

# SUSTAINABILITY REPORT

---

**Neol Pharma Group**

**2023**



# Content

<b>Message from the Management</b>	04
<b>Neolpharma Group in Figures</b>	05
<b>Our Impact</b>	<b>06</b>
Who we are?	06
Vision, mission and values	06
Business model	07
Business units	07
Corporate Governance	09
Sustainability Committee	09
Sustainability Strategy	10
Strategic Linkage	12
<b>Business Ethics</b>	<b>13</b>
Code of Ethics and Conduct	13
<b>Action for the planet</b>	<b>14</b>
Emissions	15
Energy management and efficiency	19
Water and effluent	24
Waste management	27
<i>Construction and engineering sustainable</i>	32
<i>Ecosystem restoration and biodiversity protection</i>	33
<i>Environmental certifications</i>	35
<b>Our family</b>	<b>36</b>
Good practices	37
Wellness	43
Development and training	50
Health & Safety	51
<i>Occupational health and safety certifications</i>	54

<b>Social Well-Being</b>	<b>55</b>
Health products	56
<i>Quality certifications</i>	58
Clients and patients	59
<i>Social programs</i>	63
<hr/>	
<b>Business ideology</b>	<b>67</b>
Compliance	68
Business ethics	71
<hr/>	
<b>Business innovation</b>	<b>73</b>
Sustainable processes	74
<i>Certifications for business innovation</i>	79
Sustainable Procurements	80
<hr/>	
<b>About this report</b>	<b>85</b>
Materiality	85
<hr/>	
<b>Index of indicators</b>	
Global Reporting Initiative Index	88
Sustainability Accounting Standards Board Index	94
<hr/>	
<b>Contact</b>	<b>95</b>

Welcome to our Family

# Message from the Management

GRI 2-22, 2-25



”

**“Our commitment to the health of our patients is stronger than ever, and all our passion and dedication will go toward not letting them down.”**

For the past few years, we have been steering Grupo Neolpharma toward a business model with greater attention and respect for the environment, always striving to improve the workplace for the more than 3,000 employees who, day by day, transform raw materials into therapies that change the lives of millions of patients.

While we continue several initiatives from previous years, 2023 was a year of reflection and transformation. Times of crisis are often moments of greatest learning for companies, paving the way for the necessary change to achieve evolution and improvement.

In 2023, we became more aware of the importance and impact of our activities on the health of the Mexican population, which led us to redouble our efforts to enhance the positive impact we can and must have on society. Along these lines, we have placed greater focus on developing governance and policy matters to ensure business continuity based on continuous improvement.

Our commitment to the health of our patients is stronger than ever, and all our passion and dedication will go toward not letting them down.

## **Diego Ocampo Gutiérrez de Velasco**

Vice President of Innovation and Development

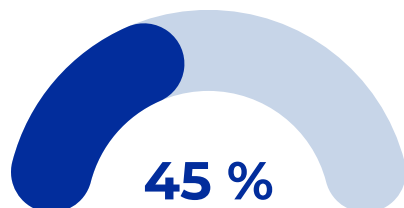


# Neolpharma Group

## in Figures



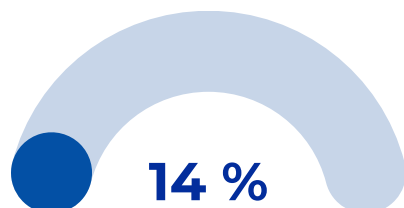
employees at  
Neolpharma Group



of the workforce are women



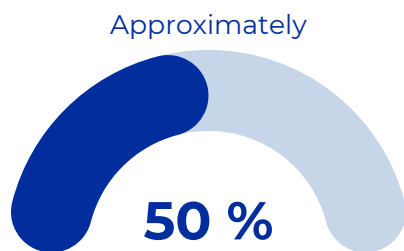
absorbed through our Forest  
Adoption



CO2 emissions increased,  
compared to 2022



hours invested  
in technical training



Approximately  
of our suppliers are  
domestic



Building a future for and with our clients.

# Our Impact

## Who we are?

GRI 2-1

Grupo Neolpharma, founded 49 years ago, is a 100% Mexican organization dedicated to the research, development, production, marketing and distribution of pharmaceutical products and services. Its social mission is "to provide affordable alternatives for the treatment of various diseases, contributing to the improvement of the health of the population and the quality of life of patients".

It is committed to offering its customers and patients medicines of proven quality, safety and efficacy for the treatment of various diseases in: psychiatry, neurology, algology, oncology, diabetes, hypertension, obesity, antiviral and infectious diseases.



### Vision

"To be the Mexican pharmaceutical group with the greatest development in the national and international market and with the greatest number of innovations."



### Mission

"We are a group of companies in evolution, committed to health and in search of global development. From our platform, we make decisions and act to achieve exceptional results, innovating to improve the quality of people's lives."



### Values

Ethics  
Responsibility  
Respect  
Customer-oriented management  
Fact-based decisions  
Continuous learning  
Doing things right the first time  
Leveraging assets  
Developing a network of relationships

## Business Model

GRI 2-6

The companies of the Neolpharma Group are business units that together represent a wide range of pharmaceutical products and services, with 267 products registered in Mexico and services for the research, development, manufacture and distribution of medicines.

Approximately half of the Group's revenues are derived from the sale of pharmaceuticals in the private sector, including the sale of active ingredients and the provision of pharmaceutical services. The other half of the Group's revenues are derived from the sale of pharmaceuticals to the Mexican public health system, where it is the second largest supplier of pharmaceuticals.

The products of the pharmaceutical manufacturing units are targeted at the middle and low-income population for the treatment of central nervous system (CNS) disorders, in addition to being a producer of generics in various business lines for the treatment of diseases with a high incidence in Mexico.

## Business Units

GRI 2-2



Neolpharma Group, so called because of the shareholding relationship of the partners in different companies, is composed of more than 17 business units, each of which is an independent legal entity, legally constituted and operating under the legal framework applicable to its corporate purpose.

Likewise, each Business Unit legally manages its own economic indicators and financial statements, which are presented to the shareholders on an annual basis. It should be noted that each Business Unit complies with the labor, environmental and tax regulations necessary to ensure the legality of its operations and economic activities.

The purpose of this document is to report on the sustainability objectives, performance and progress of six sites integrated into four business units, as follows:

### **Psicofarma S.A. de C.V.**



It is consolidated as the laboratory with the broadest and most complete line for the treatment of Central Nervous System disorders.

Tlalpan: Calzada de Tlalpan No. 4369, Toriello Guerra, Tlalpan, C.P. 14050, Ciudad de México.

División del Norte: Av. División del Norte No. 3377-I, El Rosario, Coyoacán, C.P. 04380, Ciudad de México.

Toluca: Parque Industrial No. 50030, Isidro Fabela Norte No. 1238, Santa Cruz Atzacapotzaltongo, C.P. 50030, Ciudad de México.

### **Laboratorios Alharma S.A. de C.V.**



It has a line of over-the-counter (OTC) drugs, a line of generics, and the Cardiometabolic and Musculoskeletal Health divisions.

Vallejo I: Poniente 150 No. 764 Int. 2, Industrial Vallejo, Azcapotzalco, C.P. 02300, Ciudad de México.

### **Neolpharma S.A. de C.V.**



It is the company with the best technology in the production of solid, liquid, injectable, effervescent, ampoules, soft gelatin capsules and parenteral products.

Vallejo II: Boulevard de los ferrocarriles No. 277, Industrial Vallejo, Azcapotzalco, C.P. 02300, Ciudad de México.

### **Neolsym S.A. de C.V.**



Multipurpose Pharmochemical Company with experience in the manufacture of APIs (active pharmaceutical ingredients) and raw materials.

Ecatepec: Guanajuato Sur No. 22, Santa Clara Coatitla, Ecatepec de Morelos, C.P. 55400, Estado de México.



# Corporate Governance

GRI 2-9, 2-11, 2-12, 2-13, 2-14

For Neolpharma Group, the Corporate Governance is a key element in guaranteeing the integrity, transparency and sustainability of our operations. We are committed to implementing and maintaining practices that generate trust among our various stakeholders. This approach is carried out under the leadership of our Chief Executive Officer, Efrén Ocampo Lopez, who leads with broad vision and experience. At his side, five Vice Presidents play key roles in the management of:

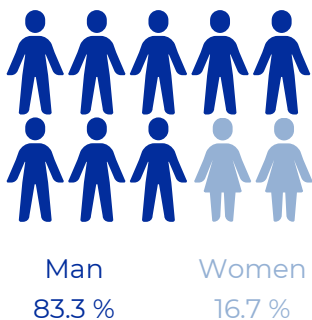
- Operations
- Comercial Strategy
- Innovation and Development
- Project Management
- Administration and Finances

Together, they guarantee an integral strategic management that defines the development path of the Neolpharma Group and the continuous achievement of its objectives.

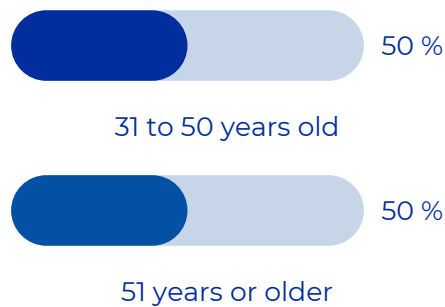


Efrén Ocampo López  
Executive Presidente of Neolpharma Group

Composition of our corporate governance by gender



Composition of our corporate governance by age



# Sustainability Comitee

GRI 2-13, 2-14

A key part of the Executive Committee's commitment is to manage the environmental, social and governance (ESG) impacts of its operations, products and services, and to meet the social and environmental needs and expectations of its stakeholders.

To achieve this, as of 2022, there will be a Sustainable Management and Development department, which will be part of the Vice Presidency for Innovation and Development.

The department is responsible for managing the strategy to address material ESG issues relevant to the organization, in line with corporate objectives, reporting the results to senior management and informing stakeholders.

It is also responsible for coordinating the Sustainability Committee, which has been strengthened since its creation in July 2020 and includes leaders committed to Grupo Neolpharma's sustainability efforts in the areas of human resources management, talent development, ethics and compliance, health and safety, environment, energy efficiency, academic and scientific linkages, among others that may be necessary to complement the sustainability strategy.

## Sustainability Strategy

GRI 2-22, 2-25, 3-2, 3-3

In our efforts to improve sustainability management, we have moved from working with strategic lines set by senior management in line with their expectations of social responsibility, to identifying and assessing material issues in detail. This transition has allowed us to focus our efforts and resources on managing ESG impacts that are relevant to the business from a legal, strategic and reputational perspective.

- 2020**

Education, health and the environment were established as our strategic lines.
- 2021**

Equity, responsible management and ethics in production were integrated into our model.
- 2022**

We worked in accordance with the above strategic lines and with 13 of the 17 Sustainable Development Goals.
- 2023**

This year, we implemented a comprehensive sustainability strategy that prioritizes relevant material issues according to the level of risk they pose to our business, provides a solid framework for decision making, and drives continuous improvement through the planning and measurement of short, medium and long-term objectives.



Strategy 2023 aims to generate competitive advantages by addressing the social and environmental challenges that exist in the context of our organization and by responding to the needs and expectations of our stakeholders, including compliance with standards such as the International Finance Corporation's (IFC) Performance Standards, ISO 26000 and the Global Reporting Initiative (GRI), among others, which strengthen our practices.

Our relevant material issues are grouped into five lines of action, which we consider to be the main pillars of Grupo Neolpharma's sustainable development.



### Acting for the planet

We focus on reducing emissions, optimizing energy use, managing water and wastewater properly and minimizing waste.



### Our family

We promote fair employment practices, the well-being of the people who work with us, continuous development and training, and health and safety in the workplace.



### Social welfare

We develop products that improve the health and quality of life of patients, meeting their needs and those of our customers.



### Business ideology

We implement and monitor legal compliance in all areas of the business, based on the principles of integrity, transparency and business and commercial ethics.



### Business innovation

We develop sustainable processes that drive innovation and integrate sourcing practices that ensure sustainability in the supply chain.

This strategy underscores our comprehensive commitment to responsible and sustainable practices that are aligned with our business objectives and the expectations of our stakeholders.

## Strategic linkage

GRI 2-28

**Establishing collaborative links** that enhance the efforts of all stakeholders is a necessity to **optimize resources and achieve the objectives** of our strategy.

For this reason, we actively participate in various chambers and business associations at local, regional, national and international levels to develop alliances and create value between the company and the pharmaceutical industry on economic, social, environmental and innovation issues throughout Mexico, creating a valuable impact that benefits our employees, customers and patients.



### Industrial-Business

- Cámara Nacional de la Industria Farmacéutica, (CANIFARMA)
- Asociación Nacional de Fabricantes de Medicamentos A.C. (ANAFAM)
- Asociación Industrial Vallejo A.C.
- Confederación Patronal de la República Mexicana (COPARMEX)
- Fundación INCIDE
- Asociación Nacional de Distribuidores de Medicinas A.C. (ANADIM)
- American Chamber Mexico (AMCHAM)



### Academic or Scientific

- Consejo Nacional de Humanidades, Ciencias y Tecnologías (CONACYT)
- Secretaría de Educación, Ciencia, Tecnología e Innovación de la Ciudad de México (SECTEI)
- Centro de Investigación Científica y de Educación Superior de Ensenada (CICESE)
- Universidad Nacional Autónoma de México (UNAM)
- Centro de Investigación y de Estudios Avanzados del Instituto Politécnico Nacional (CINVESTAV)
- Universidad Autónoma Metropolitana (UAM)
- Red de Oficinas de Transferencia de Tecnología México (Red OTT)
- Regional Entrepreneurship Acceleration Program (MIT REAP)



### Social and/or environmental

- Corporación Financiera Internacional (IFC, por sus siglas en inglés)
- Sistema Nacional de Gestión de Residuos de Envases y Medicamentos A.C. (SINGREM)
- Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT)
- Fundación Mexicana para la Salud (FUNSALUD)
- Patronato y Sociedad de Amigos de la Orquesta Filarmónica de la UNAM (OFUNAM)

# Our ethical commitment

## Business Ethics













### Code of Ethics and Conduct

GRI 2-23, 2-24, 3-3

Grupo Neolpharma implements a Code of Ethics and Conduct which sets out the desired framework and principles of business integrity to ensure respect for human rights, fair working practices and to promote safe and respectful workplaces.

The Code of Ethics applies to people at all levels who are part of Neolpharma Group for its implementation in their daily activities, individually and in teams, as well as in the name of or on behalf of the company.

The basic concepts of the Code of Ethics are explained in the company induction process and are repeated in the annual training, including relevant topics for ethical performance:

-  Human Rights
-  Freedom of choice and forced labor
-  Freedom of association
-  Child labor and young workers
-  Diversity, inclusion and non-discrimination
-  Eradication of inhumane treatment and Harassment
-  Anti-corruption
-  Economic competition
-  Safe and hygienic working conditions
-  Environment

Our Code of Ethics responds to the Neolpharma Group's commitment to national legal compliance and international standards of Human Rights, Labor Practices and Principles of Ethical Conduct in Business, Resulting in a solid framework for social action.



Our commitment to the environment

# Acting for the planet

GRI 3-3

Grupo Neolpharma has implemented initiatives and programs that contribute to reducing the environmental impact of our operations, products and services.

Overall, programs have been formalized during 2023 that address the most relevant environmental material issues.

“Acting for the Planet” is the cornerstone of the environmental management of our business units and represents the Group’s commitment to the environment.



## Relevant environmental topics



**Emissions and climate change mitigation actions**



**Energy Management and Efficiency**



**Water and effluents**



**Waste management**

In addition, Grupo Neolpharma is committed to promoting environmental awareness and participates in several actions related to the **restoration of ecosystems** and the conservation of natural areas for the **protection of biodiversity**.

Consistent with relevant environmental issues, we are concerned with sustainability in the construction or renovation of buildings and seek to maintain a balance between business growth and environmental protection. Our premise is to adhere to **sustainable architectural and engineering** practices, using the most efficient construction alternatives to reduce our impact.



# Emissions

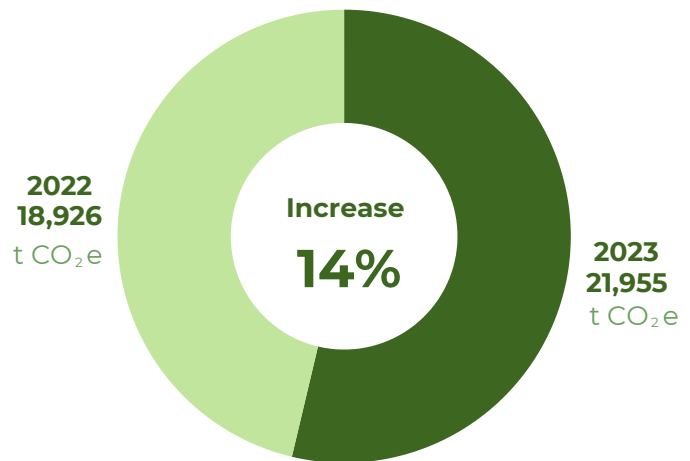
GRI 305

As part of our commitment to sustainability, Grupo Neolpharma has managed to **reduce carbon dioxide (CO2) emissions into the atmosphere** by implementing **strategies intended to reduce greenhouse gases (GHG)**, thus ensuring that our operations are **safe and resilient to climate change**, consolidating our role as an environmental leader in the pharmaceutical sector.



Over the past three years, we have implemented a data collection methodology based on the **guidelines Greenhouse Gas Protocol (GHG Protocol)** for **Scope 1 and 2** emissions. This has allowed us to identify stationary sources of emissions, enriching our inventory and ensuring its representativeness.

In 2023, we launched **three cogeneration engines** at the manufacturing sites of **Neolpharma, Laboratorios Alpharma, and Psicofarma Toluca**, which **increased our emissions due to the use of natural gas**. However, this change enabled us to use alternatives with lower atmospheric pollutant emissions. Additionally, this initiative has improved energy efficiency, reduced costs, ensured supply security, and promoted technological innovation within the Group.









**3,029 t CO<sub>2</sub>e**

Total additional emissions generated in 2023

## Emissions Scope 1 (t CO<sub>2</sub>e)

GRI 305-1

	2022	2023
 Neolpharma	2,577	5,011
 Laboratorios Alpha	617	1,703
 Psicofarma Tlalpan	347	232
 Psicofarma División del Norte	7496	646
 Psicofarma Toluca	1,972	2,056
 Neolsym	1,543	1,103







**10,751 t CO<sub>2</sub>e**  
emitted

**27 %**  
emissions increased  
compared to 2022

In 2023, an **increase in Scope 1 emissions** was observed, mainly due to the consumption of natural gas for electricity generation at manufacturing sites such as Neolpharma, Laboratorios Alpha and Psicofarma Toluca. These emissions include those from the **use of fuels** such as diesel, natural gas and LPG in boilers, engines and vehicles, as well as those from **refrigerants**.

## Emissions Scope 2 (t CO<sub>2</sub>e)

GRI 305-2

	2022	2023
 Neolpharma	3,547	3,571
 Laboratorios Alpha	1,592	1,603
 Psicofarma Tlalpan	912	918
 Psicofarma División del Norte	1,971	1,984
 Psicofarma Toluca	2,206	2,221
 Neolsym	896	902







**11,199 t CO<sub>2</sub>e**  
emitted

**0.7 %**  
increase in emissions compared to  
2022

The **electricity** we purchase represents one of the main sources of GHG emissions, making accurate evaluations and measurements crucial for us. **Scope 2** emissions associated with this resource **increased by 0.7%**, a figure we aim to reduce in the coming years. Despite the rise in emissions, the use of cogeneration engines at Neolpharma, Laboratorios Alpha, and Psicofarma Toluca has allowed us to generate a positive impact by **meeting our internal electricity demand with 62% efficiency compared to 2022**.

## Emissions Scope 1 and 2 (t CO<sub>2</sub> e)

GRI 305-7

	2022	2023
 <b>Neolpharma</b>	6,124	<b>8,582</b>
 <b>Laboratorios Alharma</b>	2,209	<b>3,306</b>
 <b>Psicofarma Tlalpan</b>	1,259	<b>1,151</b>
 <b>Psicofarma División del Norte</b>	2,716	<b>2,631</b>
 <b>Psicofarma Toluca</b>	4,138	<b>4,277</b>
 <b>Neolsym</b>	2,438	<b>2,005</b>

Gases included in the inventory calculations: CO and NO<sub>x</sub>

# 13.8 %

Total increase in emission Scope 1 and 2 compared to 2022

*Emission reductions by cogeneration systems are not considered*

## Balance of emissions

GRI 305-5

In 2023, Grupo Neolpharma **generated a total of 21,952 tCO<sub>2</sub>e** of emissions into the atmosphere, mainly due to the use of natural gas combustion for the generation of alternative energy in three of our business units. As it was the first year of operation, **emissions increased by 3,029 tCO<sub>2</sub>e**. However, this strategy allowed us to achieve **energy efficiency**, reduce costs, and ensure supply security compared to 2022.








**We strictly comply with the regulations** for the prevention and control of air pollutants established in the General Law of Ecological Equilibrium and Environmental Protection (**LCEEPA**) and **NOM-085-SEMARNAT-2011**, ensuring that our emissions of liquid particulate odors, and specifically **CO** and **NO<sub>x</sub>**, from our stationary sources do not exceed the maximum allowable limits. The precise calculation of these emissions is based on data collected at the manufacturing sites and included in our Scope 1 emissions inventory.




# Intensity of emissions

GRI 305-4

	Manufactured pieces	Emissions generated by piece (Kg CO <sub>2</sub> e)
 <b>Neolpharma</b>	140,230,957	<b>0.06</b>
 <b>Laboratorios Alharma</b>	100,787,007	<b>0.03</b>
 <b>Psicofarma Tlalpan</b>	4,256,577	<b>0.27</b>
 <b>Psicofarma División del Norte</b>	2,179,041	<b>1.20</b>
 <b>Psicofarma Toluca</b>	28,764,332	<b>0.14</b>

	Kg de principio Activo fabricados	Emissiones generadas por Kg (Kg CO <sub>2</sub> e)
 <b>Neolsym</b>	22,194	<b>90.36</b>

**0.34 Kg CO<sub>2</sub>e**

Operational emissions are divided into **Scopes 1 and 2**, which include emissions resulting from the use of fuels in fixed sources as well as electricity consumption—both of which influence the emissions generated during pharmaceutical production. Greenhouse gas (GHG) emissions intensity per unit produced has been calculated, resulting in an average of **0.34 kg of CO<sub>2</sub>e per medication unit manufactured**. In the specific case of Neolsym, **90 kg of CO<sub>2</sub>e** are emitted into the atmosphere for every **kilogram of active pharmaceutical ingredient produced**.



In 2024-2025, **indirect emissions (Scope 3)** will be evaluated in order to identify the **critical emission points** in our processes and thus begin our **“Decarbonization Route”**.



# Energy efficiency and management

GRI 302-1, 302-2

## Energy generation systems

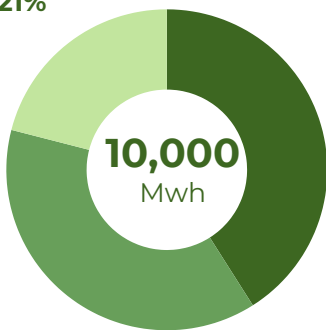
In the search for alternatives that allow operational and energy efficiency, during 2023, the **rehabilitation** of the **cogeneration motor** at the **Neolpharma** manufacturing site was achieved, in addition to the start-up of **two cogeneration motors**, one at the **Laboratorios Alpha** site and the other at the **Psicofarma Toluca** site.

**Between 2024 and 2025**, one more cogeneration engine is expected to be put into operation at the **Psicofarma División del Norte** manufacturing site.



## Energy generation by cogeneration motors

Alpha  
21%

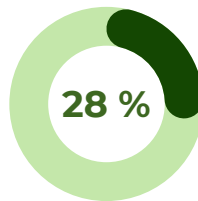


Neopharma  
41%

Psicofarma Toluca  
38%

5,500

Tones of cooling



The electricity consumed by the Neolpharma Group in 2023 will be generated from **natural gas**.



*"During 2024, alternatives for the use of renewable energy at manufacturing sites will be evaluated, and we will also begin implementing an energy management system to further improve our energy and environmental performance."*



## Energy consumption

GRI 302-4, 302-5

Concerned about the **efficiency and reduction of energy consumption**, the Neolpharma Group keeps traceable records of the energy consumption of its manufacturing plants, generating indicators for monitoring and **measuring performance**, in order to analyze and identify areas for improvement, which are addressed through the implementation of **strategies aligned with the interests and objectives of sustainability**.

**Our consumes  
in 2023**

**311,336 GJ**

of energy consumed by the Neolpharma Group

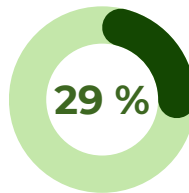
**0.0028 GJ**

per piece of drug product manufactured

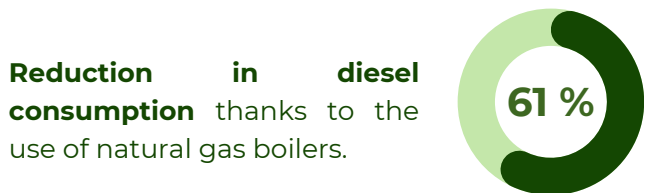
**1.5 GJ**

per Kg of API manufactured

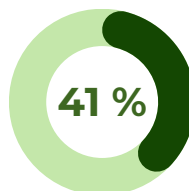
From 2022 to 2023



**Reduction in electricity consumption**, mainly due to the reduction in operating hours









**Reduction in diesel consumption** thanks to the use of natural gas boilers.



**Increase in natural gas consumption**, due to the start-up of three cogeneration motors.







## Gas Natural Consumption (GJ)

	2022	2023
 Neolpharma	46,860	88,752
 Laboratorios Alpha	8,677	32,071
 Psicofarma Tlalpan	5,388	4,251
 Psicofarma División del Norte	13,150	12,041
 Psicofarma Toluca	35,774	60,780
 Neolsym	19,738	20,686

**218,582 GJ**  
gas natural consumed

**41 %**  
consumption increase  
compared to 2022







## Diesel Consumption (JG)

	2022	2023
 Neolpharma	1,115	34
 Laboratorios Alpha	0	0
 Psicofarma Tlalpan	11	0
 Psicofarma División del Norte	154	27
 Psicofarma Toluca	377	572
 Neolsym	113	57

**690 GJ**  
diesel consumed

**61 %**  
consumption decrease  
compared to 2022







## Electric Consumption (GJ)

	2022	2023
 Neolpharma	48,534	29,353
 Laboratorios Alharma	19,795	13,176
 Psicofarma Tlalpan	7,182	7,549
 Psicofarma División del Norte	16,581	16,310
 Psicofarma Toluca	29,513	18,256
 Neolsym	17,664	7,417

**92,064 GJ**  
of electricity consumed

**29 %**  
consumption decrease  
compared to 2022

## Total energy consumption GJ







	2022	2023
 Neolpharma	96,509	118,140
 Laboratorios Alharma	28,472	45,247
 Psicofarma Tlalpan	12,581	11,800
 Psicofarma División del Norte	29,886	28,378
 Psicofarma Toluca	65,664	79,608
 Neolsym	27,515	28,160

**311,336 GJ**  
of energy consumed

**18 %**  
increased energy consumption  
compared to 2022

## Energy Intensity (GJ / Pza)

GRI 302-3

	2022	2023
 <b>Neolpharma</b>	0.00068	<b>0.00085</b>
 <b>Laboratorios Alpha</b>	0.00021	<b>0.00043</b>
 <b>Psicofarma Tlalpan</b>	0.00060	<b>0.00250</b>
 <b>Psicofarma División del Norte</b>	0.00344	<b>0.00705</b>
 <b>Psicofarma Toluca</b>	0.00207	<b>0.00321</b>
 <b>Neolsym</b>	1.94641	<b>1.53191</b>

**70 %**

increase in energy consumed per drug product compared to 2022

**6 %**

reduction in energy consumption per Kg of API manufactured compared to 2022





# Water and effluent

GRI 303-1, 303-3, 303-4

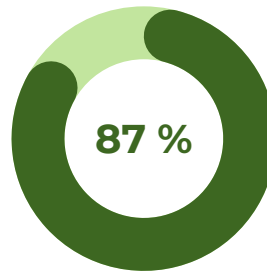


Responsible water management, from an integral perspective and with a preventive approach, is one of the pillars of sustainable development for Grupo Neolpharma.

During 2023, we have invested in **programs, partnerships and strategies for continuous improvement** in the efficiency of water use in our operations, seeking to reduce our environmental imp.

The water supply for four of our manufacturing sites comes from wells managed by **CONAGUA**, while for the remaining sites we use the **Mexico City Water System (SACMEX)** network, which are located in areas of high water stress. In addition, we have **5 wastewater treatment plants** located in different manufacturing sites of the group, which comply with all the requirements of the current environmental legislation for their operation

## Water supply 2023



CONAGUA  
Groundwater  
Well  
**396.3 ML**



Municipal water  
network  
SACMEX  
**56.74 ML**

Unit of measurement: ML (megalitres)



Our organization is committed to **complying with current water use regulations**. Our extraction wells operate in accordance with **NOM-127-SSA1-2021** and **NMX-AA-179-SCFI-2018**, ensuring optimal performance. In addition, our treatment plants comply with the standards set forth in **NOM-001-SEMARNAT-2021** and **NADF-015-AGUA-2009** for national and local discharges, respectively.



## Water consumption

GRI 303-5

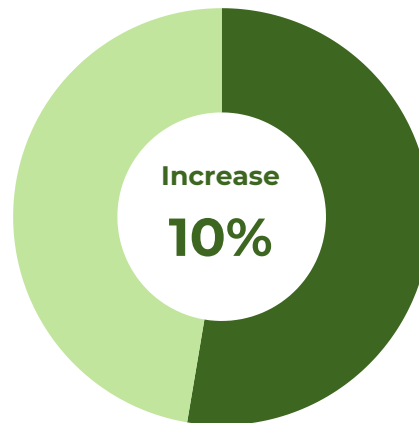
In 2023, we recorded a **10% increase** in the Neolpharma Group's total water consumption compared to 2022. However, at manufacturing sites such as **Psicofarma Toluca** and **Laboratorios Alpha**, we were able to reduce consumption by **6% and 12%**, respectively.

Between 2024 and 2025, performance improvement strategies will be implemented at all our manufacturing sites to optimize water use and consumption in the short term.

# 453.07 ML

The annual volume used at all our manufacturing sites.

**2022**  
407,459  
ML



**2023**  
453,074  
ML

## Water consumption (ML)

	2022	2023
<b>Neolpharma<sup>1</sup></b>	163	211
<b>Laboratorios<sup>1</sup> Alpha</b>	28	25
<b>Psicofarma Tlalpan<sup>1</sup></b>	14	14
<b>Psicofarma División del Norte<sup>1</sup></b>	36	43
<b>Psicofarma Toluca<sup>2</sup></b>	120	113
<b>Neolsym<sup>1</sup></b>	47	48

The Neolpharma Group is active in regions affected by water stress.

1. Hydrologic Area RH 26 Pánuco

2. Hydrologic Area RH 12 Lerma-Santiago

One of our key medium-term objectives to achieve 100% recovery and treatment of our wastewater, as well as to manage circular economy projects for the use of treated wastewater for our own benefit and that of third parties, in order to expand our positive impact on the environment and society.

## Hydrologic projects

GRI 303-2

At Neolpharma Group, we are actively committed to promoting water stewardship and conservation through our brands and key suppliers. We consistently adhere to programs that promote good stewardship through innovation and compliance with applicable regulations. To improve the quality and availability of water in our facilities, we have **invested 2.6 million pesos in various projects for efficient water management.**



Members of SDC, CADIS and Neolpharma Group  
"The Water Unites Us" project.



We joined to **"The Water Unites Us" program** in collaboration with the Swiss Agency for Development and Cooperation (SDC) and the Center for Life Cycle Analysis and Sustainable Design (CADIS). This allowed us to start **quantifying our water and carbon footprint** through a life cycle analysis. In the coming years, we will continue to fulfill our goals for efficient water management by developing collective strategies within and outside our sphere of influence.



The **rehabilitation of Neolpharma's nanofiltration equipment** has been initiated with the aim of **recovering reverse osmosis reject water** from the multi-product and parenteral production sites. In 2024, the circular economy project will be launched to reintegrate water into the different processes of our business unit.



The **installation of ultrasonic water meters** has been initiated as part of the efficient water management strategy, with the aim of identifying the areas of highest consumption and rejection of this resource in our facilities in order to **create strategies to reduce** consumption in the short term.



The **"Donation of Treated Water"** agreement was ratified with the Mayor's Office of Azcapotzalco, Mexico City, resulting in the donation of **4.7 ML** for irrigation and maintenance of urban green areas. This represents **62% of the total water** treated at Neolpharma and a **12% increase over in comparison with the amount donated in 2022.**



The Neolpharma Group held **informative and awareness-raising talks** for employees on the importance of **efficient water use**, both inside and outside our production and operating sites.

# Waste management

GRI 306-1, 306-2

As part of our strategies to reduce our environmental impact, we are implementing measures to reduce waste generation throughout our value chain. In 2023, we had a **3.5% increase in waste generation** compared to 2022, which commits us to continue working towards **our corporate objective** of achieving "Zero Waste" by implementing alternatives based on the circular economy, which we plan to start implementing by 2024-2025.



## Generation of waste

**1090 t**

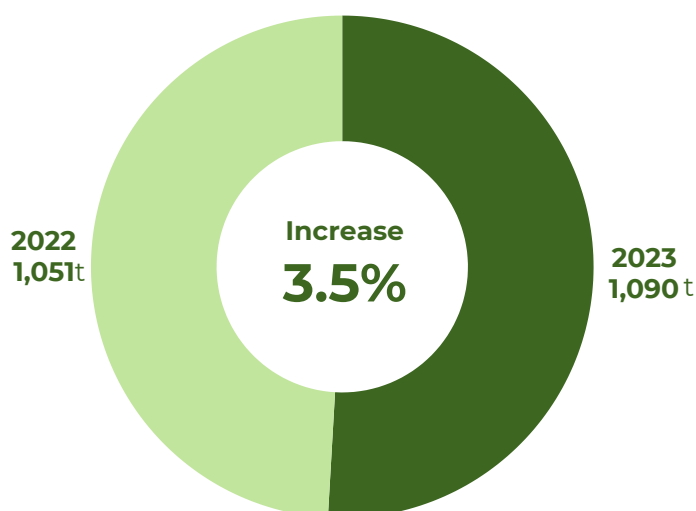
waste generated at Neolpharma Group

**675 t**

were Non-Hazardous Waste

**415 t**

were Hazardous Waste



"By 2024, we will be working with a circular economy strategy to optimize our resources and minimize the waste that is generated as part of our activities".



# Waste generated

GRI 306-3, 306-4, 306-5



## Non-Hazardous Waste

In 2023, we managed to **reduce our generation of Non-Hazardous Waste by almost 1%**, equivalent to a decrease of **6.37 tons**. This waste comes from both our manufacturing and administrative activities. The largest volume of generation includes cardboard, paper, wood, polypropylene, organic waste from dining rooms, and gardening.

**0.93 %**

**Reduction of Non-Hazardous Waste** of Neolpharma Group in comparison with 2022.

	2022	2023
Neolpharma	280 t	262 t
Laboratorios Alharma	214 t	180 t
Psicofarma Tlalpan	72 t	59 t
Psicofarma División del Norte	79 t	63 t
Psicofarma Toluca	36 t	79 t
Neolsym	32 t	33 t

*\*The data correspond to the calendar year Neolpharma Group\*.*

The **reduction of non-hazardous waste** at the Laboratorios Alharma, Psicofarma Tlalpan and Psicofarma División del Norte manufacturing sites is related to the **decrease in drug product manufacturing** in comparison with 2022.









## Hazardous Waste

The increase in hazardous waste within the Group represents a **significant challenge** given our **firm commitment to the principles of environmental protection**.

With the help of **our environmental management systems**, we have classified, temporarily stored and disposed of these wastes for treatment in accordance with applicable regulations.



	2022	2023
 <b>Neolpharma</b>	158 t	<b>155 t</b>
 <b>Laboratorios Alpha</b>	64 t	<b>56 t</b>
 <b>Psicofarma Tlalpan</b>	41 t	<b>16 t</b>
 <b>Psicofarma División del Norte</b>	9 t	<b>8 t</b>
 <b>Psicofarma Toluca</b>	34 t	<b>49 t</b>
 <b>Neolsym</b>	64 t	<b>131 t</b>

*\*The data correspond to the calendar year Neolpharma Group\*.*

### 10.8 %

**Increase in hazardous waste generation** at Grupo Neolpharma compared to 2022.

The decrease in hazardous waste generation at **Neolpharma** and **Laboratorios Alpha** is due to the **reduction in manufacturing**, while at **Psicofarma Tlalpan** and **Psicofarma División del Norte** it is due to an operational shutdown requested by the regulatory agency COFEPRIS.

In the specific case of **Neolsym**, approximately **36%** of the hazardous waste generated in 2023 belonged to **materials used for development tests that were not viable**, and were therefore disposed of for final treatment in accordance with applicable legislation.

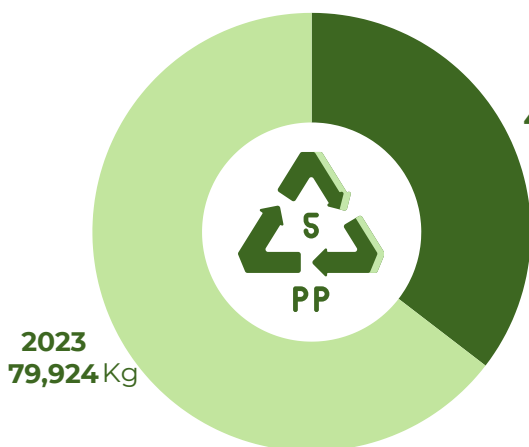
At Grupo Neolpharma, we comply with the provisions established by the **General Law for the Prevention and Integral Management of Waste (LGPGIR)** and its **Regulations**, as well as with the regulations **NOM-052-SEMARNAT-2005**, **NOM-161-SEMARNAT-2011** and the **State and Municipal Programs**, ensuring treatment and/or final disposal through duly accredited managers. We also have an **“Integrated Waste Management”** Manifest that allows us to monitor the environmental indicators that certify compliance with the Annual Operating Record (**COA**) and the Single Environmental License (**LAU**).

# Recovered materials

GRI 301-3

## Polypropylene

At Neolpharma, we recover and reuse polypropylene waste for the production of packaging material, which is reintroduced into the manufacturing process of injection blown containers and closures for parenteral products.



**2022**  
43,847 Kg

Increase of








**45%**

the volumen of polypropylene recovered in comparison with 2022

## Solvents at Neolsym

Between **50%** and **70%** of the solvents used in the production of active ingredients at Neolsym are recovered by evaporative distillation to be reintroduced into the production process as raw material.

Non-recoverable solvents are sold to a foundry company for use as an alternative fuel.

	2022	2023
 Ethanol	54 %	52 %
 Isopropyl alcohol	90 %	91 %
 Ethyl acetate	64 %	67 %
 Acetone	78 %	80 %
 Methyl petroleum ether	70 %	77 %
 Cyclopenthyl methyl ether	60 %	79 %
 Butyl acetate	64 %	58 %

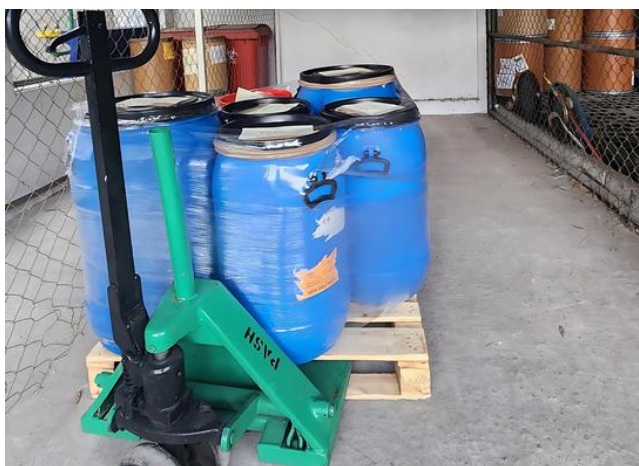
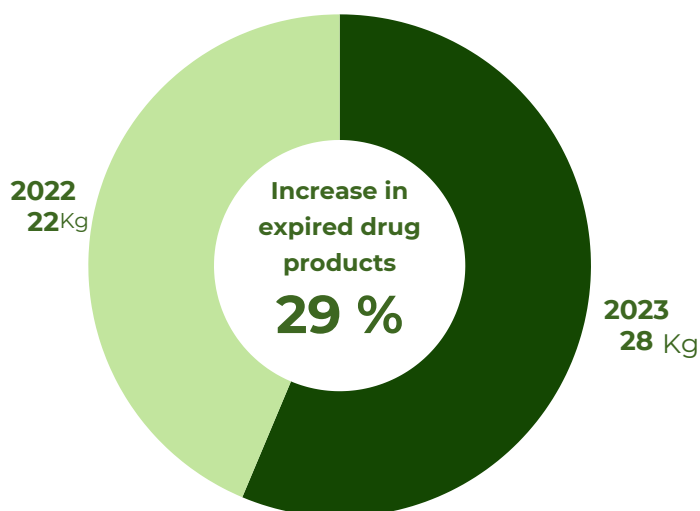
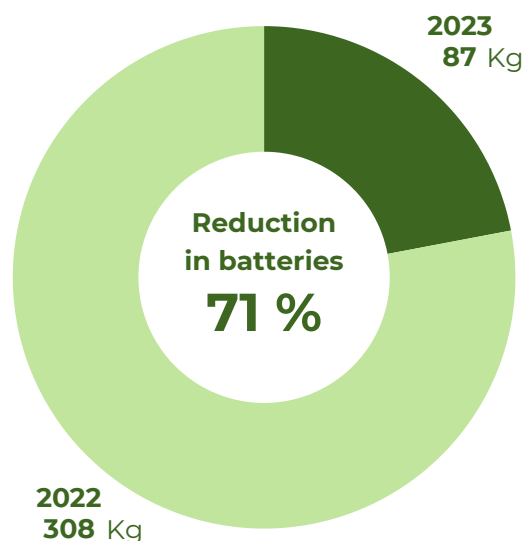
## Collection of batteries and expired drug products

As part of our **sustainability and environmental impact mitigation strategy**, in Neolpharma Group we have integrated, since 2021, containers for the **collection of batteries and expired drug products** in our facilities. These materials, classified as hazardous waste, are disposed of in accordance with current regulations.

These programs seek to raise awareness about proper waste management and have encouraged our employees to actively participate.

The proper management of **batteries** is critical to our business due to their high pollution potential. As a result, we have installed containers at each manufacturing site to facilitate the proper disposal of used batteries by our employees. In 2023, there was a **71% decrease** in collection in comparison with 2022.

**Expired drug waste** is collected through the Sistema Nacional de Gestión de Residuos de Envasos de Medicamentos A.C., which is essential for us, as it is collected within our business units. In 2023, we experienced a **29% increase** in this waste in comparison with 2022.



We are committed to further improving our waste management practices and increasing environmental awareness among our employees. We will continue to implement innovative programs to reduce our environmental footprint and ensure compliance with environmental regulations.

# Sustainable engineering and building



During 2023, we completed the EDGE audit and certification process in two buildings of the Neopharma Group:

📍 **"Platillo Offices"**, at Psicofarma División del Norte manufacturing site.

📍 **"Global Warehouse"** at Neolsym in Ecatepec.

We are committed to ensuring that our new buildings and remodeling projects incorporate appropriate elements of sustainable architecture and engineering.

## Platillo offices

Certificate number: GP2-MEX-22020810130071



**31%** energy savings



**41%** water savings



**73%** less energy incorporated in materials



**EDGE**, an innovation of the International Finance Corporation (IFC), a member of the World Bank Group, EDCE facilitates the design and certification of resource-efficient buildings of all types.

## Global Warehouse

Certificate number: GP2-MEX-22111210149500



**24%** energy savings



**33%** water savings



**55%** less energy incorporate in materials





# Ecosystem restoration and biodiversity protection

GRI 304-3

Since 2020, as part of our commitment to **biodiversity conservation**, we have supported several initiatives in collaboration with partner organizations, donating a total of **\$160,000.00 MXN**.

In 2023, we will continue our work by supporting new initiatives that promote biodiversity conservation and environmental awareness.



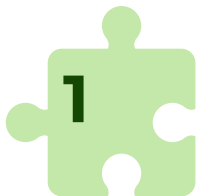
## Reproduction of the White Butterfly at the Papotitlán Pollinator Sanctuary, located in Azcapotzalco, CDMX.

Partner: **Earthgonomic México**

Donation: **\$20,000.00 MXN**

Results:

- Installation of a drip irrigation system in the butterfly garden to ensure the hydration of the plants.
- Maintained the existing hydraulic system.
- Purchased materials for training and educational workshops to promote environmental education.



## Monitoring of birds and chinampas, located in Xochimilco, CDMX.

Partner: **Reeduca**

Donaton: **\$20,000.00 MXN**

Results:

- Construction of feeding barriers for migratory birds in the organization's chinampa, using native seedlings.
- Purchase of ornithological observation equipment, such as binoculars and nets.



**Conservation of the habitat of the Mexican axolotl**, located in Xochimilco, CDMX.



Partner: **MOJA A.C.**

Donation: **\$20,000.00 MXN**

Results:

- Provided materials and equipment for the rehabilitation, cleaning and adaptation of a lagoon for the conservation of axolotl populations.
- Purchase of reagents for water quality monitoring.

**Donation of pallets**, located in Azcapotzalco, CDMX.



Partner: **Fundación VIDAR y Grupo Ya´az Neek**

Donation: **Tarimas**

Results:

- Development of a social and productive carpentry workshop focused on the elderly people, unmarried mothers and people with disabilities.
- Designed and donated huts in marginalized areas.
- Manufacturing of cultivation tables, fences and walkways for urban gardens.

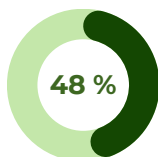
## Corporate Reforestations

Since 2018, Grupo Neolpharma has carried out **reforestation campaigns** that have achieved significant milestones in the restoration of our ecosystems in Mexico City and the metropolitan area. We have **planted more than 14,110 trees of species** such as **sacred fir** (*Abies Rejigiosa*) and **pine** (*Pinus montezumae*), with a **survival rate of 75%**, covering **17 hectares** of land, and encouraging the participation of approximately **826 volunteers**.

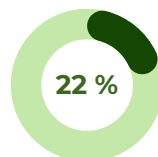
In 2023, a **4.1 hectare area of forest** in San Miguel Topilejo, Tlalpán, Mexico City, was **adopted** for conservation. During the days of July 25-27, 2023; **3,000 pine trees** were planted in collaboration with community brigades.

In May 2024, the survival of the planted trees was monitored. The methodology included counting the trees and assessing their health status.

From the samples taken, which included 2,500 trees, a survival rate of:



were in optimal health conditions



were in acceptable health conditions



were found in poor conditions or death

The main challenge identified was water stress due to drought and high temperatures in the region. However, preventive measures, such as the creation of firebreaks and ongoing maintenance, were implemented to mitigate these risks and increase tree survival.

The establishment of this **reforested area** contributes significantly to **CO2 capture**, estimated at **93 tons per year**. In addition, it helps to enrich the local aquifer, favoring water storage in the area, which is crucial for the city. The reforestation also generated **15 temporary jobs** for the community.

We will continue to support these initiatives and strengthen our collaboration with forestry brigades and local authorities to ensure the success of future reforestation projects.



## Environmental certifications

Based on the management of our environmental aspects and impacts, the level of legal compliance and the sustainability practices adopted with respect to relevant material issues, we have been able to obtain and maintain certifications such as:



**ISO 14001:2015 Environmental Management System**

Certified manufacturing sites:

- Neolpharma
- Laboratorios Alpharma
- Psicofarma Tlalpan



**Clean Industry Certification**

Certified manufacturing sites:

- Psicofarma Tlalpan

Our commitment to people

# Our Family

GRI 3-3

Respect for human rights, compliance with labor laws and the promotion of an environment in which the best practices of fair labor are promoted are the basis of the commitment we have with each person who works at Neolpharma Group.

The relevant topics of **"Our Family"** correspond to our commitments to the people who make up Grupo Neolpharma, and it is the definition we use to refer to them in a friendly way.



## Relevant Labor Topics



Fair practices



Well-being



Development and training



Health and safety

In recent years, we have adopted work practices aligned with international standards that promote fair labor practices. In addition, we have implemented initiatives that seek to improve conditions of **equity, diversity and labor inclusion**. With the above and the implementation of strategies to improve people's wellbeing, we seek to provide people with **work spaces that meet their needs, and employment expectations**.





# Fair Prácticas

## New hires

GRI 401-1

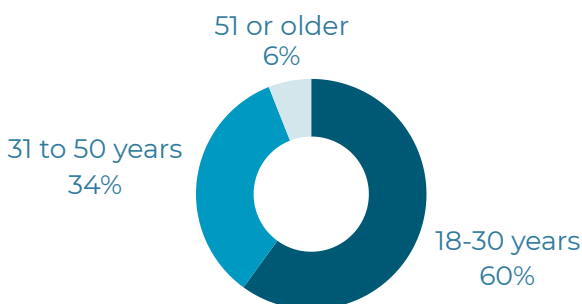


Neolpharma Group takes as a reference for **hiring** only the **knowledge, competencies, skills** and **experience** required to perform the functions of the position for which they are hired.

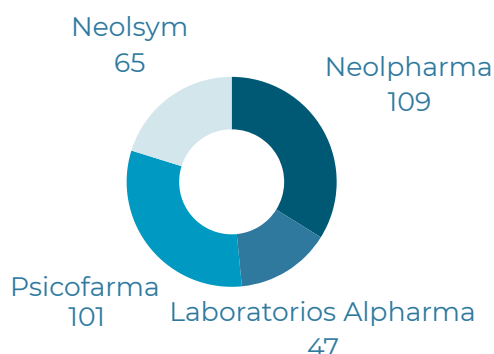
In 2023, the following were registered:

**322**  
new hires

Percentage distribution of new hires by age group



Total hires by business unit



Hiring rate by business unit, gender and age group

	Neolpharma		Laboratorios Alpha		Psicofarma Tlalpan		Psicofarma División del Norte		Psicofarma Toluca		Neolsym	
	W	M	W	M	W	M	W	M	W	M	W	M
<b>18 to 30 years</b>	27 %	18 %	19 %	31 %	31 %	23 %	24 %	18 %	29 %	21 %	54 %	50 %
<b>31 to 50 years</b>	7 %	9 %	6 %	7 %	7 %	8 %	8 %	5 %	17 %	8 %	37 %	28 %
<b>51 años or older</b>	3 %	3 %	0 %	9 %	3 %	9 %	0 %	7 %	0 %	16 %	0 %	8 %

W Women M Men

# Personnel Turnover Rate

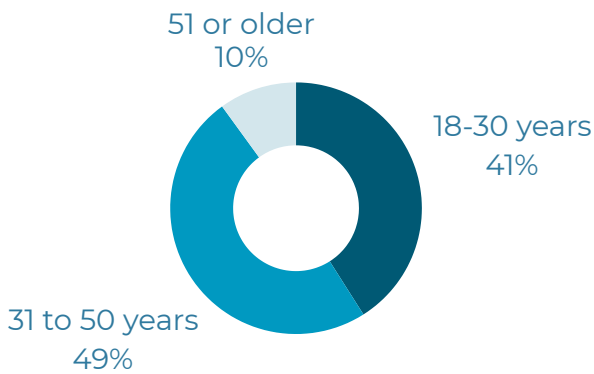
GRI 401-1



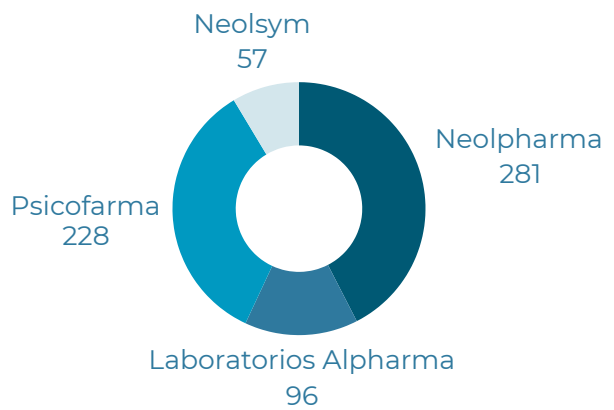
The **average annual turnover rate** was 29%, a decrease of 3% compared to 2022.

This decrease is the **result** of the efforts made since the implementation of the **action plans** derived from the diagnosis carried out in **collaboration** with the **IFC**. Below is a breakdown of the attrition rate by business unit, gender and age group.

**Percentage distribution of resignations by age group**



**Total of resignations by business unit**



**Personnel turnover rate by business unit, gender and age group**

	Neolpharma		Laboratorios Alpha		Psicofarma Tlalpan		Psicofarma División del Norte		Psicofarma Toluca		Neolsym	
	W	M	W	M	W	M	W	M	W	M	W	M
<b>18 to 30 years</b>	62 %	26 %	45 %	15 %	41 %	52 %	41 %	35 %	36 %	34 %	68 %	15 %
<b>31 to 50 years</b>	27 %	26 %	36 %	21 %	49 %	24 %	27 %	11 %	40 %	26 %	53 %	26 %
<b>51 years or older</b>	8 %	21 %	24 %	15 %	21 %	26 %	100 %	0 %	100 %	3 %	100 %	0 %

W Women M Men

# Fringe benefits and benefits

GRI 401-2



At Neolpharma, we have a comprehensive **fringe benefits and benefits** policy that establishes guidelines based on our responsibility as a moral and representative entity. This policy seeks **to promote an environment of social, economic and health well-being for all** our employees, in line with our organizational objectives. These benefits are guaranteed to **benefit 100% of our employees**, both permanent and temporary within the group. In addition, we extend these benefits to external personnel, including cleaning and security staff, offering them access to canteen services and ensuring their well-being in our facilities in accordance with our Code of Ethics. The benefits and obligations are detailed below.



## Statutory benefits

- Death benefit
- Canteen subsidy
- School supplies assistance
- Eyeglasses assistance
- Laboratory test
- Transportation services
- Emergency leave



## Fringe benefits

- Saving fund
- Food vouchers
- Uniform assistance
- Life insurance



## Benefits

- Vacation bonus
- Holiday bonus
- Sunday bonus
- Profit sharing
- Disability (Maternity, general illness, occupational hazard)
- Nursing period
- Adoption leave
- Paternity leave
- Health care (medical service)

# Parental leave

GRI 401-3



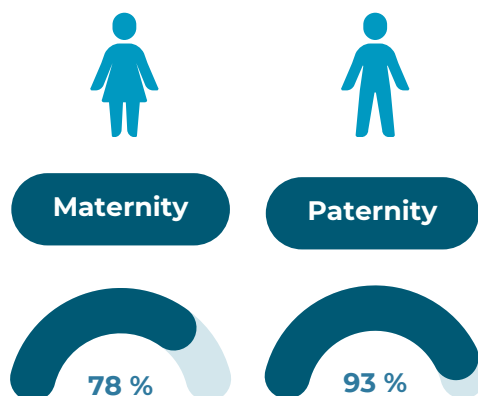
## Maternity retention rate by year



**78%**

This rate represents the retention of female employees who took maternity leave one year prior to the reporting period and were still employed at the end of the reporting period..

According to the records, the retention rate of employees who took maternity and paternity leave before 2023 and were still employed at the end of the reporting period is:



Of the 27 women who took maternity leave, 21 continue working for the Group, while of the 14 men who took paternity leave, 13 continue working for the Group.

Retention rate by gender for the year 2023



# Discrimination Cases and Corrective Actions

GRI 406-1

At Neolpharma Group, it is a priority to **provide a safe working environment, free from discrimination, harassment, distinction or exclusion** based on ethnicity, color, gender, age or disability. To prevent these situations, we have a **policy** and a **training and complaint office**. This office is responsible for following up on employee complaints through a structured complaint system that operates according to the following steps:



1

In each business unit, several mailboxes have been installed in discreet locations where employees can find the complaint forms. Employees must properly complete these forms and deposit them in the appropriate mailbox.

2

We also have an email complaint channel where employees can submit complaints.

3

The training and complaint office conducts a thorough investigation together with the reporting employee and takes the necessary actions according to the seriousness of the situation..

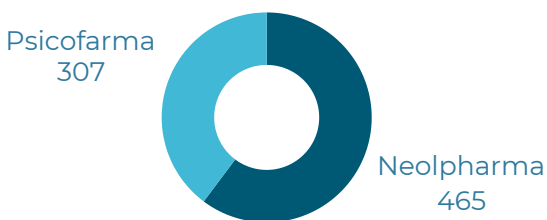
At the end of 2023, the following are registered

**zero  
discrimination  
cases.**

*Confidentiality, non-retaliation and, where appropriate, protection of the complainant, as well as the confidentiality of the complaint handling process, will be ensured*

# Freedom of association and collective bargaining

GRI 2-30



*Only the Neolpharma and Psicofarma Units have a Labor Union*

At Neolpharma, our freedom of association policy guarantees the right of employees to associate and bargain collectively in a legal and peaceful manner. Currently, **772 employees**, representing 34% of our workforce, are covered by **collective bargaining agreements**. These agreements include twelve benefits, some of which are in line with the law and others that benefit the rest of our employees.

# Minimum notice periods on operational changes

GRI 402-1



Until the end of 2023, **there were not registered any significant operational changes** that could affect the labor stability of our employees. We have established **procedures** to provide advance **notice** of any **significant operational changes** that could have a material impact on our employees.



Each manufacturing area defines its work schedules, where the area managers have the obligation to communicate in advance any necessary notice.



According to the Psicofarma collective agreement, 72 hours' notice must be given in the event of a change in work schedules due to operational needs



At Neolpharma, notice of any change in working hours is normally given one week in advance and communicated directly in the operational areas. This process is reinforced by the cooperation of the trade unions together with the Human Resources department..



# Well-being

## Workforce composición

GRI 2-7, 2-8, 405-1



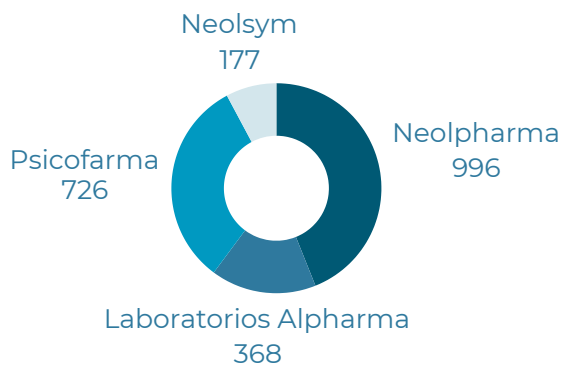
Since 2022, Neolpharma has launched various **initiatives** to **ensure equitable, diverse and inclusive** work environments. These actions have been possible thanks to the support and collaboration of strategic allies such as the International Finance Corporation (IFC)..

In 2023,

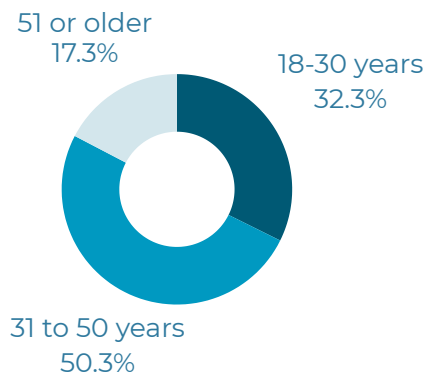
**2,267 employees,**

permanen and temporary, were registered, **61 %** of them are at the operational level

Total employees by business unit



Percentage distribution of employees by age range








Workforce composition by contract type, gender and business unit

	Neolpharma		Laboratorios Alpha		Psicofarma Tlalpan		Psicofarma División del Norte		Psicofarma Toluca		Neolsym	
	W	M	W	M	W	M	W	M	W	M	W	M
Permanent employees	460	499	156	200	135	142	45	73	127	170	39	81
Temporary employees	17	20	1	11	3	4	1	2	15	9	19	38
Contractors	46	22	17	8	17	9	21	13	18	14	6	9




W Women M Men

## Workforce composition by contract type, gender and business unit

	Neolpharma		Laboratorios Alpha		Psicofarma Tlalpan		Psicofarma División del Norte		Psicofarma Toluca		Neolsym	
	W	M	W	M	W	M	W	M	W	M	W	M
 Operating Personnel	335	348	83	128	82	77	20	28	87	117	7	72
 Technical personnel	108	118	48	63	40	51	22	32	47	44	38	27
 Middle Managers	33	42	22	16	15	16	3	11	7	13	12	17
 Management	1	9	4	3	1	2	1	2	1	4	1	2
 Director	0	2	0	1	0	0	0	2	0	1	0	1

W Women M Men

## Workforce composition by age, gender and business unit

	Neolpharma		Laboratorios Alpha		Psicofarma Tlalpan		Psicofarma División del Norte		Psicofarma Toluca		Neolsym	
	W	M	W	M	W	M	W	M	W	M	W	M
 18 to 30 years	124	175	47	74	29	31	17	17	72	71	28	48
 31 to 50 years	249	266	85	103	70	80	26	44	65	77	30	46
 51 years or older	104	78	25	34	39	35	3	14	5	31	0	25

W Women M Men



Through our **Equity, Diversity and Inclusion policies, practices and programs**, we promote a non-discriminatory work environment where **equal opportunities are offered** to all people. We value diverse experiences and ideas as fundamental pillars for achieving Neolpharma Group's objectives, and fostering organizational growth.







# Fair compensation

GRI 2-20, 2-21, 405-2



The base **wage** of each employee is **determined** according to the **job position**, **responsibilities** and **functions**, without considering gender, generational and other discriminatory characteristics biases. However, **factors** have been identified that contribute to **wage gaps** within each job category, whether in favor of men or women. These factors include **seniority**, demonstrated skills and relevant **achievements**.

## Wage gap by job category and business unit

	Neopharma		Laboratorios Alharma		Psicofarma Tlalpan		Psicofarma División del Norte		Psicofarma Toluca		Neolsym	
	%	In favor	%	In favor	%	In favor	%	In favor	%	In favor	%	In favor
 <b>Operating personnel</b>	14 %	M	3 %	M	8 %	M	2 %	M	10 %	M	22 %	M
 <b>Technical personnel</b>	2 %	M	3 %	M	4 %	M	4 %	M	0.29 %	M	14 %	M
 <b>Middle Managers</b>	4 %	W	12 %	M	15 %	M	0.22 %	W	5 %	M	14 %	M
 <b>Management</b>	48 %	M	10 %	W	2 %	W	7 %	W	31 %	M	32 %	M

**W** Women **M** Men

On average, **wage gap** favors **men** by **9%**. This disparity varies according to the job category, as specified below:



## The role of women in our workforce

At Neolpharma Group we are committed to **women development and security** in our workforce. In **collaboration** with the International Finance Corporation (IFC), we conducted a Workforce Diagnosis with gender perspective in 2022. From this work, we have **developed** a **roadmap** with strategies to **improve** the performance on **gender equality**, which have been implemented on 2023



### Lines of action for Gender Equality



#### Talent Development

- Training for women to develop management skills women.
- **Rise awareness** on staff in leadership positions.
- **Reduce the gender gap** in leadership positions.



#### Promotion and talent development

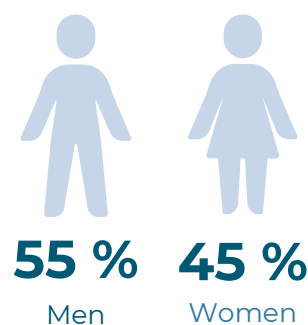
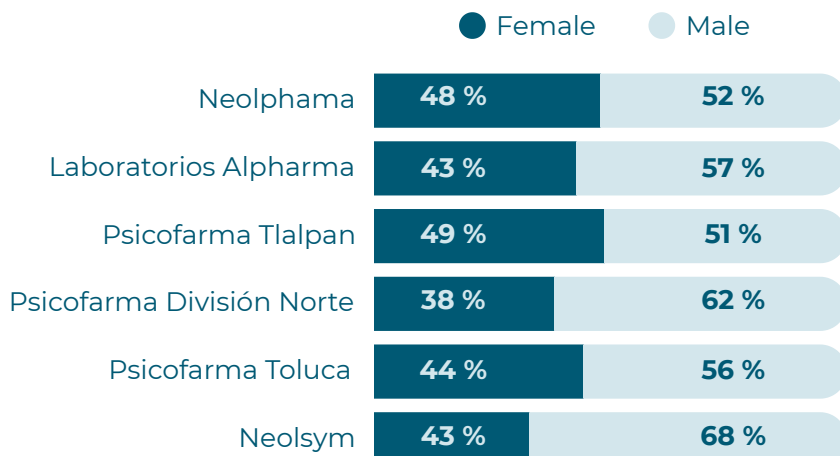
- Stablish **promotion and development processes** of the employees focused on career plan.
- **Increase the rate of employee promotion.**



#### Safe and respectful work places

- Improve the **reporting mechanism.**
- **Prevent and resolve cases** of sexual and workplace **harassment** throughout the organization.

### Gender distribution by business unit



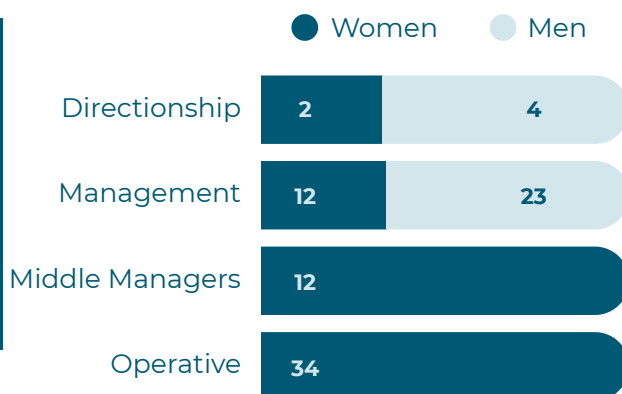
At Neolpharma Group, we are committed to integrate gender equality as an essential part of our organizational culture, as demonstrated by our results at the end of 2023, maintaining a constant percentage of the gender gap at the group level.



We are redoubling our efforts to encourage a **gender equality culture** in our group, by integrating the “**Sensitization on Women Leadership**” program for all the employees, complemented by the program “**Activate Female Leadership**” specifically aimed at women.

In addition, we have **trained** our employees in **development of leadership skills**. Below, the total number of people trained on 2023, by job category is detailed

During 2024 and 2025, we will continue to implement actions aimed at improving gender equality at all levels of the organization. We will establish gender-specific objectives and indicators to continuously evaluate the performance and results of our initiatives.



## Promoting labor inclusion

At 2023, Neolpharma Group took part in the program “**Empresas Mexicanas por la Inclusión**” (EM-X+), promoted in Mexico by the International Finance Corporation (IFC), a key ally for the development of new sustainability strategies.

Neolpharma Group’s participation focused on two lines of work



# 1

**Participation** in a **learning platform** to share knowledge and experiences among companies about **best practices** in the **inclusion** of people with disabilities and LGTBIQ+ community

# 2

Select and **fulfill two commitments** focused on **promotion** and **integration** of **labor inclusion** of people with disabilities and LGTBIQ+ community in our **talent attraction processes and organizational culture**.

The commitments adopted by Neolpharma Group reflect the organization's intention to establish mechanisms to attract diverse talent, providing better employment conditions, security and respect for all people.

## Lines of action for Labor Inclusion



### Policies and procedures

- **Strengthening the "Diversity, Inclusion and Non-discrimination" policy.**
- **Adjustment** of talent attraction **procedures.**
- **Evaluation** of job **profiles.**
- Integration of **inclusive language.**



### Talent attraction initiatives

- **Accessibility diagnostics** at manufacturing sites.
- Integrating **inclusive language and messages** into job postings.
- Planning the **awareness-raising process** for leaders and staff in general.

During 2024, a process of sensitization will be conducted throughout the organization's levels to improve the culture of respect and adoption of diversity. In addition, the necessary adjustments will be implemented to offer better accessibility and mobility conditions for people with disabilities in manufacturing sites.

## Employee and family assistance program

GRI 403-6

The **reason** of our efforts on health and wellbeing is to **protect the life and integrity of all the persons that collaborate in the Group**; nothing is more important for daily performance of the company than them. This is because everyone that integrates Neolpharma Group's work team takes part in our health campaigns and have access to the assistance program.

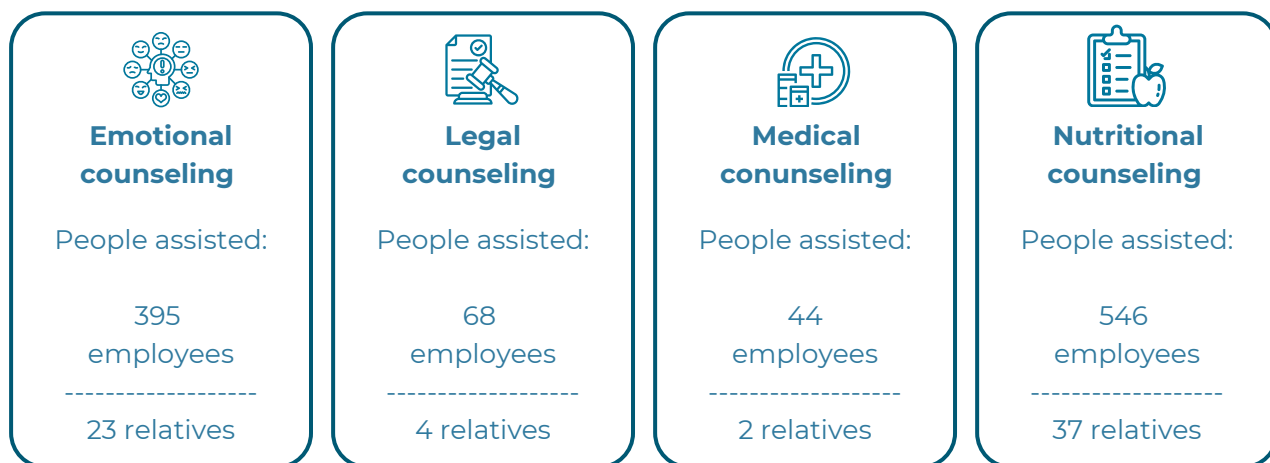


We have worked hand in hand with the Business Assistance Program “**Oriente PAE**”, which is a Mexican company that seeks to achieve the well-being of our work team, to favor their productivity and life quality.

This program **offers emotional, medical, nutritional, veterinary, legal, and personal economic** counseling.



### Total number of employees and family members assisted by type of counseling








# Development and training

GRI 404-1, 404-2



We encourage training and education of our employees through the implementation of the **annual training plan**. The curriculum is designed according to the needs of the employee, the area in which he or she works, his or her job category and the skills that he or she could acquire to improve his or her well-being in the performance of his or her activities. The training is given by highly trained personnel or through external consultancy specialized in the required topics. The results of the annual training plan are reflected in the average number of training hours by job category, as detailed below:

## Average training hours by job category, gender and business unit

	Neolpharma		Laboratorios Alharma		Psicofarma Tlalpan		Psicofarma División del Norte		Psicofarma Toluca		Neolsym	
	W	M	W	M	W	M	W	M	W	M	W	M
 Operative personnel	2,113	2,803	457	693	963	1,243	73	416	255	319	112	1,204
 Technical personnel	463	322	81	66	7	0	0	24	209	305	504	392
 Middle managers	216	238	73	57	72	147	1	76	36	86	225	300
 Management	0	14	19	6	0	19	0	0	0	7	15	25
 Directorship	0	14	19	6	0	0	0	0	0	1	15	25

W Women M Men

Throughout the year, diverse programs of training for employees are integrated, seeking to develop and improve their skills. Among them, the above mentioned programs about “Women Leadership” are included. Additionally, the following programs were given: “Leadership for Operations Program”, “Plans for Individual Development” and “Individual Coaching Focused on Leadership” to improve teamwork and achieve better results.

# Health and safety

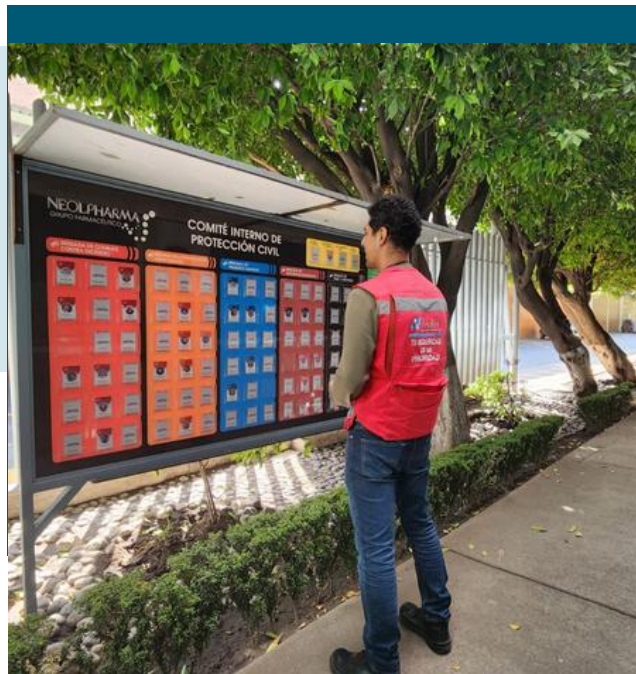
GRI 403-1, 403-2, 403-4, 403-5

## Management System




We implement **comprehensive management systems** that guarantee legal compliance in **matters of safety and health** at work, as well as compliance with **international standards**, such as **ISO 450001**.

At each **manufacturing site**, a **health and safety management system** is implemented that includes procedures for:

-  Evaluate legal compliance
-  Identify hazards and assess risks
-  Plan and implement operational controls
-  Audit compliance with the management system
-  Address non-conformities and implement corrective actions
-  Periodically evaluate performance with Senior Management



Within the same management system of each manufacturing site, processes have been developed to encourage employee participation, through:

-  Notification of unsafe acts or conditions through a card system.
-  Integration of safety brigades and safety commission, in accordance with current regulations.
-  Investigation and response to emergencies, including accidents and incidents.

**The training system** at all levels and manufacturing sites **includes** the implementation of an **internal training program** issued **annually**. This program complies with the legal requirements and integrates relevant topics to ensure safe work spaces. The topics given are related with the safety and health processes, practices and guidelines mentioned above.

# Health services

GRI 403-3, 403-4, 403-6

**Occupational health** is responsible for providing high-quality medical care and humane treatment, with the aim of ensuring a safe work environment and promoting the health and physical and mental integrity of the staff, through the following actions:

-  Performing medical examinations for new staff.
-  Creating and maintaining medical records for employees.
-  Providing medications at different times of the year.
-  Monitoring health contingencies when applicable.
-  Providing first aid.
-  Service during extraordinary or night shifts.
-  Monitoring prenatal care and granting a breastfeeding period.



In addition, it has been elaborated an **integral occupational health** program that includes the schedule of medical tests, lab test, health campaigns, vaccine application, provision of medication in different times of the year.



The **quality of health services** is guaranteed through fulfillment of established procedures by the occupational health area, which are aligned with national and international guidelines. This facilitates the employees' access to medical services and healthcare not related to job.



The **active participation of workers** in the development, implementation and evaluation of the occupational health and safety management system is encouraged through periodic calls, communicated through our internal portal, email and information boards.



# Injuries due to work accidents

GRI 403-9, 403-10



In 2023, the main types of injuries due to work accidents reported were **contusions and fractures**. According to the accident inquiry, the major causes were **lack of prevention** by the employees and slipping on wet floor **during cleaning**. In order to eliminate these hazards and to minimize risks, **measures based on control hierarchy** were taken, including the review of the cleaning internal procedure and training people involved about appropriate signaling.

At the end of 2023, the main types of occupational **ailments and diseases** recorded were **lumbar disc herniation** and left radial styloid tenosynovitis (**Quervain**). The periodic investigation determined that these conditions are due to the **inadequate handling of loads** by employees, specifically due to overexertion, inadequate or forced posture, and repetitive movements. To prevent or minimize the risk, the "**Accident and Illness Prevention Program**" is implemented..

## Injuries due to work accidents and work diseases by business unit

	Neolpharma	Laboratorios Alharma	Psicofarma Tlalpan	Psicofarma División del Norte	Psicofarma Toluca	Neolsym
Number and percentage of serious injuries due to work accidents (without including deaths)	2	0	0	0	0	0
Rate of serious injuries due to work accidents (without including deaths)	1.14	/	/	/	/	/
Number and percentage of injuries due to work registered.	3	0	1	1	0	0
Rate of injuries due to work registered.	1.71	/	0.51	0.15	/	/
Number of cases of occupational ailments and diseases registered.	2	2	/	/	/	/
Number or hours worked in 2023	1,751,832	730,800	329,544	1,334,760	565,848	246,384

# Work health and safety certifications

GRI 403-7

At Neolpharma Group, we take care of the safety and health of our employees, we implement management systems and practices aligned with legal compliance and the management principles of international standards, promoting a safe work environment at each work site. With this we have achieved and maintained some certifications, such as:



## ISO 45001:2018 Quality Management System of Occupational health and safety

Certificated Manufacturing sites:

- Neolpharma
- Laboratorios Alpharma
- Psicofarma Tlalpan



## Acknowledgement of 100% smoke free spaces

Certificated Manufacturing sites:

- Neolpharma
- Laboratorios Alpharma
- Psicofarma Tlalpan
- Psicofarma División del Norte
- Psicofarma Toluca
- Neolsym

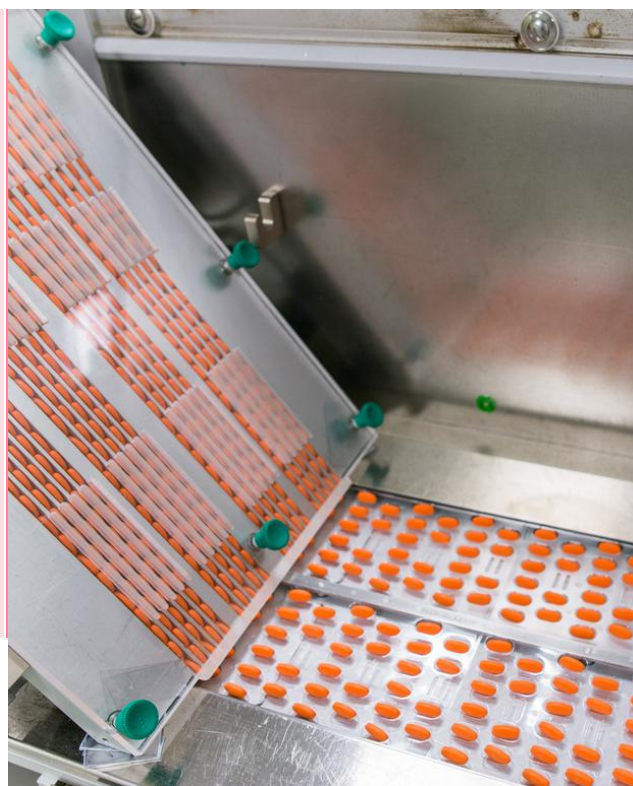
# Our commitment to society

## Social welfare

GRI 3-3

**“Provide affordable alternatives for the treatment of various diseases, in order to contribute to improving the health conditions of the population and the quality of life of patients”**

It is what has characterized Neolpharma Group as our social reason, reflects our contribution with the well-being of the population through the sale of quality pharmaceutical products, safe and effective, under the Good Manufacturing Practices and applicable legal compliance



### Relevant topics for the well-being of our employees



**Healthcare products**



**Customers and patients**

Our relevant topics are oriented toward providing alternatives for treating diseases and monitoring the satisfaction and expectations of our customers and patients.

The social impact of our products, particularly in mental health, drives us to continually improve our processes and products.

In order to extend our area of action, we provide other **social impact actions**, mainly related to **health, education and research**, this is achieved through alliances with several organizations with purposes in line with Neolpharma Group’s interests.



# Healthcare products

## Medicines

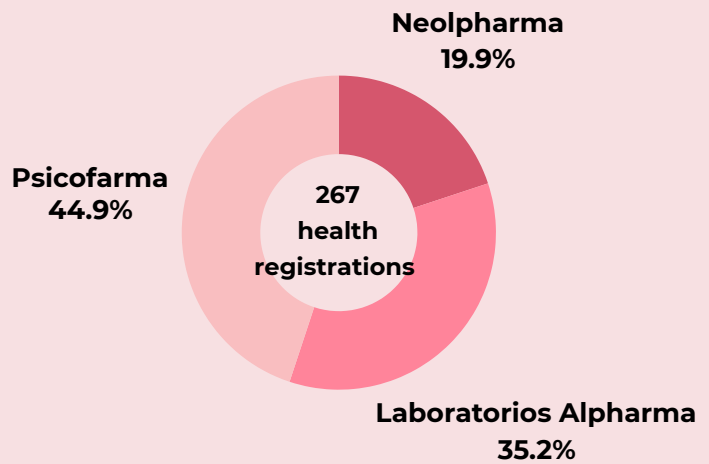
GRI 416-1

SASB HC-BP-000.B

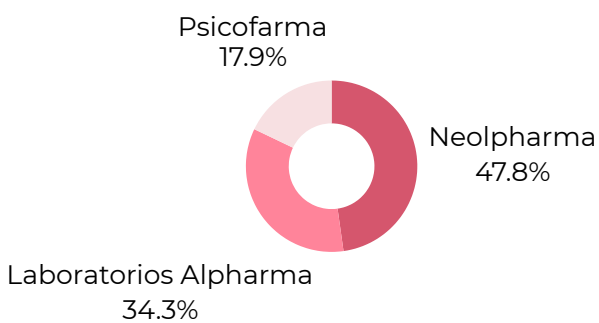


### Registered products

At the end of 2023, the Neolpharma Group has a **portfolio of 267 drug health registrations of drug products**, distributed between Neolpharma, Laboratorios Alpha and Psicofarma.

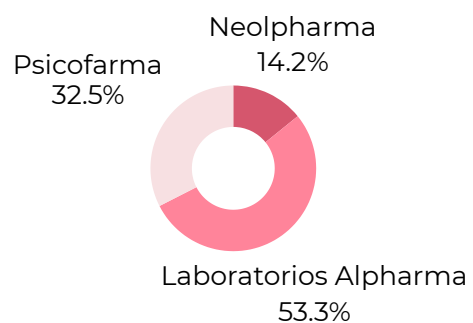


### Percentage distribution of manufactured pieces by business unit



**+ 293.5 M**  
manufactured pieces in 2023

### Percentage distribution of sold pieces by business unit



**+ 208.6 M**  
sold pieces in 2023

**234**  
drug products

from Neolpharma Group are **part** of the keys of the **National Compendium of Health Commodities**, which seeks to optimize the public resources intended for health problems in Mexico.



# Active ingredients for drug products

SASB HC-BP-000.B



## Registered products

At the end of 2023, **Neolsym** has the authorization of **12 active ingredients** of Federal Commission for Health Protection and Risks (**COFEPRIS**), two more than 2022.

**12**

## Active Ingredients

for drug product manufacturing

**Volume manufactured of active ingredient at the end of 2023**



**15**  
tons manufactured

**Volume sold of active ingredient at the end of 2023**



**13**  
tons sold

In **Neolsym**, we are **committed with healthcare**, therefore we continuously design **innovative processes** for development and manufacturing of active ingredients, extending the portfolio of products to meet the market needs for drug manufacturing.

## Distribution of drug products

With solid experience at national and international level, our distribution capacity has allowed us to reach various markets throughout the Mexican Republic and Latin America, ensuring that our products reach those who need them safely and in a timely manner.

### Representación gráfica de la distribución y venta de productos de Grupo Neolpharma



## Quality certifications



Based on the follow-up we give to our social cause to address the well-being of the population and in addition to the Good Manufacturing Practices certificates issued by the regulatory authorities, the **Psicofarma Tlalpan** manufacturing site has managed to obtain and maintain the following certification for more than 15 years:

**ISO 9001:2015 Quality Management System.**

# Clients and patients

## Impact management

GRI 2-27, 416-2

At Neolpharma Group, our commitment to excellence and innovation is reflected in every aspect of our relationship with customers and patients.

During 2023, we experienced a significant **impact case** that, although negative, **underlines our dedication to transparency and working in our areas of improvement.**



In December 2022, the Federal Commission for Health Protection and Risks (COFEPRIS) carried out an inspection at two Psicofarma work sites, located in Tlalpan and División del Norte. As a result of this inspection, the health authority decided to temporarily suspend manufacturing activities at both plants. This suspension caused patient dissatisfaction due to the shortage of medications necessary for their treatments.

In response, the organization periodically published the status of the situation through its external media, keeping patients and the community informed. In addition, with the support of the same authority, Psicofarma had the possibility of gradually releasing products during 2023, in order to satisfy the population's need for medications and avoid further effects on patients' health.

At the end of 2023, the health authority carried out new inspections, ending the period of suspension of activities. Thanks to the prompt response and coordinated work of Psicofarma with the authorities, the quality, safety and efficacy of the products have been guaranteed, complying with good manufacturing practices.

This case highlights our ability to face challenges, learn from them and continue to provide effective solutions, reaffirming our commitment to patient-centered care and continuous improvement.

# Suspected adverse reactions

SASB HC-BP-250a.1

At Neopharma Group, we are committed to the safety of our patients and the quality of our medicines. As part of this commitment, we have a robust **system** for **managing suspected adverse reactions**. This system allows us to quickly **identify, assess and respond** to any potential adverse **effects** related to **our products**.





Reporting suspected adverse drug reactions is a process that allows the federal health authority to be informed about any discomfort (suspected adverse reaction) that is believed to be associated with the use of a drug by the customer. This process is essential to monitor and follow the safety profile of the drugs.

Grupo Neopharma has a permanent **pharmacovigilance program** that allows us to identify, collect, monitor, investigate, evaluate and report information about the **adverse effects** of **drugs manufactured and marketed** by our different business units.

All activities and Standard Operating Procedures for Pharmacovigilance are carried out in compliance with **NOM-220-SSAI-2016** (Installation and Operation of Pharmacovigilance). This commitment **guarantees the safety of our drug products** and allows us to implement actions and measures to reduce or minimize the risks presented.

## Incidences of suspected adverse reactions by business unit

	Neopharma	Laboratorios Alpha	Psicofarma
 2022	1	9	26
 2023	6	6	17

**29**

suspected adverse reactions notified to the National Pharmacovigilance Center (CNFV), **7 less** than 2022-





# Management of complains about drug products

GRI 417-2

The **quality** and **safety** of our medicines are fundamental priorities for the company. Our commitment to sustainability includes rigorous **management** of **complaints** about medicines, ensuring that each comment, claim or report is treated with the seriousness and diligence it deserves.



## Total number of customer claims and complains by business unit

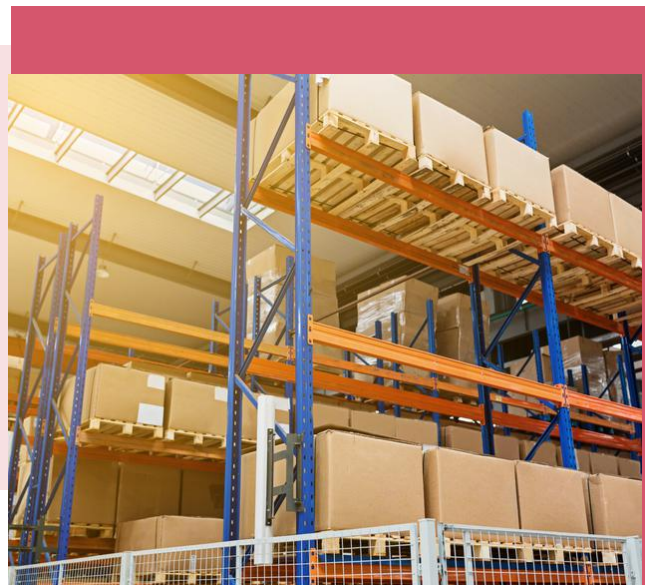
	Neolpharma	Laboratorios Alharma	Psicofarma Tlalpan	Psicofarma División del Norte	Psicofarma Toluca	Neolsym
 <b>2022</b>	39	17	50	0	11	0
 <b>2023</b>	27	19	5	0	7	0

During 2023, a total of **58 complaints** were collected from all business units, representing a **51% reduction** compared to the previous year

## Drug product recall

SASB HC-BP-250a.3

In addition to handling complaints, at Neolpharma Group we also carefully manage **product recalls** when necessary. This process is crucial to ensure that any **drug product** that **do not comply our strict quality and safety standards** are promptly withdrawn to protect patients.

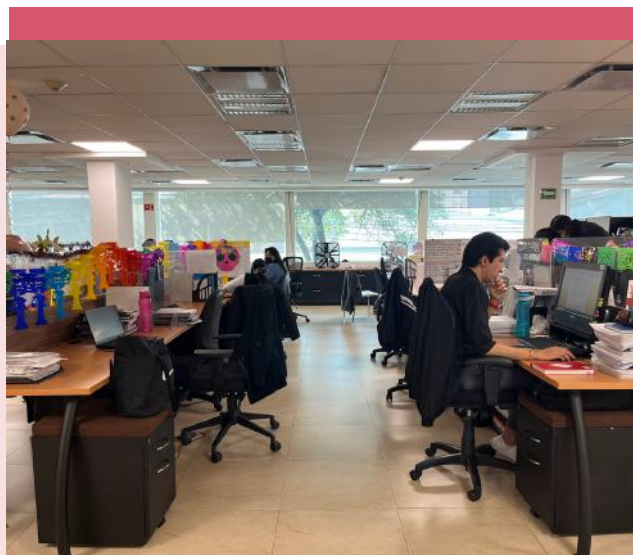


Only **one product recall** was recorded, from **Laboratorios Alpha**. This recall began on February 2, 2022, and ended on June 16, 2023. After the material was recovered, the product was destroyed in the presence of COFEPRIS and with an authorized supplier, who issued a statement confirming the veracity of the destruction

## Customer privacy and data safety

GRI 418-1

The privacy and security of our customers' data is a priority. We have implemented security measures to protect the personal information of our customers, suppliers, employees and other data subjects. These efforts include **preventive actions** to avoid damage, alteration, destruction, loss, unauthorized use, access or processing, as well as the adoption of clear **procedures** for handling any type of information.



In 2023, there **were no complaints** regarding customer privacy violations by third parties, regulatory authorities, or incidents of data leaks, theft or loss. Each business unit of the **Neolpharma Group has a detailed privacy notice**. This notice includes relevant information and the contact details necessary to address any questions, complaints or claims regarding the processing of our customers' personal data.

# Social programs

GRI 203-2

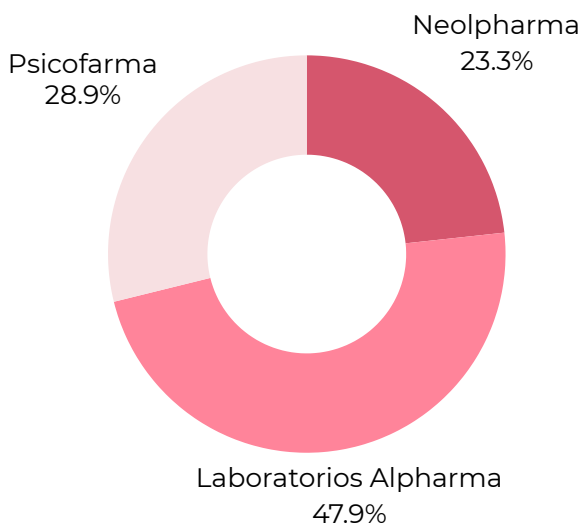
The commitment of Neolpharma Group as a company dedicated to the manufacture and supply of pharmaceutical products and services is focused on ensuring that each of these products is of quality, safe and effective.

This proposal allows us to align ourselves with the **needs and expectations of users**, and thus direct all efforts towards the **social cause of the organization**, which is to provide affordable alternatives for the treatment of various diseases, to improve the health conditions of the population and the quality of life of patients.



As part of the efforts of Neolpharma Group to achieve the affordability of drug products, **donations** are made throughout the year to benefit society, allowing them to improve their quality of life.

## Percentage distribution of donated pieces by business unit



From January to December, 2023 there were donated

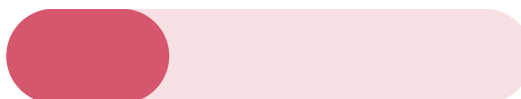
## 419,297 pieces

The beneficiaries of these donations are various civil associations and government institutions

## 221 %

increase of drug product donated pieces in comparison to 2022

2022



189,515 pieces

2023



419,297 pieces

Neopharma Group has worked as an **ally** in the search and implementation of **strategies and actions that mitigate gender inequalities**. With this in mind, we collaborated with the **Arvore A.C. Foundation** on the “**Healthy Women, Strong Women**” project.



The donation benefited **300 women** from the Municipality of **Chimalhuacán** who live in a situation of social vulnerability, to positively impact their health and quality of life; **providing them with vitamins A, C and D**, which helped them strengthen their immune system, prevent seasonal diseases and promote health.



In October 2023, **Hurricane Otis** hit the Pacific coast of Mexico, causing great **destruction of infrastructure** in the city of Acapulco.



Neopharma Group, aware of the impact, acted promptly and generously through significant **donations**, providing **essential resources** to help mitigate the difficulties faced by its employees and family members who work and/or reside in Acapulco.

Neopharma Group, with the conviction of carrying out activities that positively impact more than one interest group, has participated in the “**Banco de Tapitas A.C.**” program since 2020.



During 2023, a donation of **473 kg of plastic bottle caps** was made to support children diagnosed with cancer. These donations made it possible to **impact** the lives of more than **1,000 patients** and their respective families in different parts of the country.



**Total kilograms donated and benefited infancies**







Together with **Fundación Arvore A.C.**, we participated in the “**Shared Illusions**” Program, which seeks to provide **toys and clothing** to every child living in a vulnerable situation in the municipality of **Chimalhuacán**, a rural area with a high degree of marginalization. **470 children** benefited from this project.

In addition, we collaborated with **Fundación Niños con Alegría A.C.** to donate **toys** to children affected by Hurricane Otis in the state of **Guerrero**. In total, **500 children** benefited from toys.



## Middle education programs



We are part of the “**Jóvenes Construyendo el Futuro**” Program, an initiative of the Ministry of Labor and Social Security of the Government of Mexico, which links people between 18 and 29 years of age with companies, workshops, institutions or businesses where they develop or strengthen work habits and technical skills to increase their employability possibilities in the future.

### Total of people enrolled and benefited by the program



In addition, we have the “**Educación Médica Continua**” Program, which aims to ensure that **specialists acquire knowledge** about advances in various topics related to their **daily practice** and their **patients**, either to replace, complement or update their previous knowledge.

The **results** of this program have been presented in the **reduction of the forgetting curve** and **consolidation of learned topics** or topics that were not acquired during academic training. Likewise, the **continuous improvement** of the quality of **medical care** and **health**, the safety of the patient and the population in general, the prevention of risks or damage to health, and even the optimization of personal, family and institutional resources.

Another benefit of continuing medical education is the **credits granted** by national scientific endorsements and even international approval, which **certify** the **knowledge, skills and practices** of doctors; this, in addition to strengthening the doctor's curriculum, is a requirement for his recertification and continuity of practice.

For this reason, Neolpharma Group has **collaborated** with **medical associations** through actions such as the search for innovative topics, support for speakers to share their knowledge and approaching doctors for their attendance at national and international conferences, among others.

For Neolpharma, having an updated medical community ensures a diagnosis, adequate treatment and an improvement in the health and quality of life of patients.

## Building ties for Mental Health:

In recent years, we have witnessed numerous **changes** in the global structure and in the way we **perceive life**. For Grupo Neolpharma, **mental health** has always been **paramount**, from our beginnings as a laboratory created by psychiatrists to offer therapeutic options to patients, to the present day.



In this sense, and faithful to our social responsibility, in 2021 we created a **digital library** called “**Contigo en mente**” with the aim of **sharing updated** and relevant information, keeping up to date with news and innovations in the health field. In this portal, we have implemented informative, awareness-raising and empathy actions aimed at our various audiences, always adhering to the company's legal and ethical guidelines.

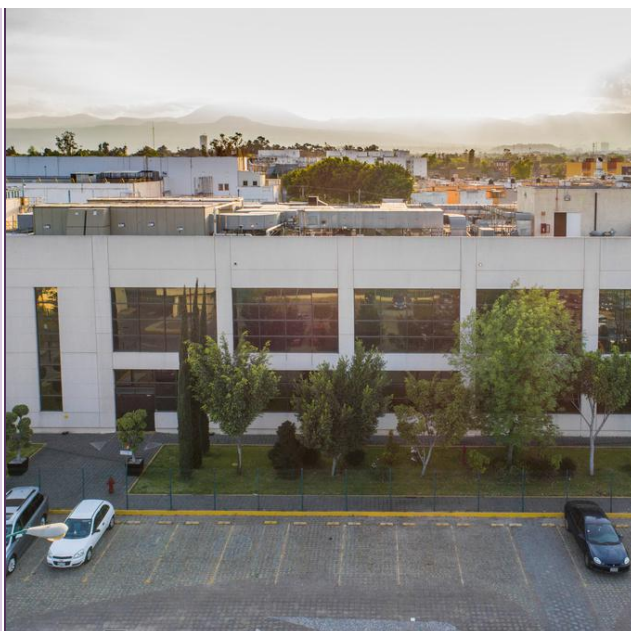
Thanks to the published content and the social benefit that “Contigo en mente” has achieved, there is an **annual growth of 170%** in the index of new users taking 2021 as a reference, and in relation to **visits** to the site, the index of views has **increased by 125%** annually

Our commitment to legality and transparency

# Business ideology

GRI 3-3

through **Corporate Governance**, we manage the **risks** surrounding the **ethical conduct** of our business in tax matters, relationships with regulatory agencies and other stakeholders, and the **ethical business practices** expected by the pharmaceutical industry for fair competition.



## Relevant topics to our business



**Compliance**



**Business ethics**

We guarantee the **transparency** of our **operations and transactions** in full **compliance with applicable legal requirements**.

We interact with regulatory agencies in a transparent manner in accordance with the guidelines of our **Code of Ethics** and **Anti-Corruption policy**, which is communicated periodically at manufacturing sites and, particularly, to employees who interact with different stakeholders

We adhere to the guidelines established in the Code of Ethics of the Pharmaceutical Industry (**CETIFARMA**) issued by the National Chamber of the Pharmaceutical Industry (**CANIFARMA**).

We comply with the applicable regulations for the **labeling of drug products** in order to protect patients with the proper use of medicines, as well as the guidelines established by the Federal Commission for the Protection and Sanitary Risks (COFEPRIS) on advertising and **marketing** campaigns, promotional material and proper management of medicine samples.

Our sales force and customer service personnel are continuously trained in order to provide the best service in an ethical manner.



# Compliance

At Neolpharma, we are committed to operating with integrity and transparency, complying with all applicable local, national and international rules and regulations.

This commitment is reflected in our tax practices, our anti-corruption policies and our efforts to maintain fair economic competition.

In this section, we will detail our strategies and actions in these crucial areas to ensure ethical and responsible management, strengthening our reputation and contributing to sustainable development.



## Responsible tax management

GRI 207-1

We act with **responsibility, transparency and honesty, complying** with the **legal frameworks** that govern our operations, as well as the **policies, regulations and values** that govern the conduct and behavior of people inside and outside the company.

Therefore, in **tax matters**, our organization is fully **committed to complying** with all applicable tax **laws and regulations** in the jurisdictions where we operate. We maintain a rigorous compliance policy, ensuring that all taxes due are paid on time and in accordance with local tax regulations. Our approach is based on ethics and integrity, avoiding any form of evasion or aggressive tax practices.

## Anti-corruption

GRI 205-2, 205-3

In order to establish clear guidelines to **prevent and eliminate corruption** and contribute to improving the standards of truthfulness, integrity, ethics and honesty, the Legal Department implements the **Anti-Corruption Policy**.

This policy requires that all employees, suppliers and contractors of the company refrain from accepting or participating in dishonest and/or corrupt practices in all their forms.







To **ensure knowledge and compliance** with the Anti-Corruption Policy, **training courses** were held during 2023, specifically aimed at employees who represent the company before different authorities or those who maintain labor relations with suppliers and contractors, areas where the risk of fraud and corruption is greater. The objective is to **strengthen their commitment** to policies, legal, ethical and moral standards.

Regarding the above point, all employees of the group undertake to assist the competent authorities by providing the required information to investigate, detect, prevent and prosecute operations with resources of illicit origin.

It should be noted that since 2021, **no incidents of corruption have been reported**, in any of its forms.

### Training and diffusion of anticorruption policy and procedures

	Neolpharma	Laboratorios Alpha	Psicofarma Tlalpan	Psicofarma División del Norte	Psicofarma Toluca	Neolsym
 Employees	701	312	127	77	262	149
 Percentage	67 %	87 %	84 %	88 %	94 %	91 %



Group employees who have been informed of the corresponding anti-corruption policy and procedures.



Our staff is aware of and familiar with this policy.

### Training on anti-corruption issues

	Neolpharma	Laboratorios Alpha	Psicofarma Tlalpan
 Percentage	26 %	39 %	48 %

## Promoting fair economic competition

GRI 206-1



The Group's staff at all levels participate in compliance with the **Economic Competition Policy**, which trains employees annually in order to promote, **protect and guarantee free competition** and **economic competition**, as well as **prevent monopolistic practices**, illegal concentrations and other restrictions to the efficient functioning of markets, contributing to improving the standards of truthfulness, integrity, ethics and honesty.

In this way, the collaborators, agents, consultants, contractors and suppliers involved in the promotion and sale of the Group's products and services conduct business and perform their duties with loyalty, clarity, transparency, precision, commercial integrity and seriousness in pursuit of social welfare, acting under the principles of ethics, professionalism and prioritizing the general interest over the particular interest. **Non-compliance** with this policy will be addressed, and where appropriate, will be **sanctioned** in accordance with the **guidelines** established in the procedure for "**Handling complaints and deviations.**"

Neolpharma Group has not been the subject of any lawsuit or fine for unfair competition in the period of 2023 and is currently not the subject of any type of investigation for this reason

# Business ethics

At Neolpharma, business ethics is a cornerstone of our operations. We are committed to maintaining the highest **standards of integrity and transparency** in all of our activities and processes, ensuring that every aspect of our business is conducted responsibly and ethically.

We adhere to the guidelines set out in the Pharmaceutical Industry Code of Ethics (CETIFARMA) issued by the National Chamber of the Pharmaceutical Industry (CANIFARMA).

This commitment is reflected in our **labeling and marketing** practices.



## Labeling of drug products

GRI 417-1, 417-2



**Correct and transparent labeling** of our products is essential to protect patients and ensure the proper use of medicines. We strictly adhere to **NOM-072- SSAI-2012** (Labeling of medicines and herbal remedies).

This regulation establishes detailed requirements on the information that must be included on medicine labels, such as product composition, instructions for use, warnings and contraindications.

By complying with this regulation, **we ensure that patients and healthcare professionals** have access to the **information necessary** for the safe and effective use of our products.

During 2023, we have not recorded any non-compliance related to the information and labeling of our products.

## Marketing and advertising

GRI 417-3

We ensure that all our **marketing** campaigns comply with the guidelines established by the Federal Commission for the Protection against Sanitary Risks (**COFEPRIS**).

This includes the review and approval of all promotional material to **ensure** that the **information presented is truthful, clear and not misleading**.

We also properly manage drug samples, ensuring their controlled distribution and proper use, in compliance with current regulations.

During 2023, we have not recorded any non-compliance related to the regulations on marketing and advertising of our products.





Boosting our company value

# Business innovation

GRI 3-3

Neopharma Group **incorporates** the best **social, environmental and governance practices** in the **processes** of each stage of the **product life cycle**, from development to commercialization.

The information recorded in this report reflects the commitment of Neopharma Group and its business units to sustainability and continuous improvement of ESG performance



## Relevant topics for business innovation



**Sustainable processes**



**Sustainable shopping**

Maintaining **sustainable processes** allows us to meet the needs and expectations of our customers and other stakeholders, who periodically evaluate us to ensure that we maintain and improve our sustainability practices.

The **supplies purchased** for manufacturing ensure the quality, safety and efficacy of the manufactured products, regulatory compliance and process efficiency.

The **suppliers** that are part of our supply chain are **periodically evaluated** in order to guarantee the necessary supply to provide drug products and active ingredients to our clients and meet the needs of the medicine market.



# Sustainable processes

## Innovation for sustainability

We develop a wide range of **manufacturing processes** that guarantee the highest quality and are resilient to market dynamics and the needs of our customers.

**Research and development of new products** are the basis of our innovation. Aspiring to be the leader in innovation in the pharmaceutical sector in Mexico is a key differentiating element for growth



Our processes encompass a wide variety of techniques and technologies that ensure quality and efficiency.



Our experience allows us to offer superior and consistent results.



We have the capacity to formulate and produce a wide variety of pharmaceutical forms.



Our dedication to innovation and excellence is reflected in our pursuit of sustainable technologies.



We are committed to maintaining the highest quality standards.

## Scientific and Technological link

Within the line of sustainable processes and taking our innovation interests as a reference, we participate and undertake different actions aimed at **research, science and technology**.

It is not only a social contribution, it is participating in the **development of new and better alternatives** for the treatment of diseases, improving the health conditions of the population and the quality of life of patients




We have **educational programs** that allow students to carry out their **social service and professional internships**.

During 2023, we included students from the Center for Nanosciences and Nanotechnology (UNAM) in our different business units under the “Business Internship Program”.


We also collaborated with the Mexican Social Security Institute (IMSS) to design an information flow system that motivates collaboration and educational development

We participate in **events**, both as **organizers** and as **special guests**, to promote research and contribute scientific knowledge. These activities are carried out in collaboration with university institutions, pharmaceutical industry chambers and government entities of Mexico City. Through these participations, **we demonstrate our leadership in the pharmaceutical industry and contribute to scientific research**. Below is a list of events in which we participated in 2023:


 **“Chany Ventures - Women Entrepreneurs”** event by Red OTT with Psicofarma.


 **“Interoperability and innovation in health in Chile”** event at HIMSS Executive Summit with Psicofarma.

 CANIFARMA **“Implementation of the 3 Rs”** event with Psicofarma.

 **“Evaluation and assessment of technologies”** workshop by Red OTT with Neolpharma.

 **“Patent Writing”** Workshop by Red OTT with Neolpharma.

 **“Digital Pharma Innovation Week”** event U.S Food and Drug Administration with Neolpharma.

 **“FDA Issues Draft Guidance on Patient Focused Drug Development”** event U.S. Food and Drug Administration with Neolpharma.

 CANIFARMA **“Strategic meeting of the Regulatory Affairs and Research, Innovation and Technological Development Committees”** event with Psicofarma.

## Donation of active ingredient to research

During the year, we make donations of active ingredient to various university institutions. These contributions are intended to support and promote a variety of educational and research projects.

Through these donations, we help promote academic and scientific development in the university environment, making it easier for students and teachers to have the necessary resources to carry out their research and experiments..

Beneficiary: **National Autonomous University of Mexico (UNAM)**



Project: **Short-lived reagents**

Objective: Development of projects of the Biomedical Research Institute.

Beneficiary: **Center for Research and Advanced Studies (Cinvestav)**



Project: **Short-lived reagents**

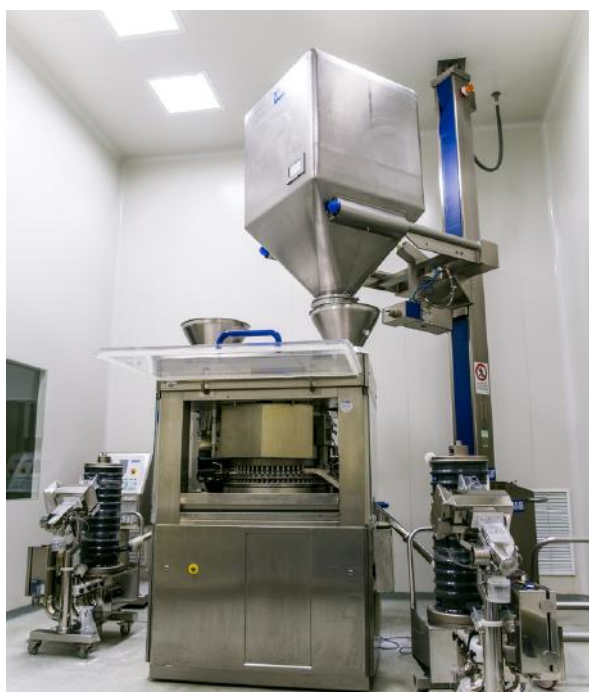
Objective: Development of projects of the Department of Biochemistry.

Beneficiary: **Center for Research and Advanced Studies (Cinvestav)**



Project: **Short-lived reagents**

Objective: Development of projects of the Department of Genetics and Molecular Biology.



Beneficiary: **Universidad Autónoma Metropolitana-Xochimilco**



Project: **Development of filaments extracted by hot melt for the production of modified release systems using 3D printing for the treatment of hypertension and dyslipidemia.**

Objective: Development of projects of the Laboratory in Pharmocotechnology.

Beneficiary: **Instituto Politécnico Nacional**



Project: **Use of antibodies in the Postgraduate Program in Pharmacology**

Objective: Development of projects at the Higher School of Medicine.



## Bionano Innovation Award: Science and Technology 2023 (11th edition)



*Presentation of the 2023 Bionano Award to the project "Porcine skin, silver nanoparticles and skin cells as a comprehensive treatment for burns: Development, preclinical study and pilot clinical study".*

Since 2013, this award has **encouraged talent and the development of projects in Bionanotechnology** in Mexico, in collaboration with the Center for Research and Advanced Studies (Cinvestav). The award **strengthens academic-business ties and highlights cutting-edge research**.

The evaluation committee, made up of specialists in Nanotechnology and Nanosciences, selects the winner. Participation has grown, with **31 projects registered** in 2023, compared to 10 in 2013. Higher education institutions and research centers, such as UNAM, IPN, UANL, UG, INSP, INNMVS, CICESE and Cinvestav, have actively participated.

The call and terms of reference were disseminated through print, electronic and social media. Applications were received anonymously through the Cinvestav website.



The jury, made up of 10 researchers from various areas, selected six finalist projects. The **winning project**, entitled "**Porcine skin, silver nanoparticles and skin cells as a comprehensive treatment for burns: Development, preclinical and pilot clinical study**", was presented by **Dr. Roberto Sánchez Sánchez** of the Luis Guillermo Ibarra Ibarra National Rehabilitation Institute.

The award ceremony was held on November 21, 2023 at Cinvestav, Zacatenco headquarters, a representative check for **\$350,000.00 MXN** and diplomas were awarded to the winners and participants of the project.

## Women in Biological and Health Sciences Award: Matilde Montoya, 2023



*Presentation of the 2023 Matilde Montoya Award for her work helping in the early detection of oral cancer in people living with HIV.*

Since 2021, thanks to the alliance between the Secretaria of Education, Science, Technology and Innovation of Mexico City (SECTEI) and Neolpharma Group, the Matilde Montoya awards have been given to **recognize outstanding Mexican scientists in biological and health sciences**. This award seeks to solve specific problems and benefit the population of Mexico City, promoting education, health and reducing the gender gap.

The 2023 call for proposals registered **38 proposals**, of which 21 were completed correctly, standing out for the participation of level II researchers from the National System of Researchers (SNI). The works were presented by institutions such as the National Cancer Institute (InCan), the General Hospital of Mexico, the IPN, Cinvestav, UNAM and UAM.

The jury was made up of seven female and four male researchers from prominent institutions such as UNAM, IMSS, INCMNSZ, INMEGEN, INNN and INSP.

The 2023 winner was **Dr. Irma Gabriela Anaya Saavedra**, specialist in Pathology and Oral Medicine at UAM-Xochimilco, for her work in the **early detection of oral cancer in people with HIV**. The prize of **300 thousand pesos** will be used to improve the infrastructure of the clinic where her research is conducted.



# Certifications for business innovation

At Neopharma Group, we are committed to operating under a sustainability strategy that impacts all elements of our operations.

As a sign of this commitment, in **April 2023**, we obtained the **WORLDCOB-CSR:2011.3 certification**, Corporate Social Responsibility Certificate, developed by the World Confederation of Businesses (WORLDCOB) in **Neopharma, Laboratorios Alharma and Psicofarma Tlalpan**.

This international standard establishes the requirements that an organization must meet to be recognized for its **Good Corporate Social Responsibility (CSR) Practices**.



The WORLDCOB-CSR:2011.3 certifies our adherence to a culture of ethical values, the implementation of a management system based on social responsibility, and our commitment to continuous improvement in the areas of interest to the standard



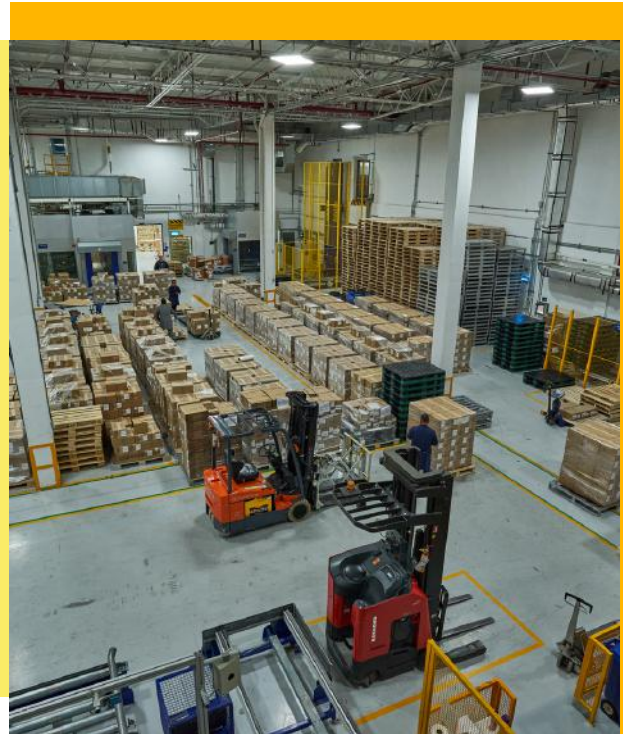
In order to continuously improve our practices, in addition to the WORLDCOB certification, we adhere to compliance with the **SEDEX Members Ethical Trade Audit (SMETA)** measurement criteria under 4 pillars: Labor Standards, Health and Safety, Environment and Business Ethics.

In addition, elements such as Human Rights, Management System, as well as legal compliance related to each pillar are evaluated. The measurement criteria have been implemented at all work sites, however, since 2020, only three manufacturing sites have been periodically audited: **Neopharma, Laboratorios Alharma and Psicofarma Tlalpan**.

# Sustainable purchases

We are committed to sustainability in all our operations, and our purchasing practices are no exception.

Our **sustainable purchasing** strategy encompasses several essential aspects that **ensure social and environmental responsibility in our supply chain**. These include the implementation of a supplier code of ethics and conduct, social and environmental monitoring of suppliers, and the promotion of sourcing of materials from local suppliers.



## Code of ethics and conduct for suppliers

*GRI 2-23, 2-24, 414-1*

Commitment to ethics and integrity is fundamental to our company. Our **Supplier Code of Ethics and Conduct** is communicated and provided to suppliers during the Supplier Diagnostic Questionnaire process, with the aim of establishing the standards and expectations that all our business partners must meet. This code covers aspects such as respect for **human rights**, the **prohibition of corrupt practices and bribery**, and the **promotion of fair and safe working conditions**.

We require our suppliers to adopt practices that demonstrate their social and environmental responsibility. In addition, we **promote transparency and accountability in all our business relationships**, ensuring that our operations are carried out with the highest standards of ethical conduct.

## Monitoring Social Performance of Suppliers and Contractors

To ensure that our suppliers comply with the standards set out in our Code of Ethics, we implement a rigorous Supplier and Contractor Social Performance Monitoring system. This monitoring includes periodic performance assessments in key areas such as working conditions, environmental impact, and sustainability practices.

The monitoring process follows several key steps.





**Questionnaire submission:** The Purchasing Department and Audit Managers send the "Social Performance Monitoring Questionnaire" to suppliers, along with the request for necessary documentation.



**Evaluation of results:** The Sustainability area reviews the questionnaires completed by suppliers, evaluating each response according to a rating table. The results are categorized as Excellent, Good, Regular or Low. In case of regular or low results, improvement actions are planned.



**Preparation of results and improvement actions:** A report is prepared with the proposed improvement actions. This document is reviewed and signed by the person in charge of the sustainability department, and then sent to suppliers for review and signature.



**Document review:** Suppliers are notified about the document review after the evaluation. This review includes aspects such as personnel records, payments, among others. Recommendations and a period to verify the implementation of these recommendations are established.



**Follow-up and communication:** Periodic follow-up is established to ensure that suppliers and contractors implement the proposed improvement actions. In addition, any significant non-compliance will be reported to the Reporting Office for further evaluation.

## Responsible and sustainable sourcing of materials

GRI 204-1, 301-1



### Materials used

At Neolpharma Group, **the meticulous choice of materials** for our medicines **is essential to ensure the quality and safety of our products.** This section details the key materials we use in the manufacture and development of our pharmaceutical products, highlighting our commitment to rigorous quality and safety standards at every stage of the process.

In 2023, the Group's manufacturing sites used a variety of materials in the production of our products. The main materials used are listed below:

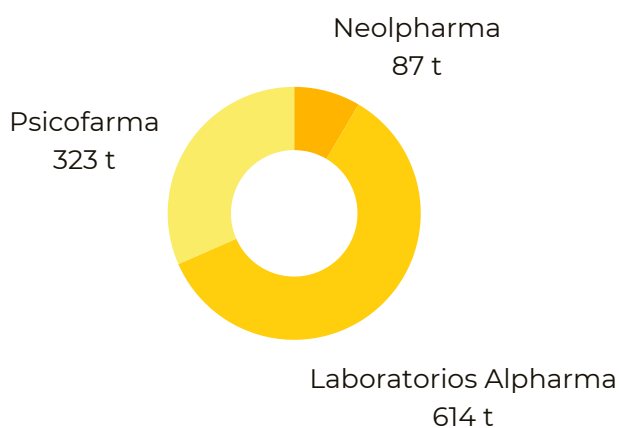
## Active ingredients

In all of our business units we use several active ingredients for drug product manufacturing. Last year, the total volume of raw material used was:

# 1, 024 t

Total amount of active ingredients used in 2023

### Total amount of active ingredients used by business unit







For the manufacture of the mentioned active ingredients, the following total volume of **raw material** was needed:

Materials	Quantity	Unit of measurement
Activated carbon, potassium hydroxide, magnesium sulfate, bromine.	30,953	Kg
Isopropyl alcohol, acetone, methanol, sulfuric acid.	326,370	L
Nitrogen and hydrogen	192	m <sup>3</sup>





## Excipients

Excipients are crucial in drug formulation. The volume used of the main excipients by business unit is detailed below:





### Total amount of the main excipients used by Neolpharma

	Quantity	Unit of measurement
 <b>Injectable water</b>	5,763,608	L
 <b>Hard capsules</b> <b>gelatin</b>	5,668,001	Pieces
 <b>Capsules No. 3</b> <b>yellow</b>	1,470,001	Pieces
 <b>Purified water</b>	74,903	L

## Total amount of the main excipients used by Laboratorios Alpha






	Quantity	Unit of measurement
 Hard capsules gelatin	98,174,292	Pieces
 Purified water	689,102	L
 Propylparaben	299,503	G
 Solid petrolatum white	91,004	Kg

## Total amount of the main excipients used by Psicofarma

	Quantity	Unit of measurement
 Hard capsules gelatin	126,212,549	Pzas
 Capsules No. 1 blue	3,815,001	Pzas
 Purified water	140,975	L
 Ethyl alcohol 96°	51,266	L

## Packaging materials

The protection and integrity of our products depends on a wide range of packaging materials. Below are the main packaging and packing materials used in our operations:

	Quantity	Unit of measurement
 Aluminum	230,627	Kg
 Boxes	245,100,948	Pieces
 Labels	68,757,604	Pieces
 Flasks	32,872,007	Pieces
 Instructives	12,978,194	Pieces

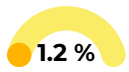
At Neolpharma, we believe in the power of **local sourcing** as a key strategy for sustainability. By collaborating with **local suppliers**, we not only reduce our carbon footprint by minimizing the need for transportation, but we also **support the economic development of our country**.

Below are the percentages of total expenditure for sourcing of the main materials used for the manufacture of drug products:

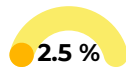
**Percentage distribution of total expenditure for the supply of active ingredients**

Foreign suppliers

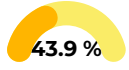
National suppliers



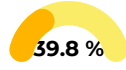
Neolpharma



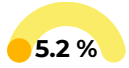
Neolpharma



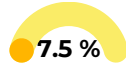
Laboratorios Alharma



Laboratorios Alharma



Psicofarma



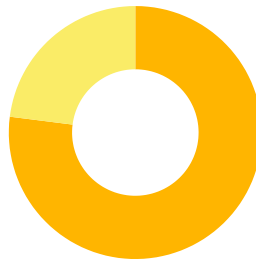
Psicofarma

**50.24 %**

**49.76 %**

**Percentage distribution of total Neolsym's expenditure for the supply of solvents and other supplies**

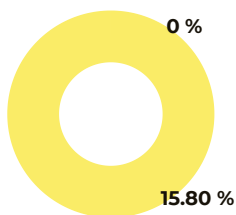
National suppliers  
23%



Foreign suppliers  
77%

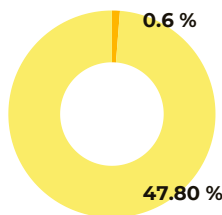
**Percentage distribution of total expenditure for the supply of packaging material**

Neolpharma



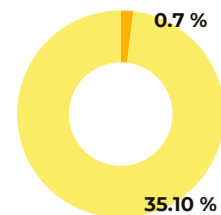
**1 %** Foreign suppliers

Laboratorios Alharma

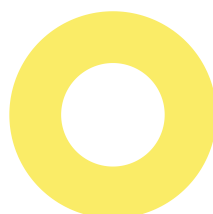


**99 %** National suppliers

Picofarma



Neolsym



**100 %** National suppliers



# About this report

GRI 2-3, 3-3



It is a pleasure for Neolpharma Group to present our **2023 Sustainability Report**, as a demonstration of our firm commitment to sustainability and our stakeholders.

In this report, we present the results of the performance of our priority themes during the period from January 1, 2023 to December 31, 2023.

This report has been prepared in accordance with the GRI Standards. The scope of the relevant topics includes five business units that make up Neolpharma Group, which are: Neolpharma S.A. de C.V., Laboratorios Alpharma S.A. de C.V., Psicofarma Tlalpan S.A. de C.V., Psicofarma División del Norte S.A. de C.V., Psicofarma Toluca S.A. de C.V., and Neolsym S.A. de C.V.

This report reflects our commitment to transparency and continuous improvement in our environmental, social and governance (ESG) performance, highlighting the coordinated efforts of our business units to achieve our sustainability goals.

## Materiality

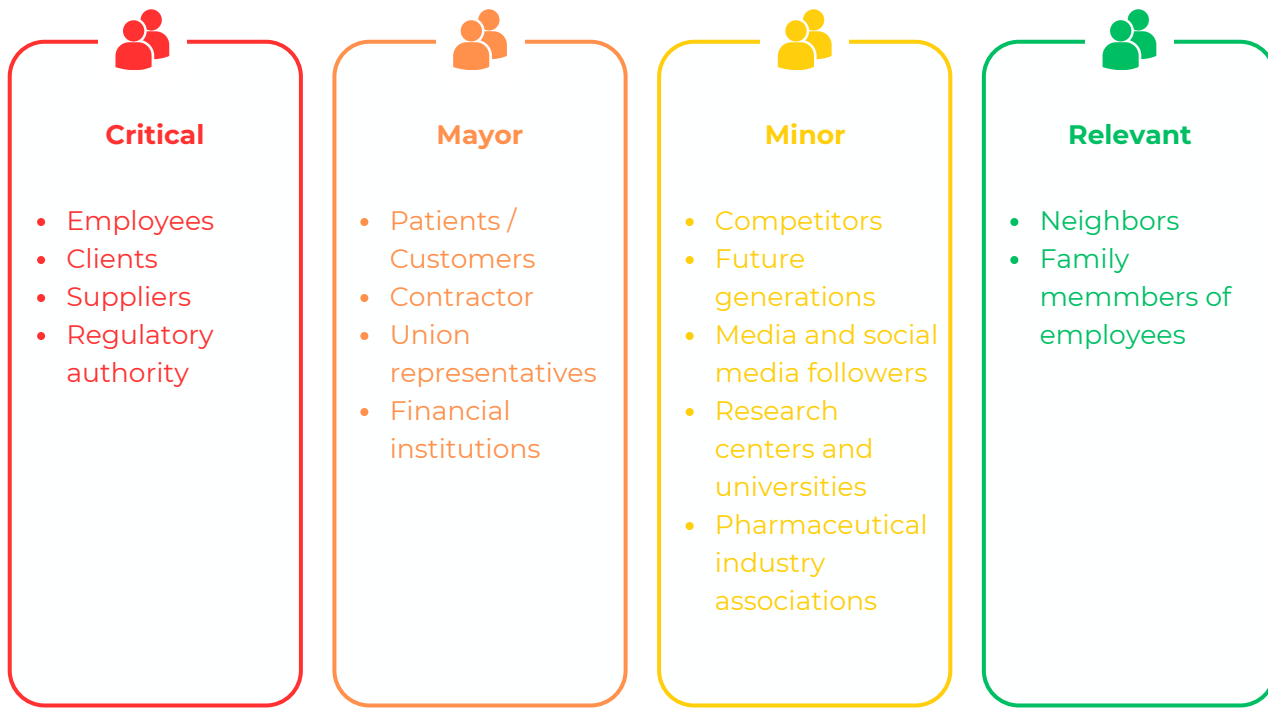
GRI 2-29, 3-1, 3-2

To establish strategic guidelines on sustainability, the Neolpharma Group developed and implemented a systematic process for the identification, evaluation and prioritization of material issues with real or potential impact on its processes, products and services. This approach allows us to direct our efforts and resources objectively, continuously improving our ESG performance.

In this **first stage, an analysis of the Group's internal and external context** was carried out, considering four main dimensions: economy, internal processes, customers and resources. Each of these dimensions integrates various elements, including social, environmental and economic impacts, which allow us to establish short- and medium-term strategic objectives and goals.

As a **second step, stakeholders were identified**, assessing their responsibility, influence, interaction, consequence and dependency. This assessment allowed us to determine the relevance of each stakeholder to the organization and agree on the level of involvement required with each one.

### Stakeholders determined according to their level of priority



Subsequently, the **material issues associated** with the ESG dimensions of sustainability were determined, considering the context of the organization, the needs and expectations of stakeholders, our activities, products and services, sustainability policy, corporate strategy and business model. During this process, existing global and/or sectoral content, standards, norms and guides on sustainability were taken as a reference.

### Material issues determined according to their level of priority



#### Action for the planet

- GHG emissions and management to mitigate climate change
- Energy management
- Water and wastewater management
- Waste and hazardous materials management



#### Our family

- Labor practices and human rights
- Collaborator well-being
- Human development and training in the workplace
- Employee health and safety



### Social welfare

Product quality and safety

Customer welfare



### Business ideology

Business ethics



### Business Innovation

Product design and life cycle management

Supply chain management and materials sourcing

Throughout this process, we have reaffirmed our commitment to transparency, continuous improvement and corporate responsibility.

The implementation of tailored methodologies to effectively engage our stakeholders has been key to the success of our sustainability strategy. Coordination and continuous monitoring by the Sustainability Committee and the Sustainable Management and Development area of Neolpharma Group ensure that we are on the right path towards achieving our goals.

In short, this process has allowed us not only to identify and prioritize material issues and stakeholders, but also to strengthen our sustainability strategy, improve our ESG performance and generate significant value for all our stakeholders.

**We will continue to work with dedication and commitment to achieve our sustainability goals and contribute to the sustainable development of society.**

# Global Reporting Initiative Index

GRI Standards	Indicator	Thematic material	Page/Direct Response	Omission
<b>GRI 2: General Disclosures</b>				
	2-1	Organizational information	6	
	2-2	Entities included in the sustainability reporting	7	
	2-3	Reporting period, frequency, and contact point	85, 90	
	2-4	Information Update		<i>Information not available: This is our first report aligned with GRI Standards.</i>
	2-5	External verification		<i>No external verification was conducted, as this is a reference report.</i>
	2-6	Activities, value chain, and additional business relationships	7, 8, 58	
	2-7	Employees	43	
	2-8	Workers who are not employees	43	
	2-9	Governance framework and composition	9	
	2-10	Appointment and selection of the supreme governing body		<i>Confidentiality limitations.</i>
	2-11	Chairperson of the supreme governing authority	9	
GRI 2: General Disclosures	2-12	Role of the supreme governing body in supervising impact management	9	
	2-13	Delegation of authority for impact management	9	
	2-14	Role of the supreme governing body in sustainability reporting	9	
	2-15	Conflict of interest		<i>Confidentiality Limitations: Confidential Communication Channels.</i>
	2-16	Addressing essential issues		<i>Information unavailable: We have not received any reports of significant concerns.</i>
	2-17	Collective expertise of the supreme governing authority		<i>Information unavailable: We lack the data.</i>
	2-18	Assessment of the performance of the supreme governing body		<i>It does not advance.</i>
	2-19	Remuneration policies		<i>Confidentiality Restrictions: We do not disclose information to safeguard the personal and financial privacy of our highest governing body and senior executives.</i>
	2-20	Procedure for establishing compensation	45	



GRI Standards	Indicator	Thematic material	Page / Direct Response	Omission
<b>GRI 2: General Provisions</b>				
	2-21	Total annual remuneration ratio	45	
	2-22	Declaration on Sustainable Development Strategy	10	
	2-23	Commitments and Policies	13, 80	
	2-24	Integration of commitments and policies	13, 80	
	2-25	Processes to mitigate adverse effects	85	
GRI 2: General Provisions	2-26	Mechanisms for soliciting guidance and expressing concerns		<i>Our public communication channels, along with our reporting and complaint mechanisms, are available to address individual suggestions and concerns.</i>
	2-27	Adherence to legislation and regulations	59	
	2-28	Membership in organizations	12	
	2-29	Strategy for stakeholder engagement	86	
	2-30	Collective bargaining agreements	41	
<b>GRI 3: Significant Issues</b>				
	3-1	Process of identifying material issues	85	
GRI 3: Significant Issues	3-2	Material themes	10, 86	
	3-3	Management of material concerns	10, 14, 36, 55, 67, 73, 85	
<b>GRI 200: Governance</b>				
	201-1	Direct economic value created and allocated		<i>Confidentiality limitations.</i>
GRI 201: Economic Performance 2016	201-2	Financial ramifications and additional risks and opportunities stemming from climate change		<i>Information unavailable: We lack a system to assess the financial costs associated with climate change.</i>
	201-3	Obligations of defined benefit plans and various retirement plans		<i>Information not available: We currently lack a retirement plan.</i>
	201-4	Government-provided financial assistance		<i>Confidentiality limitations</i>
GRI 202: Market Presence 2016	202-1	Ratios of standard entry-level wages by gender compared to the local minimum wage		<i>Confidentiality Restrictions: we do not disclose information to safeguard the personal and financial privacy of our collaborators.</i>
	202-2	Proportion of senior executives recruited from the local community		<i>False</i>
GRI 203: Indirect Economic Impacts 2016	203-1	Investments in infrastructure and ancillary services		<i>False</i>
	203-2	Substantial indirect economic effects	63	

GRI Standards	Indicator	Thematic material	Page / Direct Response	Omission
<b>GRI 200: Governance</b>				
GRI 204: Procurement Practices 2016	204-1	Proportion of expenditures on local suppliers	81	
GRI 205: Anti-Corruption 2016	205-1	Operations evaluated in relation to corruption-related risks		<i>Information unavailable: A corruption risk assessment has not been conducted.</i>
	205-2	Communication and training regarding anti-corruption policies and procedures	68	
	205-3	Confirmed instances of corruption and actions implemented	68	
GRI 206: Unfair Competition, 2016	206-1	Legal actions pertaining to unfair competition, monopolistic practices, and violations of free competition.	70	
GRI 207: Taxation 2019	207-1	Fiscal strategy	68	
	207-2	Fiscal governance, oversight, and risk management		<i>Confidentiality limitations</i>
	207-3	Engagement of stakeholders and management of their tax issues		<i>Confidentiality limitations</i>
	207-4	Country-by-country reporting		<i>Confidentiality limitations</i>
<b>GRI 300: Environmental Standards</b>				
GRI 301: Materials (2016)	301-1	Materials utilized by weight or volume	81	
	301-2	Recycled materials utilized		<i>Information unavailable: We do not incorporate recycling of inputs in our processes.</i>
	301-3	Recovered goods and packaging materials	30	
GRI 302: Energy 2016	302-1	Energy consumption within the organization.	19	
	302-2	Energy consumption external to the organization	19	
	302-3	Energy intensity	23	
	302-4	Reduction in energy consumption	20	
	302-5	Minimization of energy demands for products and services	20	
GRI 303: Water and Effluents 2018	303-1	Engagement with water as a communal resource	24	
	303-2	Management of impacts associated with water discharge	26	
	303-3	Water extraction	24	
	303-4	Water leakage	24	
	303-5	Water usage	25	
GRI 304: Biodiversity, 2016	304-1	Operational sites that are owned, leased, or managed, situated within or adjacent to protected areas or regions of significant biodiversity value beyond protected areas.		<i>Not applicable: We do not possess operational sites situated in protected areas or regions of significant biodiversity value.</i>

GRI Standards	Indicator	Thematic material	Page / Direct Response	Omission
<b>GRI 300: Environmental Standards</b>				
GRI 304: Biodiversity, 2016	304-2	Significant effects of activities, products, and services on biodiversity.		Information unavailable
	304-3	Conserved or rehabilitated ecosystems	33	
	304-4	Species listed on the IUCN Red List and national conservation registers whose habitats are situated in regions impacted by operations.		Information unavailable
GRI 305: Emissions 2016	305-1	Direct greenhouse gas emissions (Scope 1)	16	
	305-2	Indirect greenhouse gas emissions related to energy (Scope 2)	16	
	305-3	Other indirect greenhouse gas emissions (Scope 3)		Information not available: The organization's Scope 3 emissions were excluded from the 2023 inventory.
	305-4	Intensity of greenhouse gas emissions	18	
	305-5	Reduction of greenhouse gas emissions	17	
	305-6	Emissions of ozone-depleting substances (ODS)		Not applicable: Refrigerants, including chlorofluorocarbons and any other substances banned by the Montreal Protocol, are not utilized.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other notable air emissions	17	
GRI 306: Waste 2020	306-1	Waste production and considerable waste-related consequences	27	
	306-2	Management of substantial impacts associated with waste	27	
	306-3	Waste produced	28	
	306-4	Waste not designated for disposal	28	
	306-5	Waste designated for disposal	28	
GRI 308: Environmental Evaluation of Suppliers 2016	308-1	New suppliers that have successfully met selection criteria based on environmental standards.		Information unavailable
	308-2	Adverse environmental effects within the supply chain and the measures implemented.		Information unavailable
<b>GRI 400: Social Standards</b>				
GRI 401: Employment Standards 2016	401-1	Recruitment of new personnel and employee turnover	37, 38	
	401-2	Benefits for full-time employees that are unavailable to part-time or temporary employees.	39	
	401-3	Parental leave	40	

GRI Standards	Indicator	Thematic material	Page / Direct Response	Omission	
<b>GRI 400: Social Standards</b>					
GRI 402: Employee-Management Relations, 2016	402-1	Minimum notification periods for operational modifications	42		
	403-1	Occupational Health and Safety Management System	51		
	403-2	Hazard identification, risk evaluation, and incident analysis	51		
	403-3	Occupational health services	48, 52		
	403-4	Employee involvement, consultation, and communication regarding occupational health and safety	51		
	403-5	Training employees on workplace health and safety.	51		
	403-6	Advancement of employee well-being	52		
	GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of impacts on occupational health and safety directly associated with business relationships.	54	
		403-8	Scope of the occupational health and safety management system		<i>All personnel within our business units are encompassed by the occupational health and safety management system.</i>
		403-9	Occupational injuries	53	
	403-10	Occupational diseases and illnesses	53		
GRI 404: Training and Education 2016	404-1	Average annual training hours per employee	50		
	404-2	Programs for employee skill development and transition assistance initiatives	50		
	404-3	Percentage of employees undergoing regular assessments of their performance and career advancement.		<i>All employees receive continuous performance feedback from their immediate supervisors.</i>	
GRI 405: Diversity and Equal Opportunities, 2016	405-1	Diversity among governing bodies and personnel	44		
	405-2	Ratio of basic salary to remuneration for women and men	45		
GRI 406: Non-Discrimination 2016	406-1	Instances of discrimination and the measures implemented in response	41		
GRI 407: Freedom of Association and Collective Bargaining, 2016	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be jeopardized.		<i>No suppliers were identified as presenting this type of risk to the Group.</i>	

GRI Standards	Indicator	Thematic material	Page / Direct Response	Omission
<b>GRI 400: Social Standards</b>				
GRI 408: Child Labor 2016	408-1	Operations and suppliers with a substantial risk of child labor incidents.	<i>No suppliers were identified as presenting this type of risk to the Group.</i>	
GRI 409: Forced or Compulsory Labor, 2016	409-1	Operations and suppliers with considerable risk of forced or compulsory labor	<i>No suppliers were identified as presenting this type of risk to the Group.</i>	
GRI 410: Safety Protocols 2016	410-1	Security personnel educated in human rights policies and procedures		<i>Information unavailable</i>
GRI 411: Rights of Indigenous Peoples, 2016	411-1	Instances of infringements on the rights of indigenous peoples		<i>Information unavailable</i>
GRI 413: Local Communities 2016	413-1	Operations involving local community engagement initiatives, impact evaluations, and development.		<i>Information unavailable</i>
	413-2	Operations that have significant negative impacts—whether actual or potential—on local communities.		<i>Information unavailable</i>
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that have successfully met selection criteria based on social standards.	80	
	414-2	Negative social impacts within the supply chain and the measures implemented.		<i>Information unavailable</i>
GRI 415: Public Policy, 2016	415-1	Contributions to political parties and/or representatives		<i>Confidentiality limitations</i>
GRI 416: Health and Safety of Customers 2016	416-1	Evaluating the effects of product and service categories on health and safety	56	
	416-2	Instances of non-compliance concerning the effects of product and service categories on health and safety.	59	
GRI 417: Marketing and Labeling, 2016	417-1	Requirements for the information and labeling of products and services	71	
	417-2	Instances of non-compliance concerning the information and labeling of products and services	71	
	417-3	Instances of non-compliance concerning marketing communications	72	
GRI 418: Customer Privacy, 2016	418-1	Substantiated allegations concerning violations of customer privacy and the compromise of customer data.	62	



# Sustainability Accounting Standards Board Index

SASB Standards	Indicator	Thematic material	Page
<b>SASB Biotechnology and Pharmaceuticals Sector</b>			
Activity specifications	HC-BP-000.B	Number of medications (1) in the pipeline and (2) in research and development (Phases 1-3)	56
Pharmaceutical safety	HC-BP-250a.1	List of products cataloged in the U.S. Food and Drug Administration's (FDA) MedWatch database of safety alerts for human medical products.	60
	HC-BP-250a.3	Number of withdrawals processed, total units withdrawn	61

# Contact

For more information on sustainability at Neolpharma Group or to give your opinion on any topic addressed in this Report, please contact the Sustainable Management and Development area:



Phone number. 55 91 40 27 00  
Ext. 1190



[ideasconresponsabilidad@neolpharma.com](mailto:ideasconresponsabilidad@neolpharma.com)



Boulevard de los Ferrocarriles No. 277,  
Industrial Vallejo, Azcapotzalco, C.P. 02300,  
Ciudad de México.