.60
Women	160	20.12	176	19.26
Total	349	24.17	357	22.02

Total number of dismissals in the year 2022. Total disconnected by region/total active headcount.

Employees who left the Company, by region

	2021		2022	
	N°	Fee	N°	Fee
North East	1	-	0	0
Center-West	34	-	34	31.19
South East	314	-	323	21.75
Total	349	24.17	357	22.02

Total number of dismissals in the year 2022. Total disconnected by region/total active headcount.

Turnover rate (*Turnover*)

	2021	2022
Total headcount	1,444	1,621
By gender		
Men	649	707
Women	795	914
By age group		
Under 30 years	-	47%
Between 30 and 50 years	-	27%
Over 50 years	-	24%
By regional distribution		
North East	-	12%
Center-West	-	51%
South East	-	29%
Total	28%	29%

For the calculation of turnover, the following rule was used: admitted for the month + dismissed for the month/2/headcount active). It is important to note that the turnover rate is different from the rate of dismissals, according to the calculation rules mentioned above.

Workers covered by an occupational health and safety management system GRI 403-8

Workers who are not employees, but whose work and/or place of workplace is controlled by the organization		Employees	Workers
Total number of individuals	Number	1,621	301
Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines	Number	1,621	301
	Percentage	100%	100%
Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines, which has been internally audited.	Number	1,621	301
	Percentage	100%	100%
Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines, which has been audited or certified by an external party.	Number	1,621	301
	Percentage	100%	100%

Maternity/paternity leave GRI 401-3

		2022
Employees who were entitled to take leave	men	707
	women	914
Employees who took leave in the reporting period	men	29
	women	25
Employees who returned to work, in the reporting period, after their leave ended	men	29
	women	34
Employees who returned to work after leave and remained employed 12 months after returning to work	men	21
	women	16
Rate of return	men	100
	women	100
Retention rate	men	80.77
	women	76.19

Accidents at work - 2022 GRI 403-9

Employees	
Number of hours worked	2,297,333.79
Number of deaths resulting from work-related injuries	0
Fatality rate resulting from work-related injuries	0
Number of serious work-related injuries (excludes deaths)	11
Rate of serious work-related injuries (excludes deaths)	4.79
Number of recorded work-related injuries (includes deaths)	11
Rate of recorded work-related injuries (includes deaths)	28.29

There were no fatalities or injuries of any kind to any Blau workers

Average hours of employee training by gender GRI 404-1

	2021	2022
Men	4.3	9.2
Women	3.4	6.3
Total	3.8	7.6

Average hours of employee training by employee category GRI 404-1

	2022
Board	6.8
Management	9.6
Management/coordination	13.6
Technical/supervision	3.3
Administrative	8.6
Operational	6.3
Total	7.6

Average hours of employee training by functional category GRI 404-1

	2022
Apprentices	413
Trainees	0
Trainees	0
Total	413

The Indicator reports the total hours of training. Blau considers temporaries and third parties as workers, as they have no employment relationship with Blau. We hire third parties for cleaning and security services, and temporary staff to replace employees on sick leave or maternity leave, and to increase production. The management of these workers is done by the company responsible

Percentage of employees receiving performance reviews by employee category GRI 404-3

	2022		
	Men	Women	Total
Board	100.0%	100.0%	100.0%
Management	83.67%	100.0%	88.4%
Management/coordination	96.0%	95.1%	95.45
Technical/supervision	28.21	85.0	39.8%
Administrative	68.5%	81.7%	76.9%
Total	40.2%	51.1%	46.3%

Employees hired after 03/10/22 and who requested to leave were not eligible for performance evaluation, as well as all operational employees.

Percentage of individuals within the organization's governance bodies, by gender and age group GRI 405-1

Members of governance bodies		
2022	Men	71.43%
	Women	28.57%
	Total	100.00%

All members of the governance bodies are over the age of 50. Blau does not have blacks, LGBT and PCDs on its Board.

2022	Under 30 years	0
	Between 30 and 50 years	0
	Over 50 years	100
	Total	100

Percentage of workers by functional category and gender GRI 405-1

	2022	
	Men	Women
Apprentices	30.56%	69.44%
Other	53.96%	46.04%
Total	51.16%	48.84%

Percentage of employees by functional category and gender GRI 405-1

	2022	
	Men	Women
Board	76.92%	23.08%
Management	71.01%	28.99%
Management/coordination	37.88%	62.12%
Technical/supervision	79.59%	20.41%
Administrative	36.50%	63.50%
Operational	43.38%	56.62%
Total	43.62%	56.38%

Percentage of employees by functional category and age group GRI 405-1

	2022		
	Under 30 years	Between 30 and 50 years	Over 50 years
Board	0.00%	30.77%	69.23%
Management	1.45%	78.26%	20.29%
Management/coordination	4.55%	90.91%	4.55%
Technical/supervision	12.24%	75.51%	12.24%
Administrative	28.61%	65.91%	5.48%
Operational	18.18%	73.21%	8.61%
Total	21.22%	70.57%	8.20%

Percentage of workers by functional category and age group GRI

405-1

	2022		
	Under 30 years	Between 30 and 50 years	Over 50 years
Apprentices	100.00%	0.00%	0.00%
Other	18.35%	55.05%	26.61%
Total	29.92%	47.24%	22.83%

Temporary workers (maternity leave coverage, leaves of absence and increased demand from the operation), full-time third parties (engineering, security and cleaning workers) were considered under "other".

Percentage of employees in under-represented groups, by employee category GRI 405-1

	2022		
	Black and Brown	LGBT	PWDs
Board	0.00%	N/I	0.00%
Management	0.00%	N/I	1.47%
Management/coordination	0.00%	N/I	0.00%
Technical/supervision	5.10%	N/I	0.00%
Administrative	2.67%	N/I	3.61%
Operational	4.13%	N/I	2.70%
Total	3.15%	N/I	2.78%

Blau does not yet survey LGBTQIA+ employees.

Percentage of workers in underrepresented groups, by functional category GRI 405-1

	2022		
	Black and Brown	LGBT	PWDs
Apprentices	0.00%	N/I	0.00%
Other	7.17	N/I	0.00%
Total	6.29	N/I	0.00%

Blau does not yet survey LGBTQIA+ employees.

Ratio of basic salary and remuneration received by women to those received by men - by employee category GRI 405-2

	Basic salary (BRL)	Remuneration (BRL)
Board	0.79	0.78
Management	1.01	1.03
Management/coordination	0.97	0.97
Technical/supervision	1.17	1.18
Administrative	0.98	0.98
Operational	0.88	0.88

For the Board of Boards, all levels (Grids 16 and 17) were considered except the Chairperson.
 For Management, all levels were considered (Grades 13 to 15).
 For Coordination, all levels were considered (Grades 10 to 12).
 For Technician and supervision, all levels (Junior, Full and Senior) were considered.
 For Administrative, all levels (Junior, Full, Senior, Assistant and Specialists) were considered.
 For Operational, all levels were considered (Leader, Managers, Operational Assistants and Operators).

Credits

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Materiality process and GRI consultation

GRI CONSULTING, WRITING, GRAPHIC DESIGN,
LAYOUT AND PROJECT MANAGEMENT
Report Group - RPT sustainability

Review

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