



ESG REPORT
2022

Our Sustainable Way:
Driving Innovation,
Shaping a Healthier Future



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MESSAGE FROM MANAGEMENT

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As we present our Environmental, Social, and Governance (ESG) Report for 2022, I am proud to reflect on the journey our company has undertaken over the past year and the commitment we hold towards sustainability and responsible business practices. Forty-five years ago, we embarked on a mission to improve humanity's health through innovative solutions. Today, I am pleased to report that this mission has endured and evolved to encompass broader responsibilities towards the environment, society, and governance, and has enabled us to not only face the challenges, but also to thrive.

Our innovative approach allowed us to adapt to the evolving context while steadfastly upholding our commitment to contributing to the well-being of humanity. The year 2022 presented us with substantial challenges, including currency devaluations, supply chain disruptions, and rising inflation impacting costs. Despite these hurdles, our product line, especially RX and CDMO solutions, experienced resilient demand, enabling us to sustain growth on a constant currency basis.

Over the course of the year, we invested approximately USD 21M in manufacturing facility improvements and expansion projects. Furthermore, we reached a significant milestone when our FDA-approved pharmaceutical production facility began operations in West Palm Beach, Florida. This substantial investment reinforces our commitment to innovation and highlights our continued dedication to meeting the demands of a dynamic and evolving market.

Our effective innovation system has expanded our product range, with Oral Delivery Systems offering substantial differentiation in the market. Throughout 2022, we introduced over 150 innovative products, generating USD 111M in net revenues, accounting for 27% of the total net revenue. This achievement reinforces our dedication to pioneering innovation and delivering cutting-edge solutions.



RUBEN MINSKI
CEO PROCAPS GROUP

At Procaps Group, our corporate culture is rooted in placing human beings at the forefront of every decision we make. We consistently reinforce our commitment as a responsible company by actively supporting initiatives that extend beyond traditional business boundaries. Since 2013, the Procaps Foundation has been a driving force in promoting education, entrepreneurship, nutrition, health, and women's empowerment within our local communities. I am delighted to share that in 2022, through the Procaps Foundation and our devoted team of over 3,100 corporate volunteers across 13 countries, we successfully impacted more than 213,000 direct and indirect beneficiaries, with a total financial contribution of USD 332.3 thousand.

Our commitment to making a positive social impact has been recognized by the University of Rosario, one of South America's premier universities. We are honored to be awarded the "Colombian Company 2022" in the *Mariposa de Lorenz* category. This acknowledgment emphasizes our growth and substantial contributions to enhancing the quality of life, promoting equity, and fostering social justice.

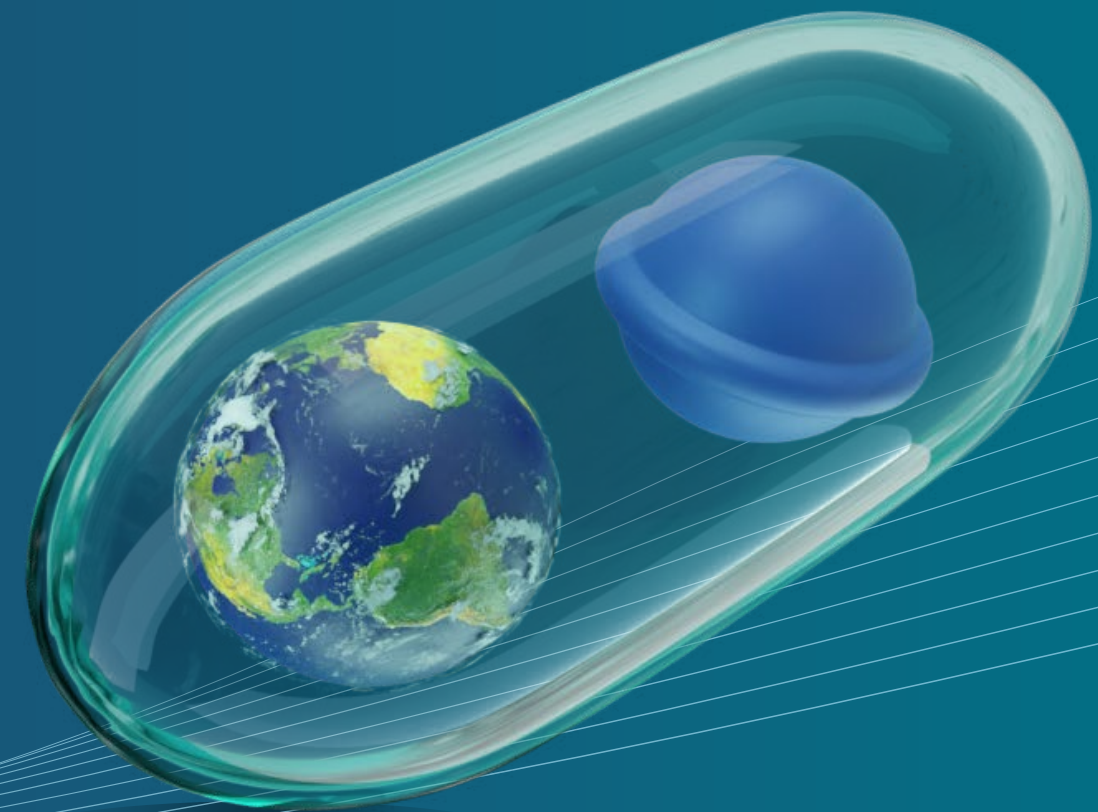
We take pride in having over 5,300 professionals at Procaps Group who are catalysts for positive change in our society. Their commitment and efforts enable us to develop innovative solutions, not only in pharmaceutical products or technologies, but also in our processes and business models. We focus on ensuring our employees well-being and minimizing occupational risks across all our locations. Additionally, we prioritize nurturing their professional development through various educational initiatives, spanning from skill-building courses to supporting specialized Ph.D. programs. In 2022, we granted educational sponsorships to over 500 participants.

Environmental stewardship is embedded in our operations and technologies for new product development. This is exemplified by a significant contribution we made to environmental care through one of our solutions. Our patented oral delivery technology, Unigel™, was instrumental in preventing the production and disposal of 27.5 million blister packs. This innovation contributed to the creation of unique products that combine various pharmaceutical forms and compounds, representing a revolutionary advancement in the environmental benefits of fixed-dosage combinations in softgels. Furthermore, applying circular economy principles to our waste management system has resulted in increasing the percentage of waste diverted from disposal, from 29% to 49%, aligning seamlessly with our dedication to minimizing environmental impact.

During 2022, we actively promoted respect for human rights and environmental care, with these principles rooted in our corporate culture, defined by core values such as transparency and integrity. This unwavering commitment strengthens our corporate culture and propels us towards success and recognition from our stakeholders.

I am confident that we are on the right path. We are intensifying efforts to improve efficiencies and productivity. In the coming years, we plan to launch even more initiatives to enhance the health ecosystem. Achieving this requires the support of our employees, customers, suppliers, the medical community, and investors. We are deeply grateful for their trust in our company as we continue to drive innovation and shape a healthier future.

RUBEN MINSKI
CEO PROCAPS GROUP



WHO WE ARE:

OUR COMPANY

- Business Overview
- Procaps Group Snapshot
- Manufacturing Facilities

OUR CULTURE

- Just Cause
- Purpose
- Vision
- Mission
- Corporate Values

OUR SUSTAINABILITY STRATEGY

- How We Are Shaping a Healthier Future

Our Company



Business Overview

Procaps Group is committed to enhancing health and nutrition by developing innovative pharmaceutical and nutraceutical solutions, medicines, and hospital solutions. With a presence in 13 countries and products that reach over 50 markets, we recognize our capacity to contribute to people’s well-being and make a positive impact on global health. We have a rich history of continuous growth, supported by strategic expertise, a diverse portfolio, a strong market presence, and cutting-edge research and development capabilities necessary to navigate the ever-evolving healthcare landscape. In an era marked by external challenges, our unwavering dedication to innovation drives us toward shaping a healthier future for all.

With over 45 years of experience, we are honored to serve our communities as an integrated international healthcare and pharmaceutical leader. Our dedicated team of 5,300+ professionals champion a sustainable approach, and we maintain a direct presence in the following countries:



Our core focus is the development of advanced pharmaceutical oral delivery systems technologies. As a leading global provider in this field, we produce and market our high quality and differentiated health solutions portfolio across the following four key categories:

- **Prescription (Rx) pharmaceutical products**
- **Clinical Specialties**
- **Over-the-counter (OTC) products**
- **Diabetics**
- **Integrated Contract Development and Manufacturing Organization (iCDMO)**

Our business framework is built upon four fundamental pillars. These pillars underpin our strategy to generate value for our stakeholders and foster our growth and development:

1

Powered by state-of-the-art manufacturing capabilities

Through our advanced manufacturing capabilities, we are able to offer groundbreaking delivery technologies, supported by a team comprising over 300 scientists, technicians, and skilled professionals. Over the past four years, we have developed around 150 new products per year.

2

A regional footprint and vertical integration strategy

Our regional presence and vertical integration strategy fuel organic growth and synergies. In 2022, we reached a significant milestone by starting operations in our Softgel production facility and R&D center in West Palm Beach, Florida. This facility represents our first operational venture in the United States, expanding our presence and enhancing our capacity to serve over 50 distinct markets. Our US facility complements our regional footprint that comprises eight manufacturing facilities, including the first FDA-approved pharmaceutical plant in South and Central America.

3

An Rx, clinical specialties, and OTC pharmaceutical product portfolio

Our proprietary oral delivery systems technologies power our portfolio of Rx, clinical specialties, and OTC pharmaceutical products, allowing us to concentrate on premium offerings and pursue high-growth product development and sales.

4

An extensive track record in business growth and development

Our demonstrated success in fostering new businesses and growth through mergers and acquisitions creates a strong foundation for future growth and proves our ability to integrate and capture synergies.

Our ordinary shares and warrants have been **listed on the NASDAQ Global Market** under the symbols "PROC" and "PROCW" respectively, **since September, 2021.**

PROCAPS GROUP Snapshot

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A Health Company, Healthy Patients, a Healthier World



Largest pharmaceutical
integral CDMO in Latin America



Presence in **13**
countries in the Americas



50+ markets
reached worldwide



150+ launched
products



8 manufacturing
facilities



136+ billion capsules
fabricated



76 patents*, of which
34 are pending and 42 are already
granted in various countries



Among **Top 3 companies**
globally in terms of softgel production
capacity



Vertical integration
that provides **patented oral drug**
delivery technology and manufacturing
capabilities



USD 410M in total
net revenues, roughly 70% from B2C
sales and 30% from B2B portfolios



27% of net revenue
from new product sales



4% of net revenue
deployed in R&D



We have the agility,
innovative spirit, and adaptability
reminiscent of a startup with the stability,
operational efficiency, and network of an
over 45-year old company



Driven by our purpose
to **help create a healthier world**, we
abide by internationally recognized
Environmental, Social, and Governance
(ESG) principles and standards



In 2022, we **improved**
operational efficiency by optimizing
purchasing processes, planning
production, and implementing best
practices



In 2022 we reached 1 million
beneficiaries in 10 years of work



For further information, please review 20F

* Number of patents as of December 31, 2022.

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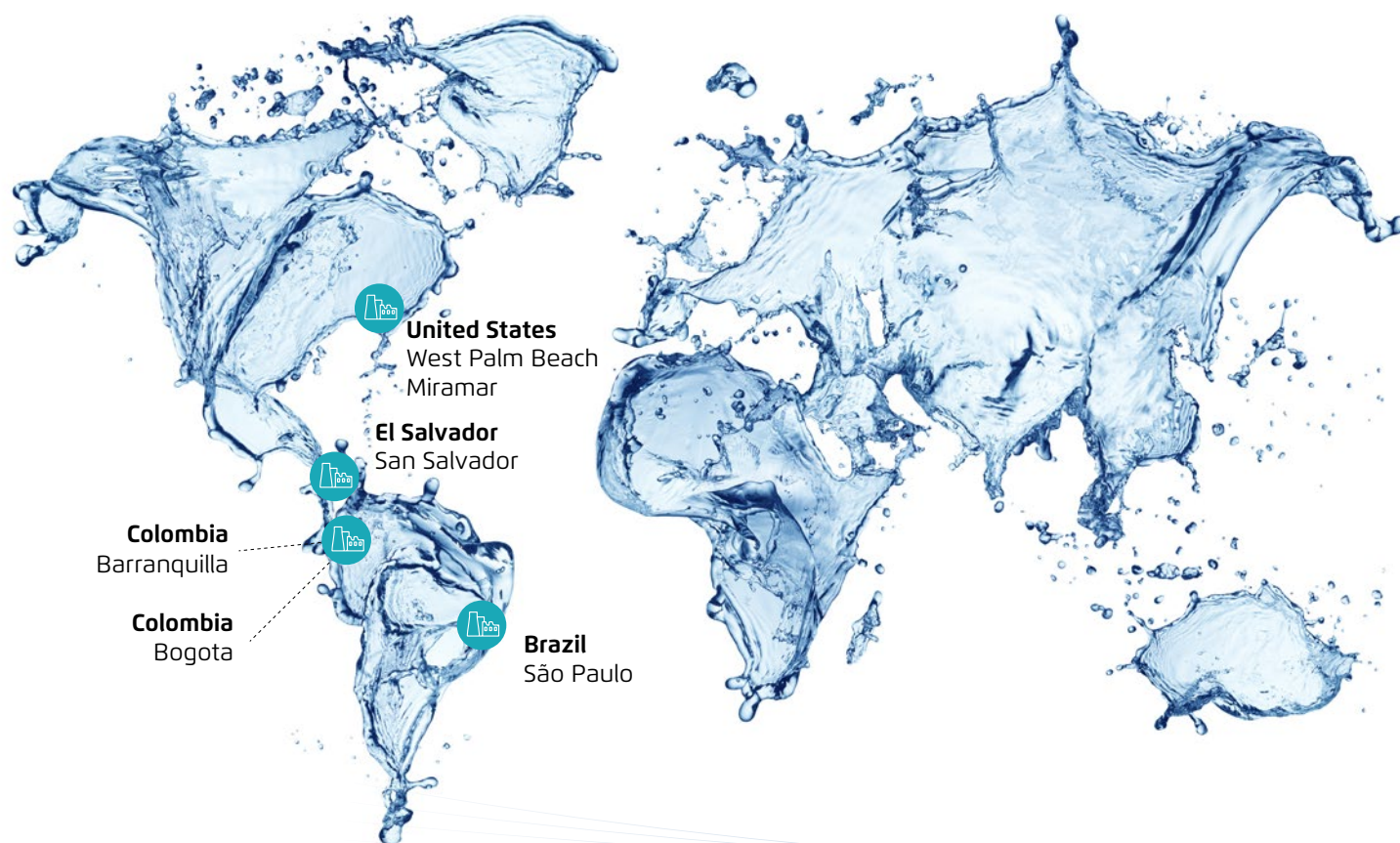
Manufacturing Facilities

We operate eight manufacturing facilities in Colombia, Brazil, El Salvador, and the United States, with offices in 13 countries. In 2022, our FDA-approved pharmaceutical production facility commenced operations in West Palm Beach, Florida, enhancing our proposal to develop highly complex products and focus on highly regulated markets.

In 2022, we invested approximately USD 21 M in manufacturing facility improvement and expansion projects.

Our manufacturing operations prioritize employee health and safety, regulatory compliance, operational excellence, continuous improvement, and process standardization. They are guided by an enterprise management philosophy and methodology that incorporates principles and tools commonly found in various quality management programs and standards, including current Good Manufacturing Practices (cGMP), International Organization for Standardization (ISO), the Business Alliance for Secure Commerce (BASC), and the Authorized Economic Operator program.

Our manufacturing facilities hold certifications from multiple regulatory authorities, including the U.S. Food and Drug Administration (FDA), Health Canada, the United Kingdom’s Medicines and Healthcare products Regulatory Agency (MHRA), Australia’s Therapeutic Goods Administration (TGA), and Mexico’s Federal Commission for Protection against Sanitary Risks (Spanish acronym: COFEPRIS), where required.



Procaps Barranquilla — Barranquilla, Colombia

Our Procaps Barranquilla manufacturing facility is located in Barranquilla, the capital district of the Atlántico Department in Colombia. Covering an area of approximately 35,200 m², with around 8,200 m² dedicated to manufacturing plant floor space. This facility serves as our primary manufacturing site and is the first FDA-approved Rx pharmaceutical plant in South and Central America.

At the Procaps Barranquilla facility, we produce a wide range of products under our iCDMO, Rx, OTC, and Diabetics categories, including Softgel capsules, Unigel® capsules, hormonal soft capsules, nutritional products, tablets, powders, blisters, liquids, and hard capsule products. The annual installed capacity of this facility is approximately 3 billion units of Softgel, 530 million units of tablets, 100 million units of hormonal products, 73 million units of capsules, and 27 million units of other forms.

Our Procaps Barranquilla manufacturing facility is certified in Good Manufacturing Practices by different regulatory entities, including Colombia’s National Institute of Surveillance of Pharmaceuticals and Food (Spanish acronym: INVIMA), the FDA, Health Canada, COFEPRIS, Brazilian Health Regulatory Agency (Portuguese acronym: ANVISA), MHRA, TGA, Peru’s General Directorate of Medicines, Supplies, and Drugs (Spanish acronym: DIGEMID) and El Salvador’s National Directorate of Drugs (Spanish acronym: DNM). It is also certified in Good Laboratory Practices by INVIMA, and by ICONTEC in ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, BASC, and Good Innovation Practices. Additionally, the Procaps Barranquilla waste management system was certificated as Zero Waste (“Basura Cero” in Spanish) in 2022.

Procaps Barranquilla Annual installed capacity

- ...> Softgel – **3 billion units**
- ...> Tablets - **530 million units**
- ...> Capsules - **73 million units**
- ...> Hormonal products - **100 million units**
- ...> Other forms - **27 million units**

RymcoMedical — Barranquilla, Colombia

Our RymcoMedical manufacturing facility is located in Barranquilla, Colombia, spanning an approximate 10,300 m² lot with 11,650 m² of floor space, and is responsible for producing items under our Clinical Specialties brand, focused on supplies for healthcare institutions. These items include single-use medical products such as syringes, needles, infusion equipment, face masks, and surgical clothing (personal protective equipment). The facility has an annual installed capacity of approximately 430 million units.

Our RymcoMedical manufacturing facility holds the INVIMA’s Storage and Conditioning Capacity Certificate (Spanish acronym: CCAA) and Medical Devices Sanitary Conditions Certificate (Spanish acronym: CCS). It is also certified by ANMAT in GMP for medical devices, and by ICONTEC in ISO 13485:2016.

RymcoMedical Annual installed capacity

...> **430 million units**

Funtrition — Bogotá, Colombia

Our Funtrition manufacturing facility, situated in Bogotá, Colombia, occupies an approximate 4,000 m² lot, with around 1,500 m² of storage and 1,400 m² of floor space. The Funtrition facility is dedicated to producing gummy-related technologies for our iCDMO solutions and our OTC products and nutraceuticals portfolio. The facility has an annual installed capacity of approximately 960 million units.

The Funtrition facility is certified in Good Manufacturing Practices by INVIMA. It holds the Organic Certification by NSF, and obtained Halal and HACCP certifications.

Funtrition
Annual installed capacity
→ **960 million units**

Pharmayect — Bogotá, Colombia

Our Pharmayect manufacturing facility is located in Bogotá, Colombia, covering a 18,700 m² lot with around 13,070 m² of floor space. This facility is responsible for producing items associated with our Clinical Specialties brand, including pre-filled syringes, injection vials, sterilized powder products, blisters, and vials. The facility operates with an annual installed capacity of approximately 138 million units.

The Pharmayect facility is certified by INVIMA in Good Manufacturing Practices and Good Laboratory Practices, by DIGEMID in Good Manufacturing Practices, and by ICONTEC in ISO 9001: 2015.

Pharmayect
Annual installed capacity
→ **138 million units**



Softcaps — São Paulo, Brazil

Our Softcaps manufacturing facility is located in an industrial complex in the city of Cotia, in the state of São Paulo, Brazil. It occupies a 9,034 m² lot with approximately 5,560 m² of floor space. The facility comprises two buildings: one houses administrative offices, a warehouse, and a quality control laboratory, while the other accommodates the production areas and cafeteria. This facility specializes in producing items associated with the iCDMO category, including Softgel capsule products. It has an annual installed capacity of approximately two billion units.

The Softcaps manufacturing facility is certified by ANVISA.

Softcaps
Annual installed capacity
→ **2 billion units**

Procaps S.A. de C.V. — San Salvador, El Salvador

Our Procaps S.A de C.V. manufacturing facility, which includes both the Procaps S.A. de C.V. and Biokemical S.A. de C.V. manufacturing plants, is located in San Salvador, El Salvador, with approximately 7,950 m² of floor space.

The products developed in this facility fall under our Rx and OTC categories, and include multiple dosage form products. The annual installed capacity of this facility is approximately 218 million units.

The Procaps S.A. de C.V. manufacturing facility is certified by DNM.

Procaps S.A. de C.V.
Annual installed capacity
→ **218 million units**

Sofgen – West Palm Beach, USA

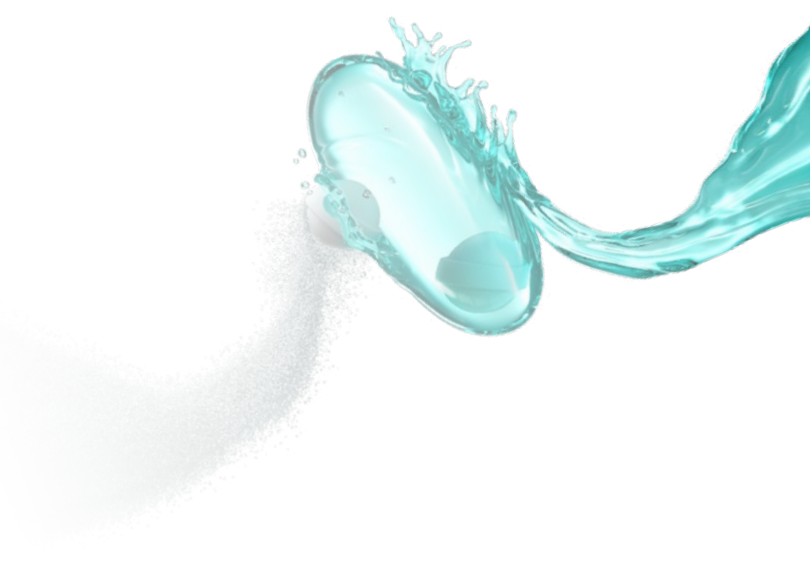
The facility began operations in May 2022 and has a production capacity of approximately 1.8 billion capsules per year. Importantly, this facility also has development and analytical testing capabilities. The primary assets included in the acquisition were several Softgel encapsulation lines, critical support systems, automated packaging line capabilities, and development facilities, including pilot and scale-up capabilities.

The Sofgen manufacturing facility is certified by the FDA and Health Canada.

Sofgen
Annual installed capacity
→ **1.8 billion units**

Funtrition – Miramar, USA

Through this new gummy manufacturing facility, we are increasing our manufacturing capabilities to meet the rising USA and global demand for the Company's product development and manufacturing services of nutraceutical and specialized gummy products. We expect to start operations in 2024.



Corporate Culture



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At Procaps Group, our corporate culture is the essence of who we are as an organization. Our just cause, purpose, mission, vision, ethical culture, and core values reflect our commitment to excellence in everything that we do. Our corporate culture is the guiding light that powers our innovation. It is the driving force behind our achievements, the source of our resilience, and it continues to shape our journey toward a brighter and healthier future for all.

O U R
JUST
CAUSE

To **contribute** to improving humanity's health through **innovative solutions**.

Our Purpose

Our purpose is to serve and inspire the people and the communities around us by offering innovative healthcare solutions known for their value and intrinsic quality, contributing to the overall health improvement of populations around the world.

Vision

We strive to be a financially sustainable corporation, with a strong emphasis on minimizing working capital requirements and generating double-digit growth in sales and EBITDA, which allows us to create and share value with our stakeholders by:

- Delivering innovative therapeutic solutions to the healthcare sector.
- Thinking globally and acting locally.
- Fostering a culture of continuous learning.
- Actively exploring opportunities for accretive growth to ensure effective capital allocation.
- Maintaining cost competitiveness.
- Promoting the professional and personal development of our workforce.

Our Mission

At Procaps Group, our primary focus is to enhance healthcare by offering medicines and services that meet international quality standards, all while driving innovation and emphasizing accessibility. We aim to foster a healthier society by promoting education on healthy lifestyle practices.

We believe that our success lies in exceeding the expectations of our valued customers and dedicated suppliers. We actively cultivate alliances and treat all our partners with the care and respect they deserve to create a fair and equitable business environment for all in the Procaps Group ecosystem.

We aim to cultivate sustainable growth based on a robust corporate governance code, a firm ethical foundation, and strong financial performance. This growth not only generates sustainable economic value for our shareholders, but also contributes to tangible improvements in human living conditions.

We continuously promote the development of human talent by providing ongoing training and advancement opportunities to our workforce.

Our commitment extends beyond our organization. We play an active role in fostering community development, promoting environmental well-being, and ensuring the preservation of our environment.

We recognize, respect, and draw lessons from our competitors, always striving for excellence within the bounds of our unwavering ethical principles.



Our Corporate Values

We have defined six corporate values that resonate with our core identity and are tailored to the evolving landscape of our industry. We embrace these values as guiding principles that shape our behavior and allow us to stand out in a competitive market, thereby creating distinct advantages. Our corporate values are as follows:

Teamwork:

We are one team. We act together and treat each other with respect, creating unity that fosters productivity, the free exchange of ideas, and ultimately, stronger performance.

Humbleness:

We acknowledge ourselves and show empathy and tolerance to others, no matter who they are and what shapes them as an individual. Recognizing that we are part of a diverse and global community, both inside and outside the workplace, we strive to approach all interactions with openness and respect.

Compliance:

We honor the word given and the agreements made. We are committed to transparency, integrity, and rigorous oversight to ensure that we meet not only regulatory standards, but also exceed the expectations of our stakeholders.



Proactivity:

We are forward-thinking and take action by launching new initiatives and developing innovative solutions to capitalize on opportunities.

Competitiveness:

We pursue success with agility and precision. By coupling scientific excellence with operational efficiency, we aim to create not just better healthcare solutions, but also a more resilient and sustainable business.

Austerity:

We value and prioritize responsible resource management. We work to ensure that resources are allocated in a manner that is both ethically responsible and strategically aligned with our mission.

Our Sustainability Strategy



2-22

Core to our corporate strategy is the effective management and implementation of ESG principles that underscore our commitment to ethically conduct our business.

We implement a robust combination of processes and compliance mechanisms to ensure the achievement of our ESG objectives. Moreover, we integrate environmental and social considerations into our strategic business decisions, aligning them with the United Nations' Sustainable Development Goals (SDGs) to positively impact all our stakeholders, including the communities where we operate.

Proof of our commitment to sustainability is our long history of operating in an environmentally responsible manner, prioritizing safe and healthy working conditions, and actively engaging with our surrounding communities through various initiatives and volunteer programs that contribute to their well-being.

In the pharmaceutical industry, we strive to enhance value creation by addressing the challenges of developing cost-effective and accessible products for people in the regions we serve, all while minimizing the environmental footprint of our operations.

Our ESG strategy is structured around four key pillars:



Patients and Society

We are committed to offering an accessible portfolio of innovative, effective, safe, and high-quality healthcare solutions that contribute to the well-being of society. Our focus extends beyond medications to include educational resources and community outreach programs, aiming for a holistic impact on public health.



People

Human capital lies at the heart of our sustainability efforts. We promote well-being and diversity, fostering a vibrant, innovative culture that encourages personal and professional growth. By creating an inclusive environment where everyone feels valued and heard, we not only elevate the individual but also drive collective success, which strengthens our organization and amplifies our positive impact on the communities we serve.



Planet

Our goal is to create a balance between delivering high-quality healthcare solutions and acting as responsible stewards of the planet. We are committed to environmental stewardship, striving to minimize the impact of our operations, products, and supply chain. This commitment encompasses greenhouse gases (GHG) emissions mitigation, energy efficiency projects, responsible water usage, and waste management initiatives.



Fundamentals

We build a responsible and financially sustainable business supported by a solid governance structure based on best practices and standards, an ethical business culture, and effective risk management. Our commitment to strong governance is underpinned by regular audits, transparent reporting, and a Board of Directors that actively oversees compliance and ethics. We proactively identify and mitigate risks through a comprehensive risk management strategy, ensuring the longevity and resilience of our business.

How We Are Shaping a Healthier Future

Social

Patients and Society

0 substantiated reports

of adverse effects related to the quality and safety of our products.

USD 332,273 donated

by Procaps Foundation up to 13% compared to 2021.

+3,100 members

in the Corporate Volunteering program, increasing by 40% over 2021.

213,152 beneficiaries,

direct and indirect, representing 16% more than 2021.

People

53% of job promotions

were awarded to female employees.

USD 333,415 invested

in training programs for our employees.

Women held 41%

of the total manager and director positions

500+ educational sponsorships

granted to employees at different degree levels.

5,000+ employees

impacted by our activities to promote gender equality.

18% decrease

in the number of work-related accidents.

Environmental

Planet

43% waste diverted

from disposal, higher proportion than 2021.

27.5 million plastic blister

packs avoided through our proprietary technology: Unigel™

150 kg of plastic

were collected for recycling and supporting families with children affected by cancer.

100% manufacturing facilities

covered by our inaugural corporate GHG emissions inventory.

Governance

Fundamentals

0 substantiated complaints

concerning customer data privacy.

3,400+ employees

were informed and trained on our ethics and transparency program.

100% new suppliers

underwent our anti-corruption and ethical due diligence process.

100% execution

of our annual training program to upskill key roles in our supply chain and procurement team regarding environmental and social impacts.

We have reaffirmed our alignment with the SDGs and identified the eight priority goals listed below to serve as a blueprint for our Sustainability Strategy.



SDG 3: Good Health and Well-Being

We contribute to access and affordability of healthcare solutions for non-communicable and chronic diseases in low- and middle-income regions. In 2022, we estimated that our therapeutic products for diabetes and cardiovascular diseases reached over 825,000 patients, considering daily doses, treatment durations, and the volume of products sold and donated.



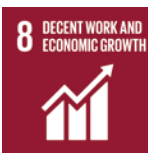
SDG 4: Quality Education

We actively support health promotion and disease prevention through comprehensive training, education, and development programs tailored for healthcare professionals and various stakeholders. These initiatives extend to our employees and community members, offering a broad spectrum of educational opportunities, including more than 380,000 training hours and sponsorships for Ph.D. programs to enhance professional and personal growth.



SDG 5: Gender Equality

We seek to strengthen equality in our work environment in the following key areas: female leadership, female health, and motherhood support. In 2022, 100% of our employees were impacted by our activities to promote gender equality. Currently, women represent 52% of Procaps Group's total workforce, and 41% of the total manager and director positions are held by women.



SDG 8: Decent Work and Economic Growth

Our employees and their families can access well-being initiatives and workplace safety and security programs that meet technical and legal standards. In 2022 the number of work-related accidents decreased 17% compared to 2021.



SDG 9: Industry, Innovation, and Infrastructure

We allocate 4% of our net revenues to investments in R&D and innovation. These investments drive the creation of new products tailored to address country-specific needs and improve efficiency in our manufacturing processes.



SDG 12: Responsible Consumption and Production

Our waste management program aims to minimize waste generation and improve the proper disposal of expired or partially consumed medications by our patients. It consists of internal plans complemented by open innovation initiatives, resulting in 43% of our generated waste diverted from disposal.



SDG 16: Peace, Justice, and Strong Institutions

We implement communication, monitoring, and risk management strategies to ensure compliance with our Code of Ethics and Conduct. This includes efforts related to Anti-Money Laundering, Counter-Terrorism Financing Risk Management, data privacy, responsible labeling, the promotion of a culture of transparency, respect for human rights, and the prevention of any form of violence in our supply chain. We also work to foster the rule of law in the countries where we operate.



SDG 17: Partnerships for the Goals

Our partnerships have facilitated the expansion of educational initiatives, improved accessibility to medications and food, sustained employment opportunities within the supply chain, and promoted environmental sustainability efforts. In 2022, we participated in an alliance to deliver medicines and healthcare services to more than 3,000 indigenous people in the Amazon Region.

HOW WE CREATE VALUE

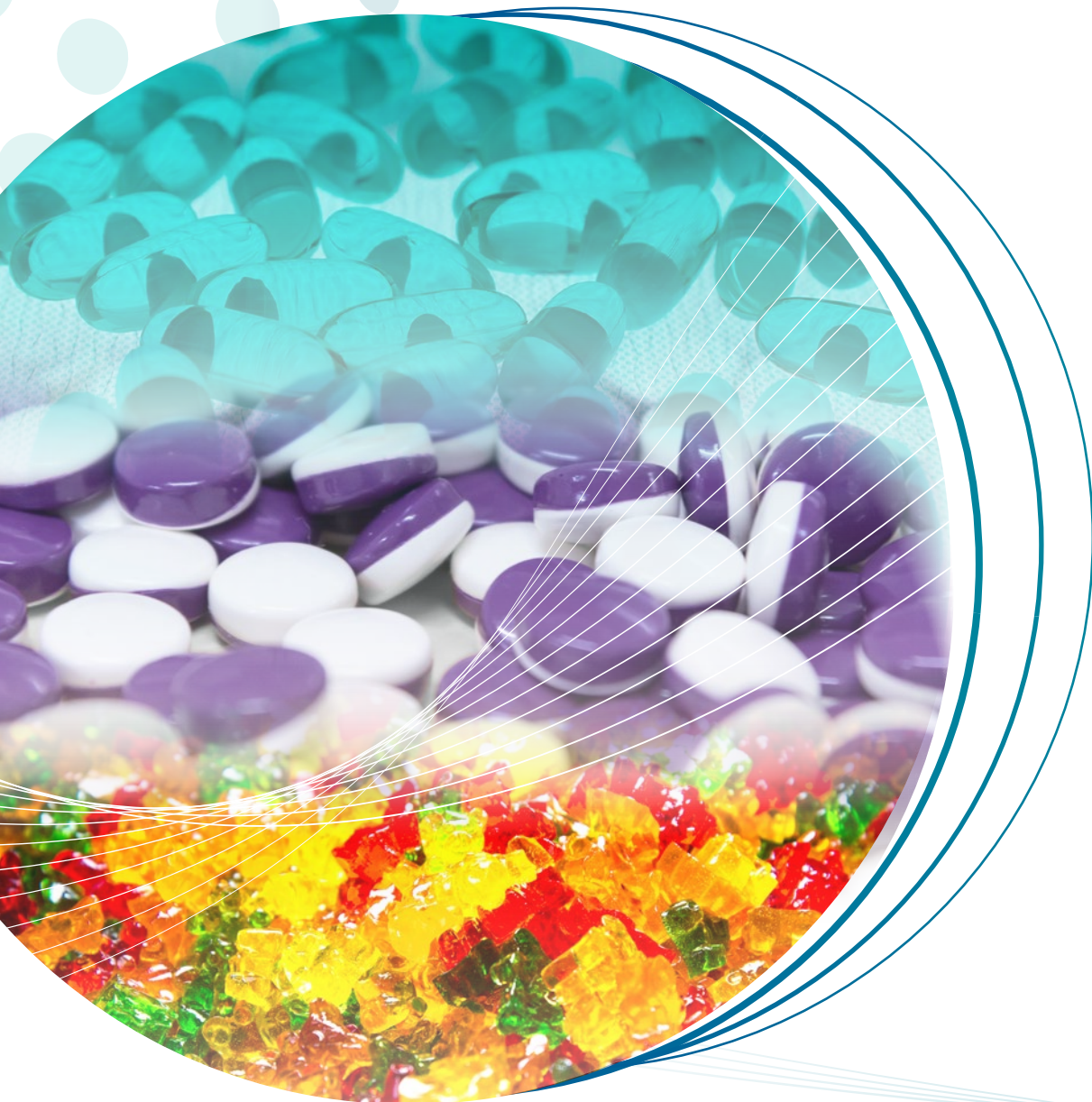
Our Portfolio

- New Products

Our Innovative Solutions

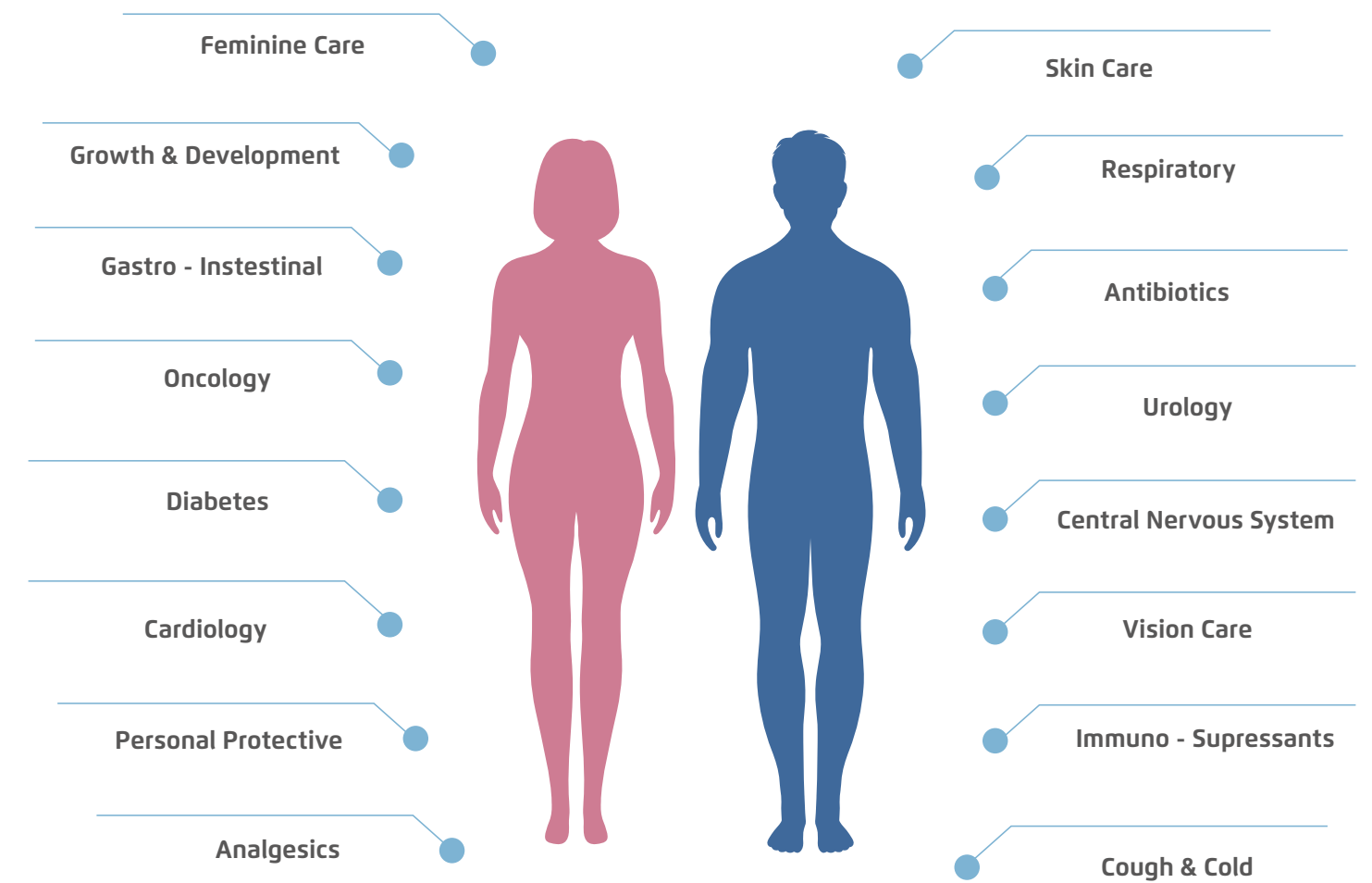
- Oral Delivery System Technologies

Our Portfolio



Our product portfolio encompasses various pharmaceutical forms, including soft and hard capsules, gummies, chewables, tablets, drops, creams, syrups, powders, ointments, emulsions, suspensions, and injectables.

These medications have applications across a broad spectrum of therapeutic areas, as illustrated below:



Our products and services categories are divided into five business units and are grouped into business-to-consumer (B2C) and business-to-business (B2B).



Farma Procaps

Prescription products (Rx)

Farma Procaps specializes in formulating, manufacturing, and marketing branded prescription drugs, offering a high-growth portfolio in different countries in South and Central America, including Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, and Peru.

This portfolio comprises nine critical therapeutic areas. These areas include feminine care products, pain relief, skin care, digestive health, growth and development, cardiology, vision care, the central nervous system, and the respiratory system. Healthcare professionals, particularly physicians, drive the primary demand for Farma Procaps products.

Clinical Specialties

Prescription products (Rx)

Clinical Specialties is a leading supplier of advanced medical treatments to regional private healthcare institutions. Our extensive product range is tailored to meet the diverse needs of various in-demand therapeutic areas. We are actively involved in developing, producing, and distributing personal protective equipment and high-complexity pharmaceuticals designed for hospital utilization. These include a range of critical medications such as antibiotics, blood clot treatments, immunosuppressants, oncology drugs, and analgesics.

Our collaboration with in-hospital medical specialists is instrumental in delivering medium- and high-complexity medical solutions for patient care. Our products are backed by comprehensive

Vitalcare

OTC products

The VitalCare business unit represents our OTC product line, which is marketed and sold in key regional markets, including Bolivia, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Peru.

VitalCare develops, manufactures, and markets OTC consumer healthcare products. Its extensive portfolio encompasses over eight high-prevalence therapeutic areas, including gastrointestinal health, skincare, cough and cold relief, analgesics, urological health, vitamins, minerals, and supplements. We strive to offer these products at accessible and attractive price points.

Within our VitalCare business unit, our Colmed OTC product line features a wide array of products spanning multiple categories. These include antibiotics, anti-infectives, anti-parasitic medications, cardiovascular health products, feminine care items, cutaneous antimycotics, pain relievers, gastrointestinal remedies, hormonal treatments, metabolic solutions, endocrine support, nervous system aids, ophthalmic products, osteoarticular relief, and respiratory treatments, as well as dietary supplements, vitamins, and minerals.

Diabetrics

Diabetes solutions

Our Diabetrics business unit represents an attractive regional B2C platform dedicated to diabetes treatment and management. Primarily serving the Colombian market, it also has presence in El Salvador. Differentiated by its unique business model, which comprises predictive, preventive and disease treatment actions, this segment aims to comprehensively address the diverse needs of diabetes patients by offering a wide range of products and services. These include blood glucose meters, telemonitoring solutions, Rx oral anti-diabetic products, cosmeceuticals designed to support diabetic care, health training and coaching, insulin delivery systems, genetic test, and various other diabetes-related solutions.

Nextgel Pharma

iCDMO

Nextgel, a key component of Procaps Group, functions under the Softigel, Sofgen, Softcaps, and Funritrition brands. It serves as our iCDMO arm. Operating on a global scale, Nextgel primarily caters to the B2B market, with a strong presence in Brazil, Colombia, and the United States.

We specialize in offering comprehensive Softgel services, encompassing formulation, development, and manufacturing for the global pharmaceutical, consumer health, and nutraceutical sectors. In addition, we provide extensive support services to clients across the globe.

Our iCDMO partnerships with top-tier customers span five to ten years, demonstrating our commitment to long-term collaborations and mutual success.



New Products

New product sales for the year ended December 31, 2022 totaled **USD \$111 million** in net revenues, accounting for approximately **27.1% of our net revenue**, almost **4% more** than the previous year.

We are deeply committed to innovation and R&D, continuously introducing new products to the market that meet healthcare needs. In 2022, our product launches included the following:



Aludel

The Clinical Specialties business unit launched our oncology line with Aludel (enzalutamide), indicated as first-line therapy for men with prostate cancer who no longer respond to hormone therapy or surgical treatment.

Diabetes Prevent

Our Diabetrics business unit launched Diabetes Prevent, an innovative, non-invasive, and pain-free genetic test that assesses the predisposition of developing type 2 diabetes mellitus or obesity.



Deferol-K

The Farma Procaps business unit launched Deferol-K, the first exclusive combination of vitamin D with vitamin K2 in a single softgel capsule. Vitamin D stimulates the intestinal absorption of calcium, and when combined with vitamin K2, it directs calcium to the bones, optimizing bone health while reducing the risk of cardiovascular diseases by preventing the unwanted deposition of calcium in the blood vessel walls. Additionally, we have developed a gummy version of this product, which has contributed to its acceptance among pediatric patients.

Mentsii

Mentsii is the first oral pharmaceutical mint oil used for stomach and intestinal disorders, such as irritable bowel syndrome. This innovative solution combines our Softgel technology with enteric shell protection and phytocomponents.



170+ products
the registration phase.

1. We consider a product to be a "first-time launch product" if, within 36 months prior to the end of the period for which net sales are being measured, it: was reformulated; was a product line extension due to changes in characteristics, such as strength, flavor, or color; had a change in product status from Rx to OTC; was a new store brand or branded launch; or was provided in a new dosage form. We consider a product to be a "new product" if, within 36 months prior to the end of the period for which net sales are being measured, it was a "first-time launch product" or was sold in a new geographic area with different regulatory authorities.

Our Innovative Solutions



Our ability to innovate effectively and at speed has enabled us to grow our product range significantly, with our Oral Delivery Systems offering substantial differentiation in the market. Creativity and innovation are embedded in our core, driving us to create new products and services and optimize our manufacturing processes and delivery technologies. This commitment propels us to produce unique, top-notch, and reliable healthcare solutions that contribute to patient well-being, foster comprehensive development, and secure our competitive position in the market.

Oral Delivery System Technologies

Our proprietary Softgel delivery systems drive our iCDMO, Rx, OTC, and Diabetics product categories. The Softgel Capsule (SGC) constitutes a solid dosage form consisting of two gelatin films containing semisolid or liquid active pharmaceutical ingredients (API) enclosed within an external, hermetically sealed cover. The capsules are formed, filled, and sealed simultaneously during the manufacturing process. We typically perform encapsulation for a product within one of our Softgel manufacturing facilities, with active ingredients provided by customers or sourced directly by us.

The key products that we manufacture include relevant brands across our segments and 2022 product launches, such as Gestavit DHA, Deferol K and other references in our vitamins and minerals portfolio, Mentsii, Isotretinoin, and Advil.

Softgel capsules have a proven track record of addressing formulation challenges or technical complexities associated with specific drugs, enhancing the clinical effectiveness of compounds and providing significant market differentiation, especially for OTC medications. They also ensure the safe administration of hormonal, highly potent, and cytotoxic pharmaceuticals.

Key characteristics of the SGC include:

- **Enhanced bioavailability** of active ingredients
- **Attractive physical** appearance
- **Greater stability**
- **Extended shelf life**
- **Masking of unpleasant** odors and flavors
- **Consumer-preferred dosage form** (easier to swallow than traditional dosage forms)
- **Enhanced safety and increased product trust** resulting from the technology's heightened resistance to counterfeiting

The main applications of the SGC are as follows:

- **Nutritional:** Supplements, vitamins, concentrates, and other natural products
- **Pharmaceutical:** Products for any type of indication (OTC and Rx)
- **Cosmeceuticals:** Cosmetic products that have medicinal properties

Our main Softgel technologies include Unigel, Versagel, Chewgel, and G-Tabs.

Unigel™:

This groundbreaking technology, developed and patented by Procaps Group, is engineered to merge multiple API formulations within a single Softgel capsule. It has various advantages, including different release modes, improved bioavailability, cost savings in manufacturing (compared to producing separate doses), and elevated patient adherence to various therapies. Moreover, this technology provides environmental benefits by enabling the delivery of multiple compounds in a single package. Unigel™ represents an evolution from redesigning independent packages to consolidating treatments into one.



Versagel

Our adaptable, plant-based Softgel shell enables us to extend the use of Softgel dosage forms to a broader range of active ingredients. This is particularly valuable for substances with natural pH levels unsuitable for traditional gelatin encapsulation. Additionally, it helps us reach patient and consumer groups previously excluded due to religious, dietary, or cultural considerations.



Chewgel

Suitable for pharmaceutical compositions, nutraceuticals, vitamins, nutritional supplements and similar products. Chewgel is an ideal solution for pediatric and elderly consumers with dysphagia and similar medical conditions, due to its soft and easy-to-chew flavored gelatin shell. Once the liquid is released, the flavor and ingredients begin to work, while the capsule melts inside the mouth as it is chewed, without sticking to the teeth or leaving residue to swallow.



G-Tabs™:

This technology involves coating tablets with one- or two-toned colored gelatin, which can be printed or unprinted. This innovative approach ensures superior product stability and offers effective protection for photosensitive pharmaceutical ingredients. It limits degradation caused by inadequate exposure to air, and its unique presentation makes it challenging to counterfeit. These gelatin-coated tablets are easy to swallow and mask unpleasant odors and flavors, enhancing the overall patient experience. G-Tabs™ come in various shapes and colors, catering to different pharmaceutical needs and preferences.



We are a leading global provider of advanced delivery technologies and proudly hold a top position in Softgel production capacity in South and Central America, and we are rapidly expanding our presence in the United States. Thanks to our R&D capabilities and extensive expertise in Softgel capsule development and related dosage forms, we continuously improve our iCDMO, Rx and OTC products portfolio. This strategic focus on high-growth and premium pharmaceutical products positions us favorably in the market, as they face fewer pricing pressures than generic pharmaceutical products.

With our extensive product development and gummy manufacturing capabilities, we assist various companies accelerate the introduction of innovative supplement products to their markets, providing consumers with exceptional experiences and enhanced adherence to therapeutic and nutritional needs. Our advanced gummy platforms, combined with proven formulation, manufacturing, and regulatory expertise, allow us to deliver comprehensive solutions and top-tier support throughout the development and delivery of nutraceutical products.



Our gummy technologies are as follows:



Gummy Gels™

Offers efficient ingredient blending and a powerful sensory experience. This technology allows for a wide variety and quantity of ingredients to be blended into the formula, and to provide specialized dietary options, including sugar-free and low-sugar options.



Pec-G™

Is our plant-based technology, ideal for formulating gummies suitable for vegetarians. It offers a slightly elastic texture, convenient for those who have difficulty chewing such as children and older adults.



Agar-G™

Offers several advantages for plant-based gummies, including a non-sticky texture that results in a clean and slightly rough bite. It has no taste, odor, or color, which provides the flexibility to incorporate various colors and flavors. It also allows for easy integration of minerals into formulas, creating indulgent and nutritional bites.



GummieX™

Is one of our most disruptive technologies, offering innovative formulations through a unique blend of hydrocolloids. This technology is designed to achieve the desired texture and flavor by carefully selecting the ideal combination of gelling agents. Due to its resilience to extreme temperatures it does not require refrigerated shipment.



Fill-G™

Is our center-filled gummy technology. It provides a unique sensory experience and allows the inclusion of ingredients that are typically difficult to incorporate, making it an ideal solution for both animal and plant-based actives sensitive to temperature or pH.

SOCIAL

DELIVERING WELL-BEING: OUR PATIENTS AND SOCIETY

- Creating value through our solutions
 - » Our innovation system
 - » Product safety, efficacy & quality
 - » Availability and affordability of differentiated solutions
- Contributing to a healthy society
 - » The Procaps Foundation
 - » Volunteering
 - » Awareness and health education

COMMITTED TO EXCELLENCE: OUR PEOPLE

- Fostering Diversity, Equity & Inclusion (DEI)
 - » Workforce breakdown
- Nurturing Human Talent
 - » Training programs
 - » Attraction and retention
 - » Occupational Health & Safety



Delivering well-being: our patients and society



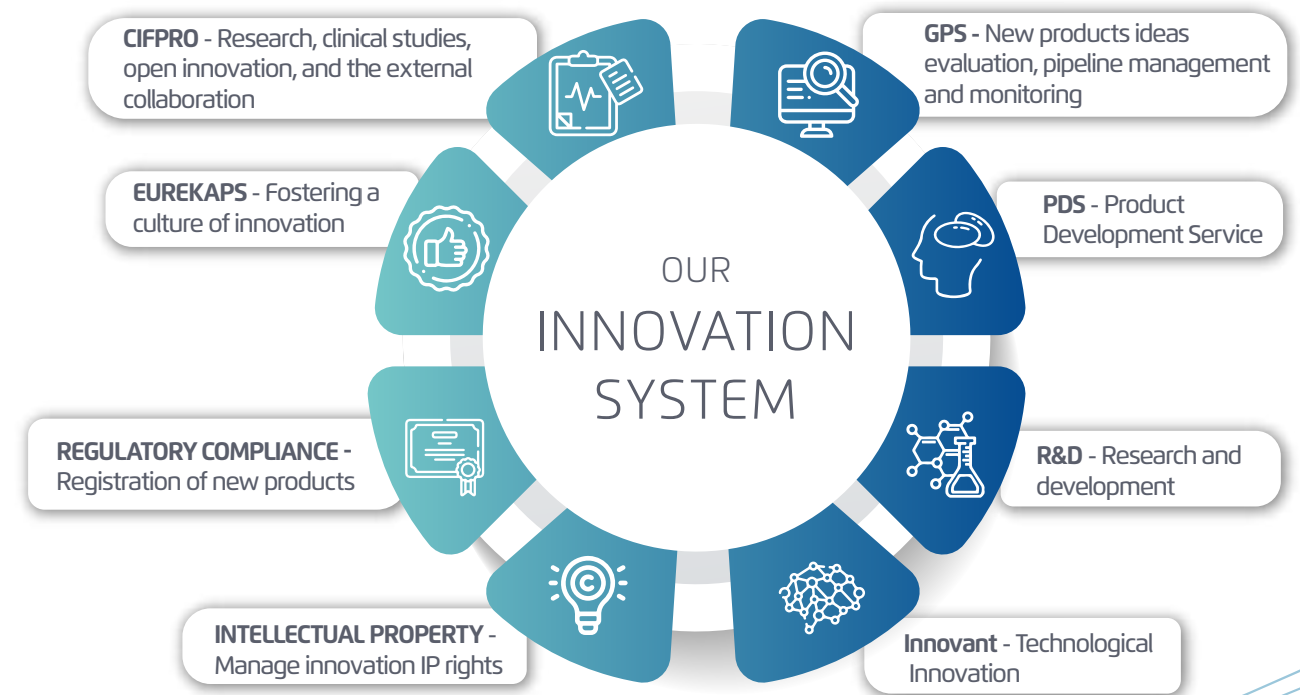
Creating value through our solutions

At Procaps Group, we recognize that our responsibility extends beyond individual patients, reaching towards the creation of social value. Our primary means of contributing to well-being and health is through our extensive portfolio of innovative solutions.

We are dedicated to ensuring that not only are these solutions accessible but also affordable, with utmost importance given to safety, efficacy, and quality. In this way, we create a substantial impact on the health, equity, and overall well-being of the communities where we operate.

Our Innovation System

Our innovation system provides structure and oversight to our capabilities and collaborations within the R&D ecosystem. The continuous and synergistic effort across different areas enables us to consistently develop and launch new, differentiated, and high-quality health solutions. Through this system, we streamline our operations and business practices, giving special emphasis to regulatory compliance and safeguarding our innovations through intellectual property protection.





GPS

New products ideas evaluation, pipeline management and monitoring

GPS plays a pivotal role in our business innovation model by thoroughly evaluating ideas for new projects or products. This process helps optimize the allocation of resources and technological capabilities by ensuring we prioritize projects that have a high strategic impact on society.

In 2022, we assessed 118 potential new products, approving 70 of them as high-impact ideas eligible for investment in new product development.



PDS

Product Development Service

The next step in product development is taking approved ideas and skillfully transforming them into finished products that meet high quality standards and uphold the benchmarks of sustainability, innovation, and profitability. Our portfolio includes new products, in-licensing references, and tailored offerings for several markets. With our presence stretching across North, Central and South America, Europe, and Asia, we are at the forefront of global expansion.

In 2022, we launched over 150 new product.



R&D

Research and development

We spearhead the analysis, assessment, and development of innovative pharmaceutical formulations in our R&D division. This initiative fuels the growth of our extensive high-quality drug portfolio, enabling us to effectively address the demands and requirements of the global market. As of December 31, 2022, our R&D team had developed over 500 pharmaceutical product formulations.

In 2022, our R&D division successfully implemented novel analytical techniques for the development of new products, resulting in cost and time reductions compared to conventional methods such as High-performance liquid chromatography (HPLC).



Innovant

Technological innovation

Innovant specializes in developing technology platforms to create novel delivery systems derived from soft gelatin capsules. Our efforts include the strategy to optimize existing manufacturing processes, the adoption of the latest market innovations, and strengthening our product portfolio with differentiated attributes. Furthermore, Innovant supports the improvement of capacity and expansion in manufacturing facilities.

In 2022, we successfully completed the development of Unigel’s double tablet technology.



Intellectual Property

Manage innovation IP rights

We actively endorse and facilitate the protection of innovation. This is achieved through the identification and management of innovative components that enhance the value of Procaps’ processes and products. Our ultimate goal is to transform these components into Intellectual Property rights, ensuring the exclusive use of these solutions, including patents, trademarks, utility models, software, and designs. In 2022, we remained committed to our objective of establishing legal certainty in intellectual property matters. We ensured that agreements with third parties incorporated these definitions to safeguard knowledge and innovation.

As of December 31, 2022, our intellectual property portfolio included:

- **42 patents**
- **34 patents pending approval**
- **5,415 trademarks**
- **302 trademarks pending approval**



Regulatory Compliance

Registration of new products

Procaps Group’s regulatory compliance framework is established to guarantee that all products and processes adhere to the rules and regulations of the respective authorities in each country. This includes renewals, modifications, and the registration of new products.

As of December 31, 2022, we had 202+ drug registrations and 179+ pending approval.



Eureka

Fostering a culture of innovation

Our Eureka program fosters a thriving culture of innovation and a forward-thinking mindset. This initiative provides training in innovation techniques and platforms for actively creating and sharing fresh ideas and projects. We empower our employees to contribute with their ideas, which are then transformed into actionable solutions, driving ongoing improvement and operational excellence. By participating in Eureka, employees may become eligible for rewards offered through our innovation benefits and incentives program. Additionally, through the initiative Soñando e Innovando (Dreaming and Innovating), we have extended our innovation culture program to include the children of our employees and those from neighboring communities. Through this initiative, we aim to inspire the younger generation and create a broader impact.

In 2022, through our Eureka innovation campaigns, we reached:

- **146 ideas received**
- **22 projects initiated**
- **11 ideas implemented**
- **2,500+ participants across 13 countries engaged in activities such as training sessions, ideation workshops, campaigns, and the internal innovation event “Procaps Idea”.**





CIFPRO

Research, clinical studies, open innovation, and our external collaboration

Procaps Pharmaceutical Research Center acts as an avenue for scientific collaboration, allowing us to connect with the external R&D ecosystem. Its activities span open innovation challenges, R&D project alliances, and the distribution of resources and incentives for scientific advancement and innovation. In 2022, we launched EcoChallenge Procaps, an open innovation challenge designed to generate ideas for more eco-friendly packaging for some of our products. We obtained different proposals regarding new materials, external packaging designs, and combine reusable devices. These proposals underwent evaluation for feasibility by an interdisciplinary R&D and marketing team. Developed in collaboration with design students from the Universidad del Norte, this initiative enriches their educational experience. Participants benefit from training on pharmaceutical packaging regulations, materials, marketing, and a guided tour of our Barranquilla plant.

In 2022, our open innovation portfolio included projects spanning sustainability, the development of new softgel technologies, and e-commerce initiatives, among other areas.



In 2022, our Procaps Barranquilla facility obtained the **ICONTEC NTC 5801 certification for Research, Development, and Innovation (R&D+I) management system**. This certification reflects the valuable efforts that Procaps Group is dedicated to for global health and continuous improvement.

Highlighted aspects of this process include:

- The leadership and commitment of top management and teams through a culture of innovation.
- The CEO's role in driving innovation, ensuring alignment with corporate and competitive strategies.
- The development of innovation culture activities with an impact on the children of employees and neighboring communities in general.
- Robust infrastructure in the plant and R&D laboratories, along with investment projects for the technological upgrade of equipment.
- The identification of critical positions that incorporate knowledge management as a variable, allowing knowledge retention through succession plans.

Additionally, we have a Corporate Innovation Management Manual and various standardized procedures that cover each phase and area comprising the Corporate Innovation Management System.



~USD 18.1 M invested in R&D in 2022, a **13% increase** compared to 2021.

Product safety, efficacy & quality

At the heart of our ethical commitments is the unwavering dedication to safeguard the well-being of patients and employees alike. We rigorously oversee the safety, efficacy, and quality of our products, ensuring they meet regulatory standards and surpass the expectations of patients, customers, investors, healthcare professionals, and other stakeholders.

100% of our products and services undergo rigorous health and safety monitoring and adhere to all essential quality and regulatory standards. This assurance is upheld by our robust quality control and assurance system.

Committed to quality

To uphold the highest levels of regulatory compliance and deliver top-quality products, we have established and implemented a comprehensive company-wide quality management system. Our quality management practices are integrated throughout the entire production chain, spanning from supplier selection to the ultimate delivery of finished products to our clients.

We enhance and optimize the performance of each process and the overall company by defining the interactions between our processes, allocating essential resources for efficient process development, and implementing feedback and response measures. Our commitment extends to dialogues with our stakeholders through two-way communication, allowing us to better understand their priorities and meet their expectations. In line with this dynamic, it is vital to have mechanisms for receiving and addressing queries, complaints, claims, and suggestions. We employ various channels such as email, company websites and business platforms with approximately 3 million visits per year, and social media with a community of over 200,000 followers, among others.

Certifications

2-29, 3-3, 416-1

The safety of the patient is paramount in our commitment to health, ensuring the well-being of those who place their trust in our solutions. Therefore, we are dedicated to upholding stringent quality standards and adhering to good manufacturing practices. This commitment is a key component of our evolution and growth. We have a Comprehensive Quality Management System that spans across the processes of our organization, ensuring the monitoring and surveillance of every production stage. Our commitment is exemplified by the acquisition of a wide range of local and international process and quality certifications, including the following:

Colombia	
USA	
Canada	
Mexico	
Brazil	
UK	
Argentina	
Australia	
Peru	
El Salvador	

2-23, 416-2, HC-BP-260a.1

Pharmacovigilance

Our Health Technology Surveillance System (Spanish acronym: SIFAR) oversees the documentation of suspected adverse events arising from the use of drugs, medical devices, and in vitro diagnostic reagents. This system ensures a timely response to such cases, formulates recommendations to prevent medication errors, and submits reports to regulatory bodies. It also encompasses the development of risk management plans and regular safety reports, which are vital for the ongoing evaluation of the risk-benefit balance of our products.

Our System has several documents that support the health technology surveillance process. These include:

- **The pharmacovigilance manual** details the regulatory guidelines for surveillance of medicines after their commercialization.
- We employ **a standard procedure for the registration, reporting, and management of adverse events related to drugs**. This procedure includes identifying and communicating adverse events derived from drugs, monitoring cases, notifying the appropriate regulatory entity, analyzing and investigating reports, and communicating with the primary notifiers.

In 2022, we achieved a 100% compliance rate in promptly responding to adverse event notifications, the timely reporting of adverse events to regulatory entities, and the punctual submission of Periodic Drug Event Reports (PADERs) to the FDA.

Procaps Group did not receive any substantiated reports of adverse events related to the quality and safety of our products in 2022

Our Surveillance System also tracks global health alerts and drug safety statements worldwide. We monitor updates from regional and international reference health authorities, providing an ongoing assessment of the safety of medicines, medical devices, and in vitro diagnostic reagents.

2,544 participants attended our pharmacovigilance trainings in 2022.

We regularly provide pharmacovigilance training for our employees. In 2022, a total of 2,544 participants received training in pharmacovigilance. This included 1,934 employees and 170 external participants, who underwent training via our Teams platform and "Campus Virtual" website. Additionally, 440 employees participated in informative webinars. We ensured that 100% of our employees in the commercial department, who interact with potential adverse event reporters, received training. Our 2022 pharmacovigilance training agenda included topics such as proper use of medicines, its interactions with the environment, and self-care practices in the post COVID-19 context.

Safety through R&D

Our R&D capabilities have been instrumental in the development of our exclusive Softgel delivery systems, such as Unigel, G-Tabs, Versagel, and Chewgel. Manufacturing products using these delivery systems requires specific methods and equipment, some of which are safeguarded by a range of intellectual property protections. Given the current technological landscape, proprietary safeguards, and specialization, we are confident that our Softgel technologies have a high level of resistance to counterfeiting.

HC-BP-210a.1

Clinical trials

Clinical trials are essential for scientifically validating and documenting the quality of our products. We have established processes to ensure the rights, safety, and well-being of trial participants, while ensuring the reliability of results throughout the trials' lifecycle.

We rigorously verify that the studies adhere to the approved protocol, in line with good clinical practices, ethical standards, and relevant regulatory requirements. We also identify potential risks that may arise during clinical trials, incorporating mitigation measures into the protocol's design and implementation and the monitoring plans.

We guarantee the integrity of our bioequivalence and bioavailability trial management process through strict adherence to the following criteria:



The selection criteria (inclusion, exclusion, and withdrawal) must be fully met.



Liability insurance of both the sponsor and the selected Contract Research Organization (CRO) must be in place.



The document verification process must be completed before the study commences.



The identification, follow-up, and treatment of serious and non-serious adverse events must continue until the participant is discharged and their case report form (CRF) or clinical record is closed.



An internal quality team must assess the accurate diagnosis of discharged volunteers.



Processes in different phases must be evaluated, including participant selection and recruitment, the CRO's support during the trial, and the completion of the corresponding CRF.

The procedure for securing consent from clinical trial participants stipulates that the informed consent form must be provided to each potential participant for their examination. While the document can be collectively reviewed, each participant must personally sign the form in the presence of two witnesses and the CRO staff responsible for verifying that the information is properly recorded. In adherence to our clinical study protocol, the delivery of material incentives that are not approved by the Ethics Committee is strictly prohibited, and monetary incentives are not approved for any reason.

Zero clinical trials involving our products and services underwent inspections or became entangled in legal proceedings in 2022.

3-3, HC-BP-240a.1

Availability and affordability of differentiated solutions

One of our primary objectives is to foster a healthier world. Achieving this goal includes ensuring that our high-quality products reach patients, enhancing their quality of life. We contribute to the pharmaceutical industry by developing products that offer a favorable cost-benefit ratio and are highly accessible to the communities covered by our commercial portfolio. We progress on this goal through a combination of research and development, regulatory submissions and approvals, efficient operations, and strategic marketing and distribution.

Access to medicine

As we expand our reach, we prioritize making our products accessible to more patients. With our eight manufacturing plants, a direct presence in 13 countries, and an extensive logistics network, we have extended our footprint in more than 50 territories, offering a diverse portfolio.

We have made significant efforts aimed at promoting the availability and affordability of medicines, addressing the accessibility of medications in low- and middle-income countries, with a particular focus on areas such as diabetes, cardiology, and oncology.



Diabetes

Our **Diabetrics solutions** includes a wide range of products and services that are designed to comprehensively address the diverse needs of diabetes patients. These include blood glucose meters, telemonitoring solutions, prescription oral anti-diabetic medications, insulin delivery systems, and various other diabetes-related solutions, including **Diabetes Prevent**, our innovative genetic test that assesses the predisposition of developing type 2 diabetes mellitus. This preventive solution aims to reduce the incidence of these conditions at the population level, thus holding the potential to significantly impact public health on a broader scale. Additionally, the early identification of individuals at risk enables them to make informed decisions about their lifestyle, diet, and other factors, positively influencing their health outcomes.

We hold a leading position in the Colombian market within two Diabetrics product categories. Our market presence exceeds 60% in the blood glucose monitoring sector, covering strips, meters, and lancets. Additionally, we hold a 50% market share in insulin delivery systems, specifically pen needles. These figures are calculated based on the total number of diagnosed diabetes patients in Colombia, which includes all individuals with type 1 diabetes and 20% of those with type 2 diabetes who require these products.

In 2022, we obtained 33 approvals for diabetes-related products in various countries, and in Colombia we obtained approval from INVIMA for four Diabetrics products. As of December 31, 2022, we had 30 Diabetrics products awaiting approval.



Cardiology

➔ In the cardiovascular domain, the number of doses manufactured and introduced to the market increased by 21%, including **Unigel**. We harness the potential of our Unigel technology to develop fixed-dose combination formulations customized for cardiology, with a focus on enhancing adherence and efficacy of the treatments among polymedicated patients. For instance, **Fenovas** combines a rosuvastatin tablet and a fenofibric acid softgel in a single product, while **Lipomega** puts together atorvastatin with omega-3 acids. Our diverse portfolio also encompasses losartan, prescribed for chronic conditions, and Epapure, designed to reduce the risk of cardiovascular events.



Oncology

➔ Oncology stands out as a crucial therapeutic field globally, experiencing a rising trend in Latin America driven by population aging, growth, and improved cancer survival rates. The International Agency for Research on Cancer predicts a substantial increase in cancer cases in Central and South America by 2040, largely attributed to lifestyle factors, aging, screening, and infection-related cancers. The Latin American regions where we operate have a collective population of approximately 204 million, where cancer incidence affects around 0.3% of the population, translating to about 500,000 new cases annually.

In 2022, we introduced **Aludel** (enzalutamide), recommended as a first-line therapy for prostate cancer unresponsive to hormone therapy or surgical intervention. Post-launch, we delivered approximately 800,000 doses of Aludel. Looking ahead, we plan to expand our oncology portfolio in the region, collaborate with partner companies, and potentially broaden cancer treatment options, aiming to better serve more patients and physicians in the coming years.

In 2022, we conducted an extensive portfolio analysis using the World Health Organization's Essential Medicines List (EML), which outlines medications that should be universally accessible, over 220 of our registered products contain components found in the EML's list of 591 essential medicines.

One of the most renowned universities in South America, Universidad del Rosario, awarded Procaps the "Colombian Company 2022" in the Mariposa de Lorenz category for its 45 years of innovative contributions to health and well-being. This recognition highlights the enduring success of companies and honors entrepreneurs who, over time, have achieved significant growth and made valuable contributions to promoting higher levels of quality of life, equity, and social justice.

3-3

3-3, 413-1

Contributing to a healthy society

Our dedication to contributing to the well-being of society goes beyond our products and services. We invest substantial effort in empowering the communities that we serve by creating programs with an extensive social reach. These initiatives are driven by the work of our Corporate Volunteering program and the Procaps Foundation, along with our contributions, community support, and donations.

We develop programs aimed at addressing social and health challenges, recognizing that the sustainability of the organization also depends on the development of communities through equity and the improvement of their quality of life. We foster ongoing dialogue with communities surrounding our operational areas, primarily in Colombia, El Salvador, and Brazil, with community leaders playing a key role as a link in social transformation.

Corporate Volunteering

We actively encourage the voluntary participation of our employees in the social transformation initiatives we lead, especially in areas near our operations in the various countries where we are present. It is a shared responsibility that allows us to strengthen our commitment by embodying social values integrated into our corporate culture, while also strengthening a sense of belonging within the Procaps Group.

Over the past two decades, our volunteer employees have worked diligently to drive social well-being. In 2022, the Corporate Volunteers group increased by 40% compared to the previous year. Moreover, we achieved a remarkable 62% increase in volunteer participation compared to 2021, setting a historical record with a total of 3,259 hours contributed to initiatives or programs led by the Procaps Foundation or the Corporation, focusing on:

- **Promoting access to health and well-being**, especially in vulnerable populations.
- **Reinforcing a culture of self-care and prevention** in communities facing eventualities or risks.
- **Nurturing a culture of innovation and environmental stewardship** in communities.

According to the number of volunteers and local conditions, in 2022, the monetary contributions (donations) made by volunteers per country totaled:

- **USD 55,895** Colombia
- **USD 7,542** Ecuador
- **USD 14,061** El Salvador
- **USD 3,470** Peru



We encourage our volunteers to actively participate in initiatives that strengthen their social competence. In addition to their involvement in all Procaps Foundation programs, in 2022, our volunteers undertook several actions:



We celebrated **18 years acknowledging the work of women and men in the Colombian Army, Navy, and Air Force**. This initiative includes the direct **delivery of health kits** to military battalions in different regions of Colombia. This year, the focus was on highlighting the role of women in defending the country's sovereignty, inclusion, and peace.



We continued **providing financial support for the university education** of a young individual studying Psychology at the Universidad del Norte in Barranquilla, Colombia.



In collaboration with the National Association of Industrialists of Colombia Foundation, **we led teamwork among 17 corporate volunteer groups to deliver over 3,000 donations and supplies** for the well-being and health of more than 750 families affected by the rainy season in the Colombian Caribbean.



We **provided support to various social impact causes** promoting health and education in vulnerable communities, including:

- **Sanar Foundation**, which supports children with cancer and their families in the diagnosis and comprehensive care of the disease.
- **Best Buddies Colombia Foundation**, an NGO working for the social and employment inclusion of individuals with intellectual disabilities.
- **Cadena Foundation**, a civil association dedicated to the prevention and assistance of migrants and refugees.



FUNDACIÓN PROCAPS

In 2013, we established The Procaps Foundation to deepen our commitment to enhancing society's health and quality of life. Our mission is to foster a culture of well-being and promote healthy lifestyles within local communities. We achieve this through the promotion and support of various initiatives, including education, entrepreneurship, nutrition, emotional and physical health, skills development, sexual health, and the empowerment of women near our operational areas.

3-3

The Procaps Foundation’s outreach extends to people of all age groups, from children to senior citizens. Over the years, the Foundation’s endeavors have been made possible through vital partnerships with both public and private community stakeholders who share our commitment to sustainability and progressing towards the UN Sustainable Development Goals.

As a catalyst for community development, the Foundation has been at the forefront of initiatives through a social intervention model, contributing to the well-being and health of over 1 million people in Colombia and El Salvador throughout its history. The Procaps Foundation achievements for 2022 include:

USD 332,273 donated, representing a **13% increase** compared to 2021.

25,706 donated products, marking a **64% increase** compared to 2021.

42,658 direct beneficiaries in Barranquilla and Bogota, reflecting a **16% increase** compared to 2021.

170,494 indirect beneficiaries also showing a **16% increase** compared to 2021.

Our programs

Listed below are some of the remarkable programs and activities carried out by the Procaps Foundation and our volunteers in 2022 to enhance access to medicines and healthcare services in Colombia:

Health Days

The Health Days initiative primarily aims to raise awareness about the importance of a healthy lifestyle and promote disease prevention through trainings, regular updates, and educational programs tailored to healthcare professionals and other key stakeholders. The initiative serves as a platform to provide general and specialized medical care services to vulnerable communities, ensuring they have access to essential medications and vaccines.

During these events, Procaps volunteers lend their knowledge, experiences, and skills, all while furthering their understanding of the challenges and needs of the families in the communities we serve. In 2022, workshops were conducted in 19 communities across the country, spanning the regions of Atlantico, Bolivar, Magdalena, La Guajira, Bogota, and Amazonas. In 2022, this initiative’s contributions included:

- **USD 3,579** invested
- **11,392 products** were donated
- **6,236 people** were direct beneficiaries
- **24,944 people** were indirect beneficiaries



In the Nazareth Indigenous Reservation, located in Leticia - Amazonas, nearly 3,000 individuals from 10 indigenous communities with limited access to medical services benefited from one of our “Health Days”. This initiative brought together eight organizations from both the public and private sectors, uniting their efforts to offer a comprehensive range of medical services, including general medicine, pediatrics, gynecology, ear, nose, and throat care, dentistry, nutrition, and recreational activities.

Donations

In line with our mission to enhance the health and well-being of society and the communities we serve, we implemented an annual strategy to donate products to organizations engaged in initiatives that align with our core areas of focus. Thanks to the contributions of Procaps Volunteering, we distributed food packages to support 46 families under the care of the *Sanar* Foundation, a Colombian non-profit organization with a 38-year commitment, has been dedicated to accompanying children with cancer and their families through the diagnosis and care of the disease. In doing so, they redefine and transform hope and the meaning of life. This initiative contributes to their nutrition, and cancer treatment journeys. In 2022, our donations included:

- **USD 109,117** invested
- **7,567 products** were donated
- **31,760 people** were direct beneficiaries
- **126,992 people** were indirect beneficiaries

3-3

3-3

Awareness and health education

Health awareness and education are essential in enhancing individual and community well-being, ultimately contributing to healthier and happier lives. By imparting knowledge, our goal is to empower individuals to make informed decisions about their health, promoting a healthy culture, and facilitating early disease detection and effective management. Our efforts involve the participation of healthcare professionals who guide patients and their families in communities. Additionally, our volunteers contribute through their dedicated commitment and time to these initiatives. In 2022, we focused our efforts on increasing health awareness and education through various initiatives.

Childhood and youth development

Alimentación Consciente (Conscious Eating)

In our flagship program, we actively foster the well-being and growth of children and adolescents grappling with malnutrition. This is achieved through nutritional supplementation, the provision of guidance on healthy lifestyles, and support from healthcare and nutrition experts. To coincide with "Breastfeeding Week," we hosted a conversation that engaged over 600 pregnant and lactating women, both in person and virtually, on our corporate YouTube channel. In 2022, our Alimentación Consciente program contributed:

- **USD 80,882** invested
- **5,991 donated** products
- **1,446 direct** beneficiaries
- **5,794 indirect** beneficiaries

In 2015, we established the "Alimentando Sueños" program (Feeding Dreams) with the objective of enhancing the nutritional well-being of pregnant women, infants, children, and senior adults. This program received recognition as one of the 24 initiatives that significantly contributed to alleviating extreme poverty between 2018 and 2021.

This recognition was granted by the Social Prosperity division of the Presidency of the Republic of Colombia's Government, acknowledging the program's role in promoting the healthy growth and development of early childhood in the supported regions. Additionally, it highlights the program's commitment to advocating for breastfeeding as a protective factor for the health of the women and children it serves.

Semilla para el Futuro (Seed for the Future)

Seed for the Future's objective is to mentor young individuals between the ages of 13 and 15, using educational processes centered on emotions and sexuality, while also providing personal and family counseling. Sexual education is essential for promoting health, preventing risks, fostering respectful relationships, and creating a society that is informed, inclusive, and supportive of individuals' diverse experiences. A primary goal of the program is to reduce the prevalence of adolescent pregnancy and promote responsible attitudes towards sexuality among its young beneficiaries. The contributions of this program in 2022 included:

- **USD 4,787** invested
- **108 direct** beneficiaries
- **432 indirect** beneficiaries



3-3

Fútbol Con Corazón (Soccer with Heart)

This program aims to develop in children and adolescents aged 6 to 17 essential life skills and values, empower women, and equip individuals with tools for peaceful conflict resolution. In 2022, we extended our impact to the community of Fontibón, in Bogota, Colombia, near the Pharmayect plant, reaching 85 children and adolescents, an increase from the previous year's 63 participants. We also maintained coverage for 160 beneficiaries in Barranquilla, bringing the total number of beneficiaries through this initiative to 245 in 2022. The total contribution of Fútbol Con Corazón in 2022 was:

- **USD 62,393** invested
- **66 donated** products
- **245 direct** beneficiaries
- **980 indirect** beneficiaries

REDES Liderando Vidas Sanas (Networks Leading Healthy Lives)

Under this initiative, we offer guidance and support to adolescents aged 12 to 17 to assist in their personal growth and emotional development. Through specialized workshops and programs, we work hand in hand with the participants, their families, and schools. Our ultimate goal is to empower these young individuals with training and skills development, equipping them with the knowledge and confidence needed to become influential community. As a part of this program in 2022:

- **USD 41,479** invested
- **107 direct** beneficiaries
- **428 indirect** beneficiaries



Adult and family wellbeing

Aventurémonos en Familia (Let's Adventure as a Family)

This initiative emerged from a partnership with Universidad del Norte, the Presidential Council for Children and Adolescents, and the First Lady of Colombia to address the rise of abuse during the COVID-19 pandemic lockdown. Through this program, we have established a virtual platform dedicated to the identification, support, and emotional recovery of children, adolescents, and families, particularly targeting those at a higher risk of violence. In 2022, this initiative accomplished:

- USD 4,787 invested
- 108 direct beneficiaries
- 432 indirect beneficiaries

Formación (Training)

This program supports the development of work skills, employability, and productivity by providing comprehensive care and contributing to the social and economic development of the communities located in the areas of influence of the Procaps Group in Colombia. Through complementary training courses, in partnership with Colombia's National Training Service (Spanish acronym: SENA), we facilitate greater access to employability, and also strengthen business ideas. The contributions of this program in 2022 included:

- USD 2,515 invested
- 305 direct beneficiaries
- 1,120 indirect beneficiaries

Productividad y Emprendimiento (Productivity and Entrepreneurship)

In our pursuit of social and economic progress in communities under Procaps Group's sphere of influence, the Procaps Foundation implements strategies to enhance employability and skills development. It also provides support to facilitate access to employment and the enhancement and realization of entrepreneurial visions. In 2022, we began forming partnerships with group companies and value chain allies, making it easier for individuals of working age to find stable employment. In addition, in 2022, we supported eight business ideas and assisted 17 individuals in the process of seeking employment with third-party entities. As part of our commitment to empowering women and contributing to a more stable income for beneficiary families, we maintained the engagement of two mothers as snack providers for the Procaps Foundation's activities and the Fútbol Con Corazón program.

- USD 3,480 invested
- 392 direct beneficiaries
- 1,568 indirect beneficiaries

Diálogos con comunidades (Community Dialogues)

As part of our commitment to fulfilling the needs of our beneficiaries and offering programs of public significance, we develop initiatives, activities, and events that cultivate and sustain well-being, trust, and a sense of community with the active involvement of our corporate volunteering team. In 2022, we actively advanced the "Let's Talk about Solidarity Women" initiative, providing a platform for conversations with women who have undertaken initiatives that contribute to social development in Colombia. Through these activities, in 2022 we contributed:

- USD 4,563 invested
- 690 donated products
- 1,997 direct beneficiaries
- 7,988 indirect beneficiaries

With the goal of reducing the gap in access to healthcare and facilitating access to cutting-edge, high-quality innovative medicines, the generic medicines division of Procaps, COLMED®, launched the "Hilo Azul COLMED®" campaign. In this initiative, we brought together doctors, nurses, pharmacies, and patients with a single purpose: to assist the most vulnerable communities through health brigades. These brigades provided free consultations in various cities across Colombia and offered discounted medications. In 2022, our brigades reached more than 5 regions in Colombia, serving over 2,000 patients.



Committed to excellence: our people



Fostering Diversity, Equity & Inclusion (DEI)

Our employees are fundamental to the sustainable success of our business and to meeting our stakeholders' expectations. Their talent and commitment drive our ability to advance our mission of improving the well-being of communities through our innovative healthcare solutions.

We have established a comprehensive framework of policies, practices, programs, and initiatives designed to attract, retain, and engage top-tier professionals, further solidifying the strength of our team. We remain steadfast in our commitment to equality, ensuring all are treated fairly, regardless of gender, ethnicity, or any other protected attributes. Our practices always adhere to the laws applicable in the workplace.

Central to our corporate culture is a commitment to fostering an inclusive work environment that values, respects, and leverages individual differences. We firmly believe that promoting and embracing diversity drives innovation, creativity, and overall well-being, helping us meet our business and sustainability objectives.

Our interactions with employees and other stakeholders are guided by ethical principles and values, as outlined in our Code of Ethics and Conduct, which extends to every country we operate in. Diversity, equity, and inclusion principles are woven into our employee training and policies. We consistently offer training, programs, and benefits that nurture leadership skills and support personal and professional development.

We are dedicated to promoting equal opportunities for all our professionals and strive for a balanced gender representation across all functions and responsibilities. Each year, we implement a multi-country strategy encompassing various activities and communication efforts to advance gender equality. In 2022, we undertook various initiatives in three key areas: female leadership, female health, and motherhood support. These initiatives include:

Female leadership

- **International Day of Women and Girls in Science:** As part of the pharmaceutical industry, at Procaps Group, we acknowledge the historical challenges that women have faced in science, as well as their significant and invaluable contributions. Through our internal and external awareness campaign named “Women Who Contribute to Science to Make History,” we commemorated the International Day of Women and Girls in Science, designated by UNESCO on February 11th. We celebrated the women who have discovered the tools that shaped history, and we encourage our employees to continue promoting women’s and girls’ participation and inclusion in the field of science.
- **March, Gender Equality Month:** In March 2022, we initiated a series of communications and events aimed at promoting equality and empowering female leadership within our organization. As part of this initiative, we invited all the women in our company and their daughters to join a talk titled “Women: Society, Science, and Innovation”. We also marked International Men’s Day with an event that provided an engaging platform for self-awareness, delving into topics related to the male role, relationships, health, and sexuality from a female perspective.
- **International Certification in Female Leadership and Entrepreneurship:** For three months, a group of female leaders from three different countries engaged in the International Certification in Female Leadership and Entrepreneurship, aimed at promoting women’s presence in various environments, inspiring them to shift paradigms and develop new skills and competencies. The participants completed 120 hours of training.

Female health

- **Pink October:** This awareness campaign aimed at promoting female health and inclusion within our talent pool took place during October 2022, coinciding with World Breast Cancer Awareness Month. We shared relevant information and recommendations to help prevent the risk factors associated with this disease, and our Vitamin E layout turned pink to share the message of breast cancer awareness. We also held a webinar on early detection methods. Similarly, we carried out the “Blue November” campaign, which advocates for prostate check-up exams to prevent prostate cancer or facilitate early detection for more effective treatment.

Motherhood support

➤ **Breastfeeding talks:** To promote the healthy growth and development of infants, we conducted the sixth series of talks on breastfeeding. This event featured the participation of four health experts who shared their experiences and recommendations regarding breastfeeding practices. The agenda covered topics such as achieving successful breastfeeding and the significance of music in the breastfeeding process, among others. This event was broadcast on YouTube and has over 500 views, allowing for a wider audience reach.

Lactation Rooms: Recognizing the significance of breastfeeding, we have established lactation rooms at our Procaps Barranquilla facility. These dedicated spaces are accessible to all women within the company, offering a private environment with convenient access to ensure both time and space for lactation purposes.

Over 5,000 employees in the Corporation were impacted by our activities to promote gender equality.



100% of our employees who took parental leave in 2022, returned to their jobs.

At Procaps Group, diversity and inclusion are moral imperatives and catalysts for strength and innovation. We firmly believe that by embracing the unique abilities of every individual, we can unlock new potential and propel our company towards its mission.

Our commitment to inclusion is evident across our operations. When it comes to recruitment and talent acquisition, our primary focus is on identifying and attracting the best talent, without allowing physical abilities, race, nationality, ethnic background, gender, socioeconomic status, sexual orientation, age, religion, or marital status to be determining factors. We strongly believe that such conditions should not hinder success, and we are committed to fostering a workplace that reflects this ethos. Our selection criteria are stringent and tailored to the specific skills required for each role, ensuring that all candidates have an equal opportunity to excel.

We provide all new employees with equal access to onboarding training resources. Additionally, we actively promote awareness and team-building activities designed to facilitate the seamless integration of new employees into our workforce.

Throughout 2022, we continued to make progress in creating an inclusive and supportive workplace environment for employees with various disabilities. To enable equal conditions and enhance well-being within our work team, we implemented the following measures in our manufacturing facilities:

- **Active participation** in all of the company’s medical surveillance programs, occupational welfare initiatives, and promotion and prevention activities.
- **Involvement in all labor call** processes and corporate procedures.
- **Ongoing support from professionals** to tailor tasks and functions to employee abilities.
- **Regular monitoring of adherence** to medical recommendations provided by our health-promoting entity.
- **Physical adjustments** to ensure suitable working environments.
- **Integration activities** among coworkers.
- **Comprehensive support** for employees and their families, promoting well-being, recreation, compensation, and recognition activities.

Workforce Breakdown

As of December 31, 2022, our global workforce consisted of 5,564 employees, comprising both full-time and temporary staff.

Distribution by region

70
North America

817
Central America

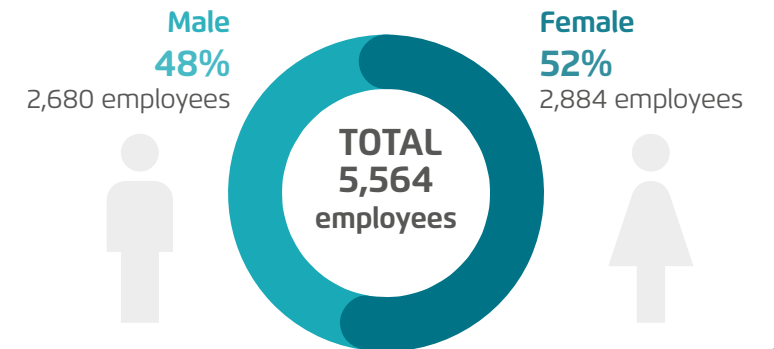
4,677
South America



5,564 employees in 2022.

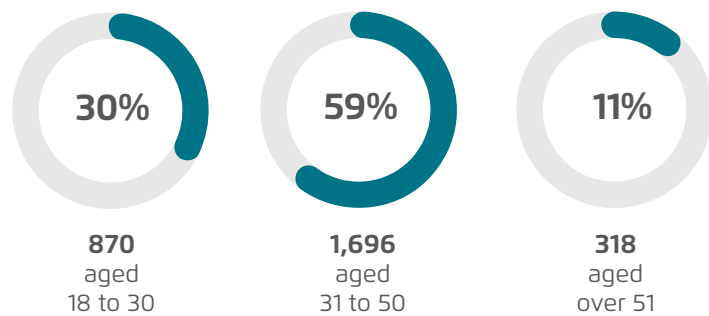
52% of our total workforce is female.

Gender composition

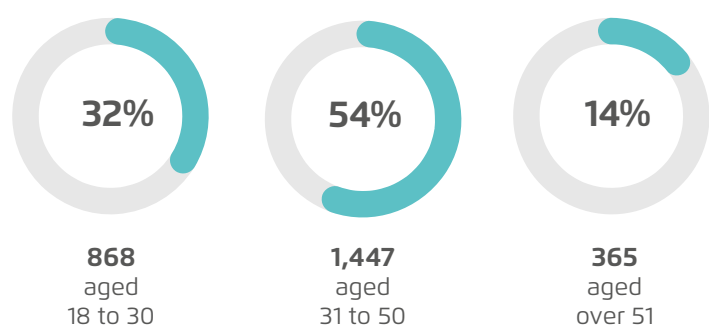


2-7, 2-8, 405-1

Female employees



Male employees



	Men	Men %	Women	Women %
Directors and Managers	128	59%	89	41%
Other positions	2540	48%	2793	52%
Total	2,680	48%	2,884	52%

41% of the total manager and director positions are held by women.

404-2, HC-BP-330a.1

Nurturing Human Talent

Our team members are the drivers of our success, and we are dedicated to their well-being and growth. We have implemented procedures to foster the development of employee potential, including performance evaluation methods based on job-specific traits, the creation of comprehensive development plans, and the establishment of promotion and succession plans for key areas. Our training programs are tailored to address the opportunities we identify through these assessments.

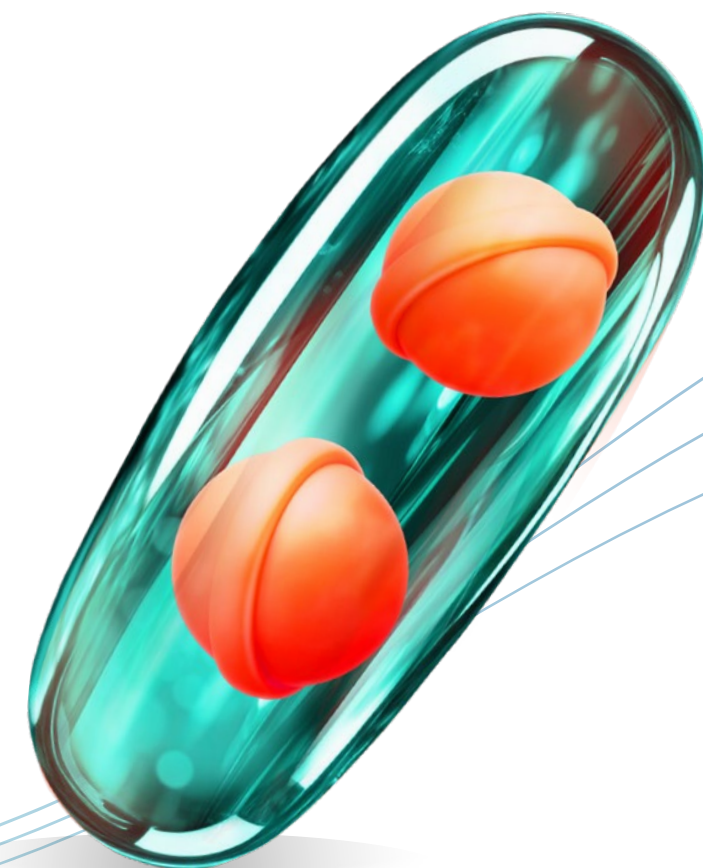
Within our technical talent, we boast approximately 300 professionals, including scientists, technicians, and skilled personnel dedicated to R&D and innovation.

In 2022, we organized our inaugural Symposium on Allergens in Medications, with the goal of training our employees' on assessing the toxicity of external substances and allergens that may exist in medications. We also explored the role of pharmacovigilance science in the examination and evaluation of potential adverse effects and its implications for public health.

Training Programs

We foster our employees' professional growth through a range of educational initiatives, spanning from skill-building courses to sponsoring specialized Ph.D. programs, especially in Colombia, where our largest concentration of R&D professionals is located. In 2022, we provided education sponsorships to more than 500 participants. It included 280 individuals, up 17% when compared to 2021, who received economic assistance to pursue different degree levels, and 231 were granted with 100% scholarship for training with external entities.

We conduct a range of training activities throughout the year to enhance our employees' understanding of product development, and market trends. One of our annual initiatives is hosting an R&D symposium to keep our employees updated about analytical methods for product research and development.



In 2015, we launched our Corporate University program in Colombia, which offers a variety of courses and training opportunities to our employees through our “Campus Virtual” website. In 2022, we continued promoting educational initiatives through our Corporate University program, which focuses on six key areas of learning:



Corporate DNA

Fostering and strengthening the Company’s identity and culture to live our corporate values, conduct our daily activities in a sustainable manner, and raise awareness about the importance of global health.

In 2022, we developed several courses in this area of learning, including:

- **LIVE Values – Teamwork:** Promotes teamwork synergies, human connection, and social interaction to strengthen our team and achieve goals aligned with the Company.
- **Trust Connections:** Strengthens loyalty and commitment in teams to develop a culture of trust.



Operational excellence

Building expertise in technical processes to ensure adherence to quality standards.

In 2022, we developed several courses in this area of learning, including:

- **Auditex - Data Integrity:** Strengthens knowledge of FDA regulations and Data Integrity practices.
- **Auditex - OOS (Out of Specification) Research:** Provides tools that facilitate research and root cause determination.



Business and commercial management

Prioritizing sales techniques through a training school tailored for B2B and B2C business models.

In 2022, we developed several courses in this area of learning, including:

- **Webinar - The Road to an Extraordinary Year:** Reflects on personal objectives, achievements, and development plans.
- **Webinar - Performance Evaluation:** Covers the performance evaluation process and feedback spaces.
- We provide training to commercial teams that cover topics including **managing interactions with customers and other stakeholders and relevant aspects of safety, quality, and innovation** in our portfolio and value proposition.



Innovation and development

Cultivating creative and innovative thinking skills.

In 2022, we developed several courses in this area of learning, including:

- **Leadership Academy - Strategic Innovation Management:** Develops innovation skills aligned with our corporate strategy.



Leadership and development

Nurturing human and leadership competencies, managerial aptitude, assertive communication, and related skills.

In 2022, we developed several courses in this area of learning, including:

- **The Art of Leading:** Offers practical tools to develop leadership, raise motivation, and boost commitment in working teams.
- **Workshop DOTH (Talent and Organizational Development) - Induction, Training and qualification:** Strengthens processes for providing standardized service.



Digital culture

Fostering technological competencies for all our employees through training in the use of digital tools.

In 2022, we developed several courses in this area of learning, including:

- **Security of the Information:** Covers key aspects of Cybersecurity and handling of virtual information.
- Additionally, we drive programs related to digital upskilling and reskilling. For instance, over 500 employees received training in Power BI, enabling us to enhance our **data management and data analysis capabilities** within the company.

404-1
As part of our efforts to promote a bilingual culture in the company, we conducted the We Talk program. It consists of open English conversational sessions that are accessible to everyone. Participants have the opportunity to enhance their English communication skills by immersing themselves in the experience of communicating in this language. Some of the sessions held in 2022 included:

- Leadership for All
- Delivering Effective Presentations
- Reading Club
- Movie Club

385,941

training hours completed by our employees in 2022 across Procaps Group, a 38% increase compared to 2021.

USD 333,415

invested in training programs for employee development.

Almost 70

training hours per employee as average.

401-1, HC-BP-330a.1



In 2022, our commitment to employee development took center stage during our Talent Week, an event dedicated to fostering personal and professional growth within our talented workforce. Throughout Talent Week, a wide range of programs and activities were developed to empower our employees across various dimensions, including self-learning, e-learning, knowledge sharing, uncovering personal potential, fostering corporate growth, and cultivating a growth mindset.

Attraction and Retention

We are committed to attracting and retaining a skilled, engaged, and stable workforce that meets stakeholder expectations, fosters innovation, and ensures our competitiveness in an ever-evolving business environment.

In 2022, we undertook various initiatives to attract and retain top talent, which included the following:

- To reinforce our commitment to the professional development of our current employees, **285 internal promotions were carried out**. Our hiring procedures ensure that all of our employees have equal access to development and promotion opportunities.

Number of employees promoted in 2022



53% of the promotions in 2022 were awarded to female employees.



401-1, HC-BP-330a.1

- We implemented various programs, some of them in specific regions based on their needs, with a total of 34,253 participants (employees were able to participate in multiple activities) with the goal of **enhancing the productivity, motivation, and overall wellness of both our employees and their families**. These programs were based on four pillars of well-being: balance, integration, value, and self-care.



Balance

Promotes mental activation and vital balance through training and integral development.

Through our PEP High School Program we provide innovative guidance for the development of leadership, perspective, and creativity skills in the young children of our employees. This activity impacts our employees' families, contributing to their well-being and balance.



Value

Strengthens our organizational and social culture by promoting values and ethics.

As part of the "Women: Society, Science, and Innovation" initiative, our female employees and their daughters took part in discussions led by our guests, who shared inspiring stories of how their personal experiences and choices empowered them to make a positive impact on society through their entrepreneurial ventures.



Integration

Promotes spaces for interaction and balance between working, personal, and family life.

We established the "I Visit My Parents' Workplace" event to provide a space for employees' children to connect with their parents' work life, creating meaningful interactions and promoting balance with family life.



Self-care

Seeks to contribute to healthy lifestyles through self-care, aimed at employees and families.

We organized a Talk on "HIV Prevention and Respiratory Diseases" with the goal of establishing an informative and supportive platform. During this event, our employees had the opportunity to engage in discussions on HIV prevention and respiratory health, allowing them to reflect on these crucial topics. Furthermore, we contribute to the improvement of our employees' mental health and quality of life through our Among Us Program, which provides them with a support network to enhance their emotional self-management skills.

2-23, 3-3, 403-1, 403-2, 403-4, 403-6, 403-7

- **We provide fair compensation, safe working conditions, and a wide range of employee benefits.** Our programs, which vary by country or region, can include healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, and family leave, among many other benefits.
- **Our labor practices ensure full compliance** with regulations and agreements related to compensation and working hours.

Our procedures and policies, including our Code of Ethics and Conduct, prohibit any form of child labor or forced labor conditions.

Occupational Health & Safety

We are committed to promoting a healthy and safe work environment by complying with occupational health and safety (OHS) standards and environmental programs required by law, including appropriate controls, work procedures, and industrial safety equipment. The safety of all our employees, contractors, and third parties engaged in our operations is a top priority for us. We have measures in place to identify workplace conditions that could potentially affect their physical well-being and have implemented programs with preventive and corrective measures to mitigate work-related risks.

Our OHS Management System is a dynamic and inclusive framework, designed with the active participation and consultation of employees at different levels. We have two vital OHS committees, the Occupational Health & Safety Committee and the Workplace Harmony Committee, which serve as integral components of this system. They represent all employees and possess decision-making authority.

The constitution process of these committees involves several steps: the selection of employer's representatives, the election of worker's representatives through a

voting process, the formation and establishment of the OHS Committee by individuals with the highest number of votes, with each titular member having a substitute. These committees operate for a two-year term from their constitution date.

The Occupational Health & Safety Committee convenes regularly, either monthly or on an ad-hoc basis as needed, with a mandate to oversee and enforce safety and health regulations in the workplace, thus minimizing risks and hazards associated with work-related illnesses and accidents. Their responsibilities include defining improvements for our OHS management system, conducting investigations into events related to occupational safety and health, planning internal audits, and communicating its performance results within workplaces, among other tasks.

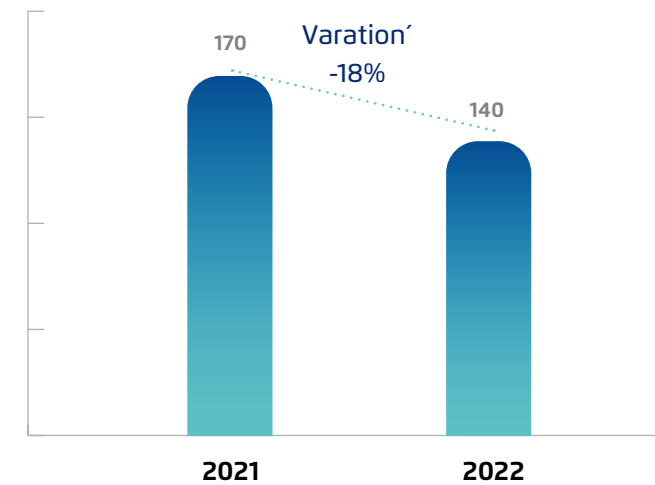
On the other hand, the Workplace Harmony Committee holds meetings ordinarily every three months or as required for immediate intervention. This committee is focused on preventing workspace conflicts, such as bullying behaviors, and addressing them should they occur. Its mission is to promote labor relations that support mental health and uphold the dignity of employees across all levels. They utilize strategies for conflict resolution, which include receiving and processing complaints related to workplace harassment and supporting evidence.

Furthermore, our OHS program includes customized training modules tailored to the specific requirements of different activities and job roles. These modules are shared with stakeholders, free of charge, to enhance the dissemination of information and the implementation of actions related to this issue.

In Colombia, our OHS approach extends to various segments within our supply chain. We conduct audits and verifications for certain contractors, complemented by free training. This comprehensive approach is designed to minimize risks for everyone associated with our operations, encompassing not only our direct employees but also those working for our contractors.

In 2022, we experienced 140 work-related accidents across all countries with manufacturing facilities (i.e., Brazil, Colombia, El Salvador, and the US), representing a 2.5% accident rate¹. The number of work-related accidents decreased by 18% compared to 2021, despite our expansion into a new territory, a new manufacturing plant, and an 11% increase in the number of employees in 2022.

Number of work-related accidents



We are committed to reducing physical, psychological, and emotional occupational risks and ensuring the safety of our work environments. We conduct regular assessments and risk management procedures across all our locations. Our efforts involve forming partnerships with third-party entities such as insurance companies and adhering to internal standard procedures and country-specific regulations.

We implemented all relevant measures associated with occupational health and safety protocols, which included providing personal protective equipment and specialized tools. Additionally, we offered comprehensive support aimed at creating a safer and more flexible work environment. Our priority is to maintain continuous channels of communication with our colleagues to foster a stronger culture of self-care and prevention. Furthermore, we enhanced our protocols to ensure compliance with local regulations.

1. The accident rate is calculated by dividing the total number of accidents by the total number of employees.

403-1, 403-2, 403-5, 403-6, 403-7, 403-9

In 2022, we implemented several risk management measures and OHS programs, including:

- **Brazil:** We successfully conducted a flu vaccination campaign that provided benefits to a total of 180 individuals, representing approximately 65% of our workforce in this geography. Additionally, we provided practical and theoretical training in firefighting, first aid, and evacuation. Our OHS program and activities are aligned to the local regulations including Regulatory Standards NR5 and NR7.
- **Colombia:** The OHS Management System of our Procaps Barranquilla facility adheres to the highest standards, including the ISO 45001:2018 standard, and follows the guidelines of Decree 1072 of 2015, Resolution 0312 of 2019, and other relevant regulations concerning occupational hazards. Our Management System is designed with a primary focus on preventing incidents, accidents, and occupational diseases, while simultaneously promoting overall health and cultivating secure, healthy work environments.
- **El Salvador:** In our Procaps S.A. de C.V. manufacturing facility, we have established an affiliation with the Business Clinics Program of the Salvadoran Social Security Institute. Additionally, we have made several improvements to our Assistance Clinic facilities. These strategic measures are designed to broaden the range of services and enhance the quality of care available to our employees.
- **US:** At the Sofgen facility, we organized training sessions covering essential topics such as workspace safety, safe handling of equipment and machinery, fire safety, proper handling of chemicals and hazardous materials, and the promotion of a culture of health and safety.

ENVIRONMENTAL STEWARDSHIP:

SAFEGUARDING OUR PLANET

- Greenhouse Gas (GHG) Emissions Reduction
- Energy Efficiency
- Responsible Water Management
- Sustainable Waste Management



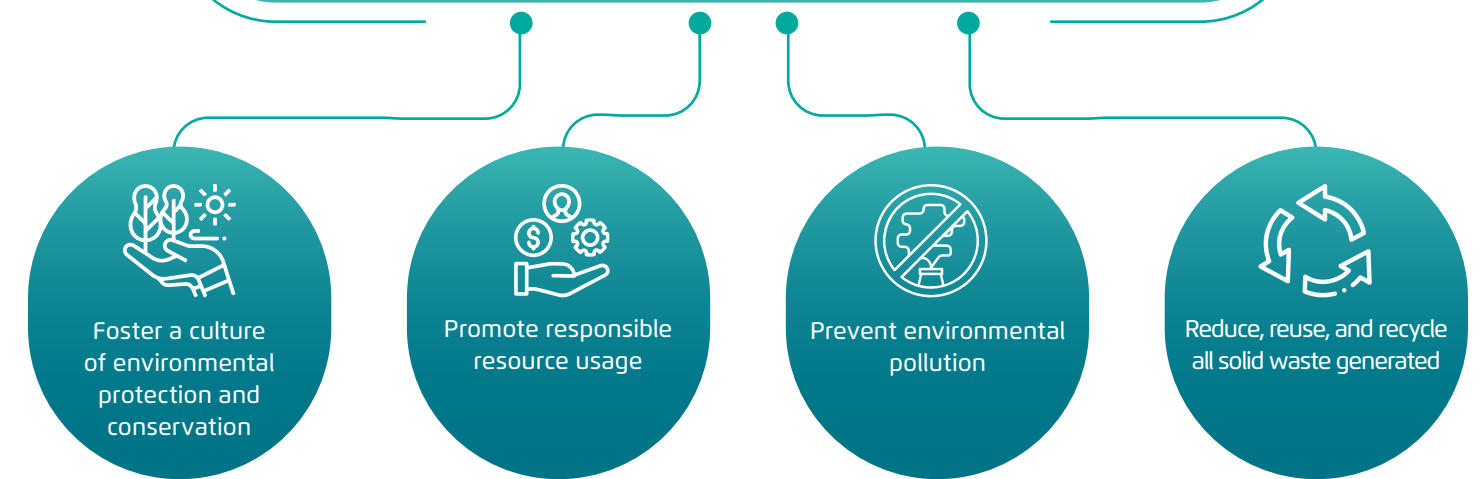
SAFEGUARDING OUR PLANET

We are dedicated to cultivating a culture of environmental stewardship within our facilities and throughout our operations. To realize this goal, we actively involve our employees in responsibly using resources and continuously monitor our corporate environmental practices. Furthermore, we also promote and foster environmental awareness and initiatives outside the company, involving various stakeholders.

We have established a comprehensive environmental management system, which enables us to adhere to relevant legal and regulatory requirements, align with the United Nations' Sustainable Development Goals, and develop responsible initiatives to ensure that Procaps Group has a positive environmental impact.



Our environmental management system is designed to:



Our corporate environmental vision is underpinned by the strength and ongoing improvement of our environmental management systems and the capabilities of each manufacturing facility.

During 2022, we achieved significant milestones in our environmental management capabilities, including the following:

Procaps Barranquilla facility



We **maintained certification of our environmental management system under ISO 14001:2015**, focusing on our leadership, procedures, and results in the efficient and effective use of natural resources. It covers important aspects such as the management of energy, water, and natural gas, which are integral to our environmental objectives. It also encompasses elements related to our stakeholders, including regulatory entities, and the promotion of environmental culture within the organization through campaigns and training. **This certification underlines our commitment to continuous improvement and a proactive approach to mitigating environmental impacts.**



In 2021, we became the **first pharmaceutical company in Colombia and Latin America to achieve certification under the “Zero Waste”** (or “Basura Cero” in Spanish) standard, and in 2022, we successfully retained this certification. This certification comprehensively evaluates the implementation of circular economy principles in our operations, allowing us to extract the maximum value of resources while in use, and recover and regenerate them at the end of service life.

In 2022, not only did we maintain our certification under the “Zero Waste” standard, but we were awarded Gold Category, the highest level of recognition. This achievement underscores our unwavering commitment to sustainable waste management practices and circular economy principles.

- By applying **circular economy principles** to our waste management system, the percentage of waste diverted from disposal increased from 29% to 49%, indicating a **significant improvement in waste management and reduced environmental impact.**
- Procaps Barranquilla typically accounts for over 60% of the total waste generated within the Procaps Group. The improvements at this site are reflected in the **progression of our recycling rate at the corporate level, which increased from 30% in 2021 to 49% in 2022.**

Pharmayect facility



The government of Bogotá, Colombia, awarded the Pharmayect facility the **“Environmental Excellence” seal for its environmental management** marking the second consecutive year of recognition.

- The certification process highlighted the following strengths of the facility:
 - » **Effectiveness** in monitoring and controlling actions, enabling the company to minimize its environmental impacts.
 - » **Excellence** on the management of Eurekaps, our innovation program that actively engages employees to raise environmental awareness and improve the management system, and
 - » **The ability** of the environmental management system and the quality management system **to work together in an integrated manner** enables them to oversee and manage requirements simultaneously. This collaboration enhances the effectiveness and performance of both systems.

In 2022, in addition to the certification, **we reached the Elite Category**, representing the highest recognition level awarded by this assessment system.

Funtrition facility



For the first time, the government of Bogotá, Colombia, has honored the Funtrition facility with the **“Environmental Excellence” seal for its strong environmental management practices.** This achievement marks a significant evolution from the “acercar” certification seal obtained in 2021, underscoring our continuous improvement in management capabilities.

- The certification process highlighted the following strengths of the facility:
 - » **Our talented workforce**, represented by the environmental management team, possesses and continuously develops the skills required for these processes.
 - » **The company’s innovation management system** enables us to implement activities and campaigns to increase employees’ awareness of sustainable development.
 - » **The integration between the environmental management and the quality systems**, allowing for the control of shared requirements, thus enhancing the efficiency of both systems.

Simplifying Treatments through Innovation for Patient Well-being and Environmental Sustainability: Unigel™ Case

This groundbreaking technology, developed and patented by Procaps Group, is engineered to merge multiple API formulations within a single Softgel capsule. It has various advantages, including different release modes, improved bioavailability, cost savings in manufacturing (compared to producing separate doses), and elevated patient adherence to various therapies. Moreover, this technology provides environmental benefits by enabling the delivery of multiple compounds in a single package. Unigel™ represents an evolution from redesigning independent packages to consolidating treatments into one.

Environmental Impact:

According to our estimate, based on a comparative analysis with individual dosage consumption, by using our Unigel™ products, patients have avoided the production and disposal of 27.5 million blister packs in 2022 alone, significantly reducing plastic demand. Furthermore, Unigel™ has broader environmental benefits across the supply chain. It reduces the demand for other packaging materials like cardboard, paper, and aluminum foil. Additionally, it optimizes storage and distribution, resulting in reduced greenhouse gas emissions and lower fuel and energy consumption.

Flexibility and Accessibility:

Unigel™ packaging is suitable for a wide range of oral products, particularly benefiting patients with chronic diseases who require daily dosages of multiple compounds. It simplifies treatments, enhances adherence, and reduces waste.

Affordability:

Unigel™ is a cost-effective technology, offered at competitive prices. This allows producers to provide more affordable health solutions compared to separate-dose treatments, benefiting both companies and consumers.

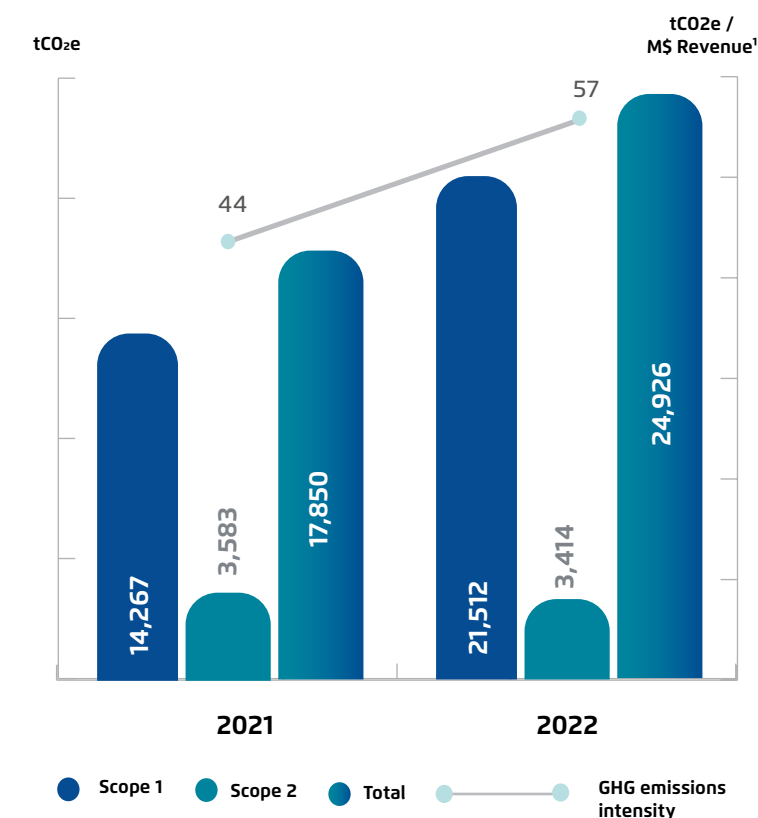


Greenhouse gas (GHG) emissions

In 2022, we began the journey towards the development of our Greenhouse Gas (GHG) Emissions Reduction strategy, using the following established objectives as our guide.

- Calculate our baseline** carbon footprint and benchmark it against similar businesses.
- Identify opportunities for mitigating** greenhouse gas (GHG) emissions.
- Developing a plan** that combines mitigation and offsetting activities to reach carbon neutrality by a determined date.

The calculated emissions values are displayed below:



In 2021, we initiated this process by calculating the carbon footprint of the Procaps Barranquilla facility in Colombia, which has the highest production volume of each of our facilities. The results of this effort were published in our 2021 ESG Report. In 2022, we successfully extended this initiative to encompass all our operational plants.

Our greenhouse gas (GHG) emissions inventory for 2021 and 2022 covers activities and emission sources for scopes 1 and 2 at all our facilities. It is worth noting that the scope changed from 2021 to 2022, with the inclusion of emissions measurements for our newly operational Sofgen facility, which accounted for 16% of the year-over-year emissions increase.

1. For the calculation of GHG emissions intensity, we used the revenue for 2022 with a constant exchange rate.



302-1, 305-1, 305-2

Based on our progress to date, we have identified opportunities for mitigating GHG emissions. We have categorized these opportunities by scope, with the actions within each scope outlined below.

Scope 1:

- Replacement of refrigerant gases with less polluting, alternative gases
- Reduce the energy demand from combustion sources within our operations.

Scope 2:

- Promotion of energy consumption efficiency initiatives
- Development of renewable energy consumption projects such as solar panels

We continue to make progress in identifying opportunities and implementing actions that will assist us in defining our greenhouse gas emissions reduction strategy. These efforts reaffirm our commitment to creating a positive impact and fostering sustainable change for a better future.

We expect to complete the assessment including Scope 3 measurements by the end of 2023. The comprehensive measurement of our carbon footprint across our facilities will provide us with a thorough understanding of our current carbon impact throughout our business, ultimately enabling us to establish a corporate baseline, a key step in developing our plan to reduce our GHG emissions inventory.

Energy Efficiency

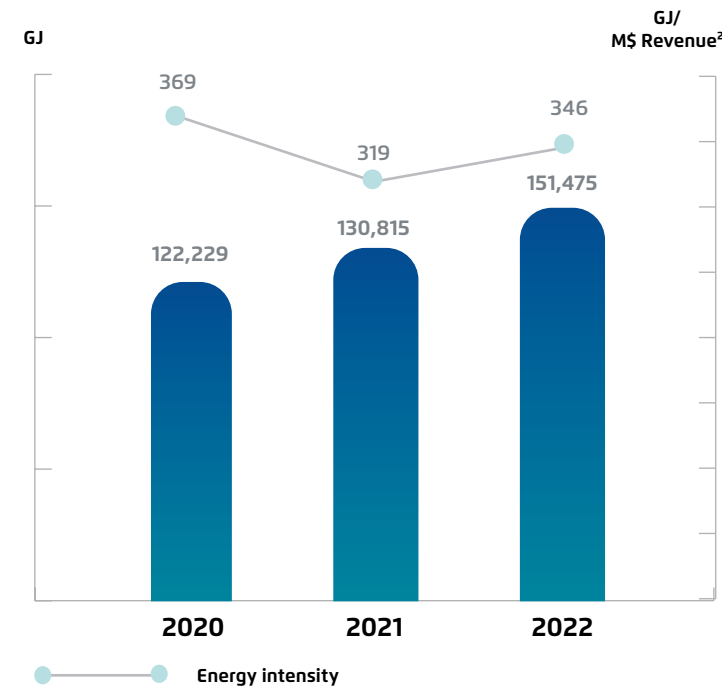
Improving the energy efficiency of our manufacturing facilities is fundamental to our sustainability objectives aimed at minimizing our environmental footprint and maximizing our resource utilization, and ultimately contributing to our pursuit of operational excellence.

In 2022, our total energy consumption, encompassing the energy usage of the newly operational Sofgen facility in West Palm Beach which represented 5% of the overall consumption, reached 151,475 gigajoules (GJ). This marked a 16% increase compared to our energy consumption in 2021, triggered in a 37% by our inorganic growth. The increase in production levels across all our manufacturing facilities, driven by our response to growing market demands and our product expansion efforts, led to this rise in energy consumption.

While this increase in energy consumption reflects our commitment to growth and innovation, we are equally committed to implementing strategies for improved energy efficiency and sustainable practices to mitigate our environmental impact.



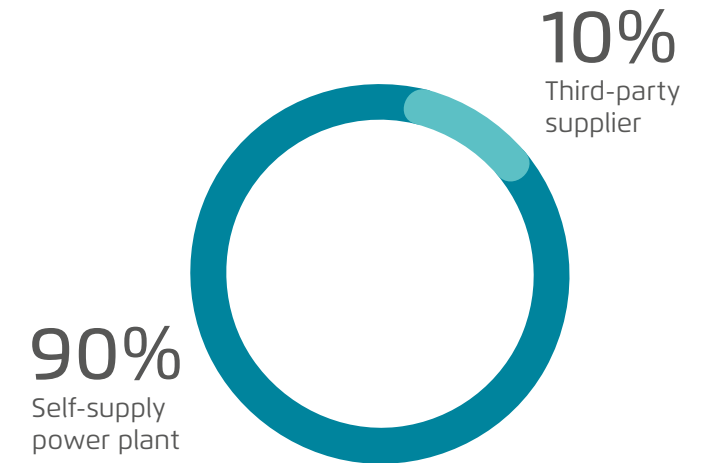
Energy Consumption (GJ)



The energy intensity experienced an 8% growth. Notably, the Procaps Barranquilla facility demonstrated remarkable performance, achieving a 7% reduction in energy intensity in 2022 following a 1.3% decrease in 2021.

302-1, 302-3, 302-4

At the end of 2022, our self-generating power plant at the Procaps Barranquilla facility provided 90% of the energy consumed in this facility. This power source offers significant operational advantages, such as a more stable and continuous power supply. In our ongoing efforts to enhance self-generation benefits, we started exploring alternatives, like cogeneration systems, to reduce greenhouse gas emissions from gas combustion.



2. For the calculation of energy intensity, we used the revenue for 2022 with a constant exchange rate.

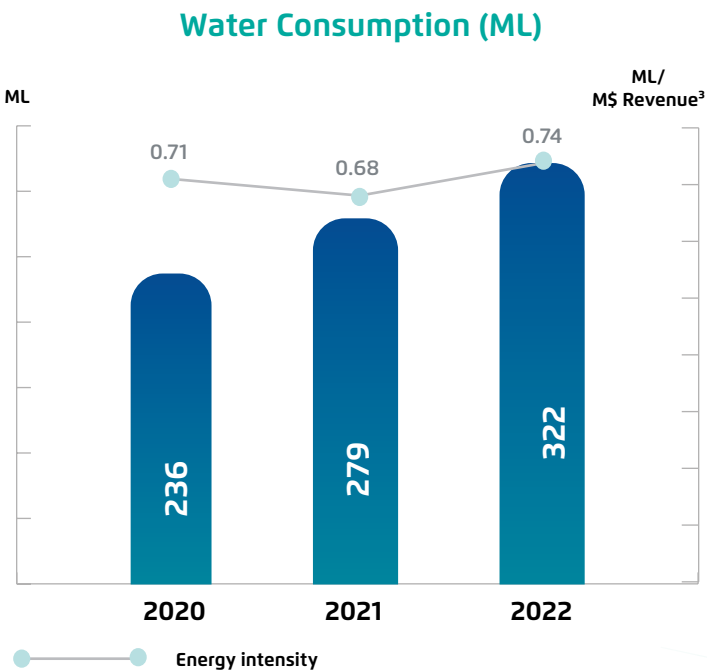
303-4, 303-5

Responsible Water Management

The pharmaceutical industry relies on water for its operations. We recognize the importance of responsible water management, which can significantly impact local ecosystems and communities. We are committed to responsibly managing the water we use to manufacture our innovative healthcare solutions.

Our total volume of water consumption in 2022 was 322 ML. This usage is directly linked to production levels, and as a result of the increase in production in 2022, water consumption also increased. In addition to the production surge, both our overall water consumption and intensity were affected by the adjustments made in our production lines to meet the demand of various regions. For instance, in 2022, our manufacturing facility, Procaps S.A. de C.V., located in El Salvador, significantly increased liquid production, leading to a noticeable rise in both water consumption and intensity.

The water intensity grew by 8%. Our Procaps Barranquilla facility in Colombia, which has the highest production volume among our facilities, maintained a variation of less than 1%, thus operating within efficient water usage margins.



3. For the calculation of water intensity, we used the revenue for 2022 with a constant exchange rate.

Water discharge and treatment

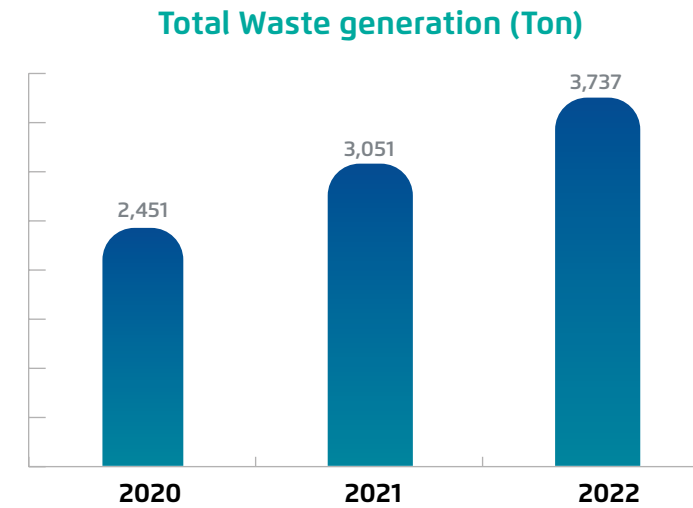
The water discharged from all the manufacturing facilities complies with the applicable regulations of each location. Procaps Group does not directly discharge water bodies; in most cases, our facilities discharge into public sewage systems.

At the Procaps Barranquilla and Funtrition facilities, we perform treatment processes to meet the quality levels required for wastewater to be discharged into public sewage systems. In the case of RymcoMedical, in 2021, we partially managed the water treatment and also relied on a third-party secure deposit as a preventive measure due to certain components that require additional protection. However, in 2022, we shifted to using a third-party service for the entire water treatment process. The total amount of water treated by Procaps Group in 2022 increased by 19%.

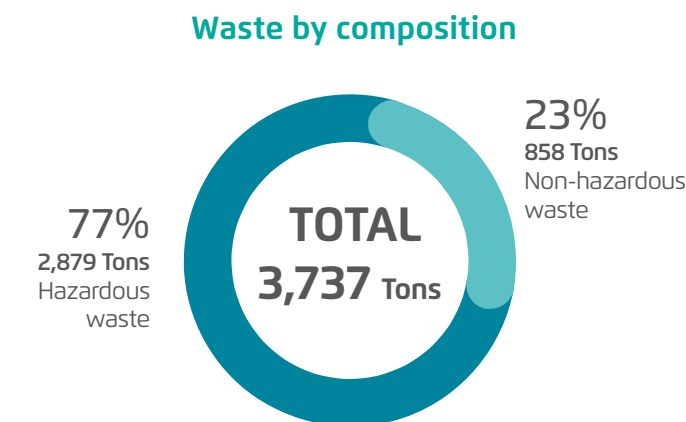


Sustainable Waste Management

Our total waste generation in 2022 was 3,737 tons, a 22% increase compared to 2021. This increase can be attributed to higher production levels, infrastructure investments aimed at expanding production capabilities, adjustments made at some manufacturing facilities, and the return of work teams to the sites after the pandemic.



Of all the generated waste in the year, 2,879 tons (77%) were categorized as non-hazardous, while 858 tons (23%) were hazardous waste. The volume of both types of waste increased at the same rate, compared to 2021.

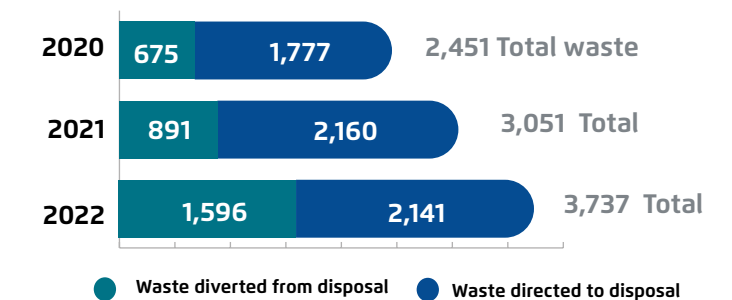


Increasing waste diversion

As part of our commitment to minimize the impact of generated waste, we have taken steps to divert more waste from disposal. We continued to explore alternatives, primarily focusing on recycling, to achieve this objective. Through initiatives such as reprocessing and utilizing waste as input for third-party manufacturing, we successfully diverted 1,595 tons of waste, equivalent to nearly 43% of the total waste, from being sent for disposal.



While the amount of waste generated grew by 22%, with 7% attributed to the inclusion of Sofgen, the quantity diverted from disposal increased 3.6 times compared to the total waste generated.



Optimizing Waste Management through Plastic Cap Collection for Recycling: Tapas para Sanar Program

In 2022, our waste management efforts included the collection of plastic caps for recycling. Through these efforts, we actively support the "Tapas para Sanar" program, an initiative by the Sanar Foundation, a non-profit organization with 38 years of work in Colombia, providing comprehensive assistance to children and adolescents affected by cancer, and their families.

The Initiative:

We engage in cap collection activities with our employees and neighboring communities in Colombia, who have enthusiastically joined the cap collection efforts. The gathered caps are then delivered to the Sanar Foundation, which, through repurposing this plastic in the manufacturing of various plastic components, raises funds to support the development of their programs.

Results:

+ 150 kilograms of plastic caps
were successfully gathered from various collection points.

Our commitment to responsible waste management not only benefits the environment but also contributes to the well-being of humanity. These efforts are in alignment with our dedication to environmental sustainability and corporate social responsibility.



CORPORATE GOVERNANCE

OUR STRUCTURE

- Board of Directors and Composition of Committees
- Senior Leadership

COMPLIANCE AND ETHICAL BUSINESS CULTURE

RESPONSIBLE SUPPLY CHAIN

RISK MANAGEMENT

CORPORATE GOVERNANCE: FUNDAMENTALS

3-3

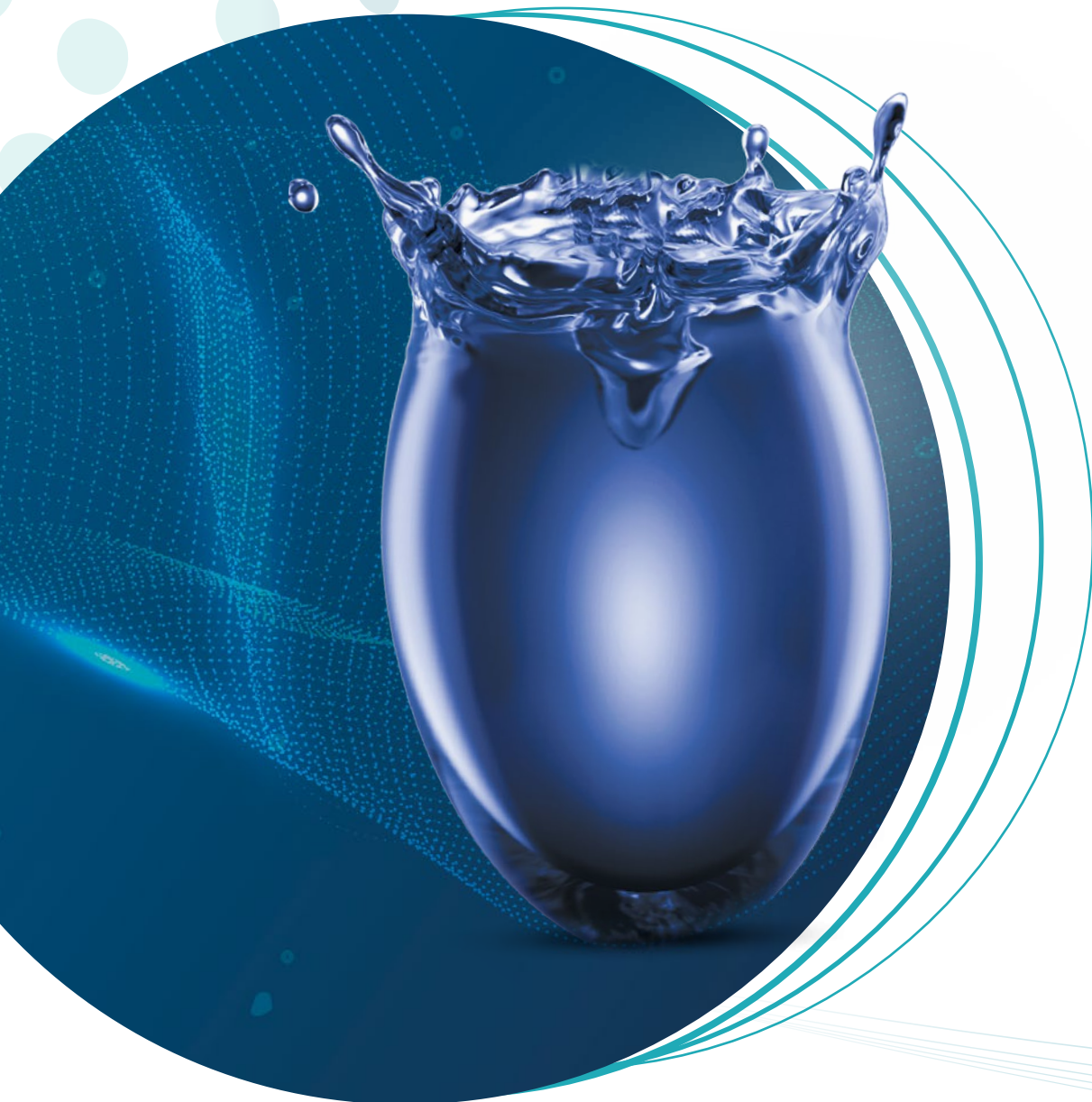
At Procaps Group, we view strong governance as the bedrock of successful strategy execution. Our governance framework is designed to uphold transparency, accountability, and ethical conduct, guided by our core values, policies, and best practices. Through a robust organizational structure and a corporate culture of ethics and compliance, we maintain integrity across every aspect of our operations. This approach allows us to establish and nurture credible, trustworthy relationships with our various stakeholders.



Our corporate governance practices are governed by the Luxembourg Companies Law and our Articles of Association. As a foreign private issuer listed on the Nasdaq Global Market, the Company is permitted to follow certain Luxembourg corporate governance practices in lieu of certain Nasdaq listing rules (i.e., the “Nasdaq Listing Rules”).

The Company complies with the corporate governance requirements of the Nasdaq Listing Rules, except that it intends to follow Luxembourg practice with respect to quorum requirements for shareholder meetings in lieu of the requirement under Nasdaq Listing Rules that the quorum be not less than 33% of the outstanding voting shares. Under the Company’s articles of association, at an ordinary general meeting, there is no quorum requirement and resolutions are adopted by a simple majority of validly cast votes. In addition, for any resolutions to be considered at an extraordinary general meeting of shareholders, the quorum shall be at least one-half of our issued share capital unless otherwise mandatorily required by law.

Governance Structure



2-9, 2-11, 2-17

Our corporate governance structure comprises the Board of Directors, its Committees, and the Senior Leadership.

Board of Directors and Composition of Committees

Board of Directors

Our Board of Directors consists of seven directors, including five independent directors who meet the criteria required by the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and the NASDAQ applicable standards.

The Board members are appointed for two years and may be reelected. Decisions of the Board of Directors are adopted by a majority vote of the Directors present or represented at Board meetings.

As of December 31, 2022, our Board of Directors was composed of Ruben Minski Gontovnik (Chairman), Jose Minski Gontovnik (Director), Alejandro Weinstein Manieu (Director), Daniel W. Fink (Independent Director), Kyle P. Bransfield (Independent Director), Luis Fernando Castro Vergara (Independent Director), and David Yanovich Wancier (Independent Director).

Throughout 2023, our Board of Directors composition has changed. Mr. Alejandro Weinstein Manieu resigned from the Board of Directors, as well as from his role as a member and Chairman of the M&A Committee. Additionally, Mr. Daniel W. Fink resigned from the Board of Directors and his position as a member of the Audit Committee.

The Board appointed Alberto Eguiguren Correa as a Director, having determined that Mr. Eguiguren met the definition of an “independent director” as per the applicable Nasdaq Stock Market rules. Furthermore, the Board appointed existing directors, Jose Minski Gontovnik and Kyle P. Bransfield, as Chair of the M&A Committee, and as a member of the Audit Committee, respectively.

On October 23, 2023, our Board of Directors appointed Sandra Sánchez y Oldenhage as a Director having determined that Mrs. Sánchez met the definition of an “independent director” as per the applicable Nasdaq Stock Market rules. This appointment is effective immediately and will remain in effect until the annual general meeting of shareholders for the fiscal year ending on December 31, 2023.

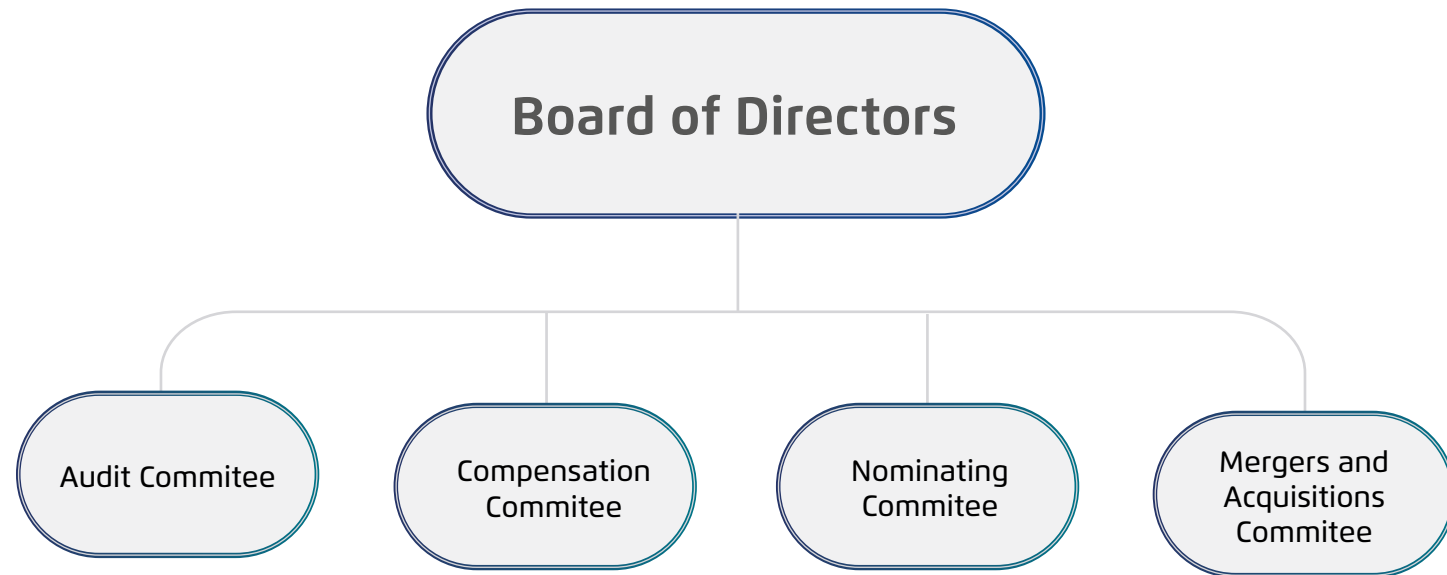
The current composition of the Board of Directors is as follows:

Name	Age	Position
Ruben Minski Gontovnik	71	Chairman
Jose Minski Gontovnik	64	Director
Sandra Sánchez y Oldenhage	53	Independent Director
Alberto Eguiguren Correa	58	Independent Director
Luis Fernando Castro Vergara	56	Independent Director
Kyle P. Bransfield	38	Independent Director
David Yanovich Wancier	52	Independent Director



To learn about our Directors background, please [click here](#)

2-12



Board Committees

We have established four committees under the Board of Directors: Audit Committee, Compensation Committee, Nominating Committee, and Mergers and Acquisitions (M&A) Committee.

The primary role of each committee is to advise the Board of Directors in accordance with its specific responsibilities. In instances where votes result in a tie within the committees, the recommendations are presented to the Board of Directors for further discussion.

Audit Committee

The Audit Committee’s purpose is to assist the Board in fulfilling its oversight responsibilities.

Our audit committee is responsible for, among other things, the following:

- Appointing, compensating, retaining, evaluating, terminating, and overseeing our independent registered public accounting firm.
- Discussing with our independent registered public accounting firm their independence from Senior Leadership.
- Reviewing the scope and results of our independent registered public accounting firm’s audit.
- Approving all services to be performed by our independent registered public accounting firm.
- Overseeing the financial reporting process and discussing with Senior Leadership and our independent registered public accounting firm the annual financial statements filed with the SEC.
- Overseeing our financial and accounting controls and compliance with legal and regulatory requirements.
- Reviewing our policies on risk assessment and risk management.
- Reviewing related party transactions.
- Establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls, or auditing matters.

2-19, 2-20

The Audit Committee is currently composed of David Yanovich Wancier (Chairman), Kyle P. Bransfield, and Luis Fernando Castro Vergara. Each member qualifies as an independent director according to the rules and regulations of the SEC and Nasdaq with respect to Audit Committee membership. In addition, all Audit Committee members meet the requirements for financial literacy under the applicable SEC and Nasdaq rules. Mr. David Yanovich Wancier is the “audit committee financial expert,” as defined in Item 407(d) of Regulation S-K.

Name	Position
David Yanovich Wancier	Chairman
Kyle P. Bransfield	Independent Director
Luis Fernando Castro Vergara	Independent Director

Compensation Committee

The Compensation Committee’s responsibilities include, but are not limited to, the following:

- Evaluating and approving the criteria to be considered when determining the compensation (either independently or, if directed by our Board of Directors, in conjunction with a majority of the independent members of our Board of Directors) of our Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer, and assessing the performance of our executive officers considering the approved criteria (subject to ratification by our Board of Directors).
- Reviewing, recommending, and approving (subject to ratification by our Board of Directors) the executive officers’ compensation arrangements (including salaries and bonuses), plans, policies, and programs maintained by Procaps Group.
- Evaluating, recommending, and reviewing any equity incentive awards issued to any executive officers and directors that may be made under any equity-based compensation plan adopted by our Board of Directors.
- Discussing with the CEO and other executive officers, any incentive compensation programs that will be in effect for the executive officers during the fiscal year, including the criteria for evaluating their performance.

The Compensation Committee consists of Luis Fernando Castro Vergara (Chairman) and David Yanovich Wancier. Each member qualifies as an independent director according to the rules and regulations of the SEC and Nasdaq with respect to Compensation Committee membership, including the heightened independence standards for members of a Compensation Committee.

Name	Position
Luis Fernando Castro Vergara	Chairman
David Yanovich Wancier	Independent Director

2-10, 2-18

Nominating Committee

The Nominating Committee’s responsibilities include, but are not limited to, the following:

- Assessing the eligibility of potential directors proposed for appointment pursuant to the Nomination Agreement.
- Identifying individuals eligible to serve as members of our Board of Directors, consistent with criteria approved by our Board of Directors.
- Conducting periodic assessments of our Board of Directors’ leadership structure and recommending any proposed changes to our Board of Directors.

Our Nominating Committee consists of Luis Fernando Castro Vergara (Chairman) and David Yanovich Wancier. Each member qualifies as an independent director according to the rules and regulations of the SEC and Nasdaq with respect to Nominating Committee membership.

Name	Position
Luis Fernando Castro Vergara	Chairman
David Yanovich Wancier	Independent Director



2-9, 2-13


Mergers and Acquisitions (M&A) Committee

The Mergers and Acquisitions Committee’s responsibilities include, but are not limited to, the following:

- Reviewing, assessing, and assisting our Senior Leadership and Board of Directors in examining potential acquisitions, strategic investments, and divestitures.
- Providing guidance to our Senior Leadership and Board of Directors regarding our acquisitions, investments, and divestitures strategies.
- Collaborating with our Senior Leadership and Board of Directors to identify opportunities for acquisitions, investments, and divestitures.
- Supervising the due diligence process concerning our potential acquisitions, investments, and divestitures.

The M&A Committee consists of Jose Minski Gontovnik (Chairman), Ruben Minski Gontovnik, and Kyle P. Bransfield.

Name	Position
Jose Minski Gontovnik	Chairman
Ruben Minski Gontovnik	Director
Kyle P. Bransfield	Independent Director

 To learn more about all the committees, please [click here](#).

Senior Leadership

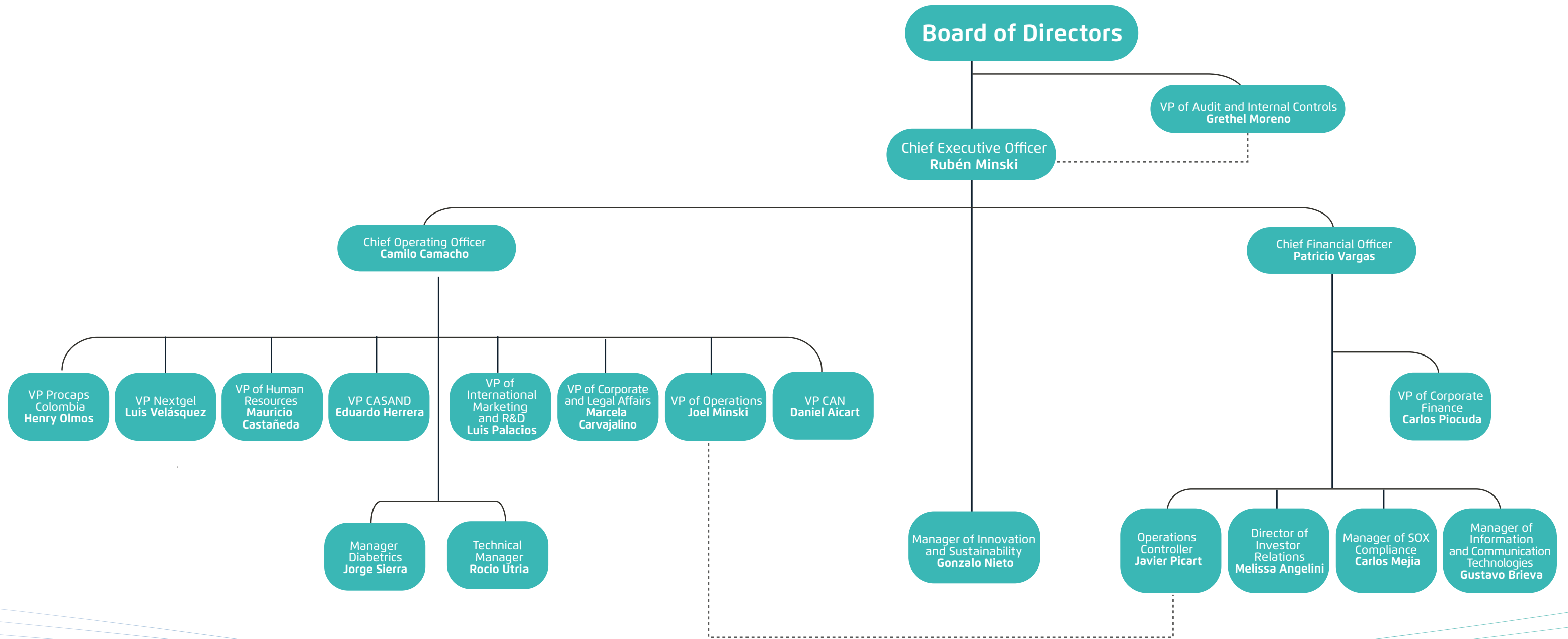
Our Senior Leadership reports to the Board of Directors and oversees our daily operations to ensure our overall strategic objectives are implemented. The names and positions of the Senior Leadership team are shown in the table below.

Name	Position
Ruben Minski Gontovnik	Chief Executive Officer
Camilo Camacho Pérez	Chief Operations Officer
Patricio Vargas Muñoz	Chief Financial Officer
Carlos Pioduda Russo	Vice-President of Corporate Finance
Grethel Moreno Romero	Vice-President of Audit and Internal Controls
Marcela Carvajalino Pagano	Vice-President of Corporate and Legal Affairs
Mauricio Castañeda Caballero	Vice-President of Human Resources
Luis Alberto Palacios Aragon	Vice-President of International Marketing and R&D

Management Structure

In addition to our executive officers and our Senior Leadership team, each of our business segments is managed by a Vice-President that reports directly to the COO. The following management structure scheme details the executive management positions and the names of the position holders.

Our robust corporate governance structure, led by a dedicated Board of Directors, effective committees, a strong leadership team and our committed employees, forms the foundation of our corporate framework and environmental, social, and governance strategy. Strengthened by our ethical business culture, compliance systems, and risk management protocols, this framework reinforces our commitment to ESG issues. As we move forward, we will continue to integrate these principles into our strategic decisions and develop a financially sustainable business that contributes to a better future for the communities we serve.



Compliance and Ethical Business Culture



2-15, 2-23, 2-24, 2-25, 3-3

At Procaps Group, we act fairly, ethically, and responsibly in everything we do, serving the interests of our patients, customers, investors, health professionals, and other stakeholders.

We are committed to fostering a culture of integrity and transparency, guided by our corporate values and policies, that shape the actions of our employees and the entire Company. To safeguard and uphold our commitment to Compliance and Ethical Business Culture, we have established a Code of Ethics and Conduct that adheres to the Universal Charter of Human Rights, the legal and regulatory requirements, and the applicable ethical standards of the markets where we operate.

Code of Ethics and Conduct

Our Code of Ethics and Conduct defines a set of ethical guidelines, used as a general reference framework for all our employees' and stakeholders' actions and relations that covers the following items:

1. Anticorruption Behavior
2. Responsibility and Accountability
3. Protection of Intellectual Property and Confidential Information
4. Protection of Personal Data
5. Truthfulness and Transparency
6. Accuracy and Integrity of Accounting Books, Records and Entries
7. Report of Conflicts of Interests
8. Liaising with Stakeholders and Ethical Behavior
 - 8.1. Liaising with Shareholders
 - 8.2. Liaising with Employees
 - 8.3. Liaising with Patients
 - 8.4. Liaising with Patients' Organizations
 - 8.5. Liaising with Health Professionals
 - 8.6. Interaction with Health System Officials
 - 8.7. Interaction with National Public Officials or Officials with Jurisdiction Abroad
 - 8.8. Liaising with Clients
 - 8.9. Liaising with Distributors, Contractors and Suppliers
 - 8.10. Liaising with the Media and Social Networks
9. Gifts and Gratuities
10. Political Activity
11. Social Activities' Donations
12. Business Practices
13. Healthy Environment

2-16, 2-23, 2-25, 2-26, 205-2

Each employee is required to annually sign the “Commitment to comply with the Code of Ethics”, indicating their understanding and acceptance of the content, scope, and responsibilities outlined in the Procaps Group Code of Ethics. By signing, employees expressly pledge to adhere to and conduct themselves ethically in strict accordance with its provisions.

In this declaration, our employees commit to:

- Avoid any behavior that could potentially violate the principles, values, and integrity guidelines set forth in the Code of Ethics.
- Promptly communicate their concerns or ethical dilemmas through the channels provided by the Corporation.
- Refrain from any form of retaliation against colleagues or third parties for expressing their concerns or reporting any complaints related to possible violations of the Code of Ethics.
- Always cooperate transparently and promptly with investigations conducted by the Audit and Internal Control Vice Presidency.

Additionally, we request that our clients, suppliers, and commercial partners certify that they have received, reviewed, and understood the Code and are committed to complying with it in all their interactions with Procaps Group.

In 2022, we conducted our ethical education and awareness campaign by offering training on the Code of Ethics and Conduct, the Anti-Corruption Policy, and Anti-Money Laundering and Countering the Financing of Terrorism, all within the same program.

3,400+ employees

were informed and trained on our transparency, ethics and conduct policies and procedures.

The Transparency and Business Ethics Program is designed to instill a zero-tolerance policy for corruption, bribery, and unethical conduct in every facet of our corporate culture. This Program covers business ethics and integrity guidelines applicable to all stages of the Company’s commercial and financial interactions with stakeholders.

The Program describes the prohibition of bribery, corruption, and other coercive practices and includes, among others, the following components:

- A detailed framework for the identification and assessment of corruption and bribery risks.
- Policies and procedures for corruption and bribery risk management.
- Warning signs related to the Company’s different stakeholders.
- Functions and responsibilities of the affected processes and positions within the Company.
- Procedures for reporting inquiries, complaints, or concerns.

In addition to our Code of Ethics and Conduct, we also promote an ethical business environment through the following policies:

Whistleblower Policy

The primary objective of the Whistleblower Policy is to establish guidelines and procedures for reporting suspected misconduct or hazards affecting our operations. This policy is designed to encourage our employees and third parties to voice their concerns without fear of retaliation, ensuring that their concerns will be taken seriously and investigated as appropriate and that their confidentiality will be maintained.

Related Party Transactions Policy

The Related Party Transactions Policy formalizes the process by which the Audit Committee of our Board of Directors identifies, reviews, considers and approves transactions involving Procaps Group or its subsidiaries and a “Related Party”. A Related Party is a party whose material interest in a transaction could present an actual or perceived conflict of interest.

Insider Trading Policy


The main objective of this Policy is to prevent people with knowledge of material non-public information (MNPI) about Procaps Group from using that MNPI or informing someone else to use the MNPI to profit from it before it becomes publicly available.

Regulation Fair Disclosure Compliance and External Communications Policy

2-23

This Policy sets forth guidelines for communications by the Company and its employees, officers, directors, and independent contractors with media, members of the investment community (including analysts, institutional and individual shareholders), and other external parties not under a confidentiality obligation. The guidelines also aim to ensure that such communications comply with Regulation Fair Disclosure, relevant securities laws, and stock exchange listing rules. Additionally, the policy specifies authorized spokespersons for the Company and outlines permissible topics for discussions with the Investment Community, the general public, and the media.



 To learn more about our policies, please [click here.](#)

2-26

The Safe Principles and Standards Ethical Line

To ensure adherence to our Code of Ethics and Conduct among our employees, shareholders, clients, suppliers, distributors, and third parties, as well as to prevent, control, and detect irregularities in the workplace, we have established an Ethical Line. Managed by an external specialist in handling reports and complaints, this service offers a range of anonymous reporting channels. These channels serve as mechanisms for seeking advice and enable all parties to raise concerns and report any conduct or situation they deem unethical, potentially posing risks or impacting our operations.

The different communication channels of the Ethical Line are shown in the following graphic:

ETHICAL LINE))) Safe principles and Standards

 ethics.procapsgroup.com

 **Argentina:** 0-800-999-4636
Bolivia: 800100605
Brazil: 0-800-891-4636
Chile: 800-835-133
Colombia: 01-800-752-2222
Costa Rica: 0-800-054-1046
Dominican Republic: 1-888-760-0133
Ecuador: 1-800-000031
El Salvador: 800-6988
Guatemala: 1-800-835-0393
Honduras: 800-2791-9047
Mexico: 01-800-1233312
Nicaragua: 001-800-2260469
Panama: 011- 00800-052-1375
Paraguay: 009-800-521-0056
Peru: 0-800-00932
Puerto Rico: 1-855-7619289
Spain: 900-975-278
Uruguay: 000-4052-10128
United States: 1-800-921-2240



We uphold the highest standards in compliance and ethical business conduct, supported by a robust governance system that oversees our policies, programs, training, reporting channels, and other matters related to ethics and conduct and resolve ethics-related conflicts across all areas of the Company.

Ethics and Conduct Committee

The Procaps Group Ethics and Conduct Committee is composed of the Vice-Presidents of Corporate and Legal Affairs, Human Resources, Audit and Internal Controls, and the Legal Compliance Corporate Director.

The Ethics and Conduct Committee's responsibilities include, but are not limited to, the following:

- Monitoring the application of the standards outlined in the Code of Ethics and Conduct.
- Establishing the necessary actions for promoting awareness about and implementing the Code of Ethics and Conduct.
- Compiling comprehensive data regarding the application of the Code of Ethics and Conduct across all countries where the Corporation operates.
- Submitting an annual report to Senior Leadership that assesses the level of compliance with the Code of Ethics and Conduct, evaluates whether its objectives have been achieved, and provides recommendations for enhancing the Corporation's ethical standards and corporate culture.
- Receiving and handling information regarding complaints, whether submitted directly or through the Ethical Line, with a commitment to maintaining the confidentiality of each complainant's identity.



To learn more about our Code of Ethics and Conduct, please [click here](#).

Responsible supply chain



We aim to cultivate relationships with our suppliers by adhering to our core values and sustainability commitments throughout various stages of our business interactions. This includes initial due diligence, specific procedures for assessing ESG management impacts, ongoing monitoring strategies within the company, and active engagement with our stakeholders.

In accordance with our Transparency and Business Ethics Program, the approval of any potential supplier is contingent upon a preceding due diligence process. We have developed a standardized procedure outlining the guidelines for conducting due diligence, with provisions for special cases requiring a higher level of scrutiny.

we executed a rigorous due diligence and evaluation process for new added suppliers in 2022.

Due diligence is not only a one-time assessment limited to the initial evaluation of a counterpart. Rather, our suppliers are subject to ongoing evaluations based on criteria outlined in our Program, driven by identified risks.

For suppliers that successfully pass the due diligence process, we implement procurement procedures guided by our internal normative framework for third-party contracts. As per our procedures, all procurement processes with the potential for environmental impact must include a risk matrix analysis. This matrix serves as a tool to assess the feasibility of the operation based on an environmental risk analysis approach. If approved, the contract must include a comprehensive definition of duties and responsibilities. In addition to setting transaction rules, these measures are designed to mitigate any impact on the involved and third parties.

Our procurement standards establish mechanisms to extend our social and governance commitments to our suppliers. These provisions mandate that all our purchase orders include, as a contractual obligation, compliance with our Code of Ethics and Conduct. Consequently, all our suppliers must adhere to our principles, which prohibit any form of child labor, forced labor, or discrimination, among other behaviors contrary to the Universal Charter of Human Rights. Additionally, our internal procurement rules outline specific procedures, controls, and clauses when relations involve data privacy and personal data elements. For activities associated with occupational health and safety potential impacts, our teams implement special processes, ranging from contractor audits to providing tailored training based on a case-by-case analysis.

We conduct an annual training program to enhance the skills of our employees in key roles in supply chain management and procurement, incorporating internal rules and standards aimed to mitigate environmental and social impacts.

Risk Management



2-23, 3-3, 418-1

The Procaps Group risk management process is overseen by the Board of Directors, with a focus on three key areas: the overall risk management strategy, identifying the most significant risks confronting the Corporation, and the execution of risk mitigation strategies by Senior Leadership.

Additionally, the Audit Committee of our Board of Directors is responsible for undertaking discussions on risk assessment and risk management policies.

We strive to comply with both legal and environmental legislation while actively monitoring and responding to economic and social concerns. We exercise constant oversight on the labeling of our products and services to ensure customers receive accurate and transparent information regarding origin, ingredients, safety instructions, disposal procedures, and potential social and environmental impacts.

Protection of Personal Data

We are committed to safeguarding the personal data of our stakeholders, including shareholders, Board members, employees, clients, suppliers, distributors, and other partners, in accordance with current legal regulations. We are subject to numerous laws and regulations designed to protect personal data, and as such, we have implemented mechanisms to ensure compliance with these regulations. Our Corporate Privacy Policy outlines the purposes for collecting and storing data about individuals in the Corporation's database and establishes their right to know, update, and rectify their information. Additionally, we offer a direct communication channel for inquiries related to data protection: dataprotection@procapsgroup.com.

we received zero substantiated complaints concerning breaches of **customer privacy** and losses of **customer data** in 2022.

ABOUT THIS REPORT

REPORTING PROCESS

STAKEHOLDERS & MATERIALITY ASSESSMENT

GRI AND SASB CONTENT INDEX



Reporting Process

This annual ESG Report offers a thorough overview of our significant achievements and objectives in Environmental, Social and Governance matters throughout 2022.

The information herein provided corresponds to the period comprising January 1, 2022 through December 31, 2022, covering the most significant issues assessed by our stakeholders in the materiality assessment. We have taken into consideration the GRI Standards reporting principles - accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability – that are fundamental to achieving high-quality sustainability reporting. Under the GRI requirements, we updated the contents GRI 1: Foundation 2021, GRI 2: General Disclosures 2021 and GRI 3: Material Topics 2021.

This report has been prepared with reference to the GRI Standards, the Nasdaq ESG Metrics and using the Sustainability Accounting Standards Board (SASB) standards to identify material topics. We specifically chose standards closely aligned with both our material topics and our industry, based on the Sustainable Industry Classification System (SICS).

Procaps Group operates within the healthcare sector. Therefore, the industry selected for this Sustainability Report was SASB Healthcare: Biotechnology & Pharmaceuticals (HC-BP), as indicated in the SASB Content Index.

Our ESG report is not subject to any external verification. All information published is collected through transparent processes to ensure the quality of the information and undergoes internal audits. The final version of the report is reviewed and approved by the CEO, who also serves as the Chairman of the Board of Directors, along with members of the Senior Leadership team, addressing each topic and section.

The contents of this report were determined based on the materiality assessment detailed below.

For questions or feedback, contact

ir@procapsgroup.com



Stakeholders & Materiality Assessment



In 2022, we performed a materiality assessment, based on our 2021 results to identify key aspects crucial for ensuring the sustainability of our business in the future. This analysis followed the Global Reporting Initiative (GRI) guidelines and considered sector-specific frameworks, industry context, and our strategic business definitions.

Annually, we evaluate the relevance of our sustainability strategy and material issues by engaging in ongoing dialogue with our stakeholders. This process includes a thorough examination of the sector's context and emerging ESG aspects. Following this evaluation, we determined that the topics identified in our 2021 materiality assessment remain top priorities in 2022. Consequently, we have opted to maintain the same material issues, covering economic, social, ethical, and environmental aspects.

The 14 material issues with potential impacts on the sustainability of the Company and its stakeholders identified by our materiality assessment were as follows:

- 1. Product safety, efficacy, and quality:** Ensure comprehensive management of the production process according to the highest standards, certifications and guarantees of safety and quality.
- 2. Innovative R&D portfolio:** Invest in R&D initiatives and projects that strengthen our portfolio, with an emphasis on unmet needs or markets with difficult access to medicines.
- 3. Availability and affordability of differentiated solutions:** Implement R&D, operation, and marketing strategies that contribute to the availability and timely access to quality and cost-effective medicines, thus contributing to the health and well-being of communities.

4. Ethical business culture: Operate under a scheme of ethical principles and corporate values, transparency, and responsibility to stakeholders.

5. Human talent, diversity, equality and inclusion: Manage and cultivate human talent as a key resource for achieving organizational objectives, based on strategies for well-being, diversity culture, training and health, contributing to personal and professional development for all our team members.

6. Financial sustainability: Implement comprehensive management of the production process in accordance with the highest standards, certifications, and safety and quality guarantees, together with financial discipline to achieve long-term economic results for the business.

7. Corporate governance and risk management: Leverage governance structures in compliance with good governance standards that guarantee strategic relations with stakeholders and the development of a responsible and sustainable business.

8. Sustainable and resilient supply chain: Coordinate and strengthen the supply chain in accordance with the Company's values and commitments. Manage risk and opportunity from different stakeholders, aligned with our sustainable model.

2-29

9. Employee health, safety and well-being: Develop activities based on a self-care culture, focused on the prevention and mitigation of risks related to accidents, illnesses and fatalities of employees and contractors.

10. Commitment to communities for social value generation: Create social value through our commitment to the development of sustainable initiatives that favor the health, entrepreneurship, and productivity of different communities.

11. Environmental impact of products: Understand and manage the environmental impacts and risks of the life cycle of medicines.

12. Energy, waste, and water management: Implement strategies aimed at saving and properly using water resources through processes that control, monitor and manage consumption and discharges. Manage and dispose of waste in line with the extended responsibility of the producer, the regulation of containers, and packaging and circular economy opportunities.

13. Awareness and health education: Strengthen our commitment to disclosure, awareness, and health education that align with the medicines and related diseases portfolio.

14. Cybersecurity and data privacy: Implement company strategy to prevent IT system failures and major information security/cybersecurity incidents. Ensure cybersecurity as well as personal data and company information protection to facilitate operations and reduce costs and reputational risks.

We engaged with key stakeholders to prioritize these material topics through:

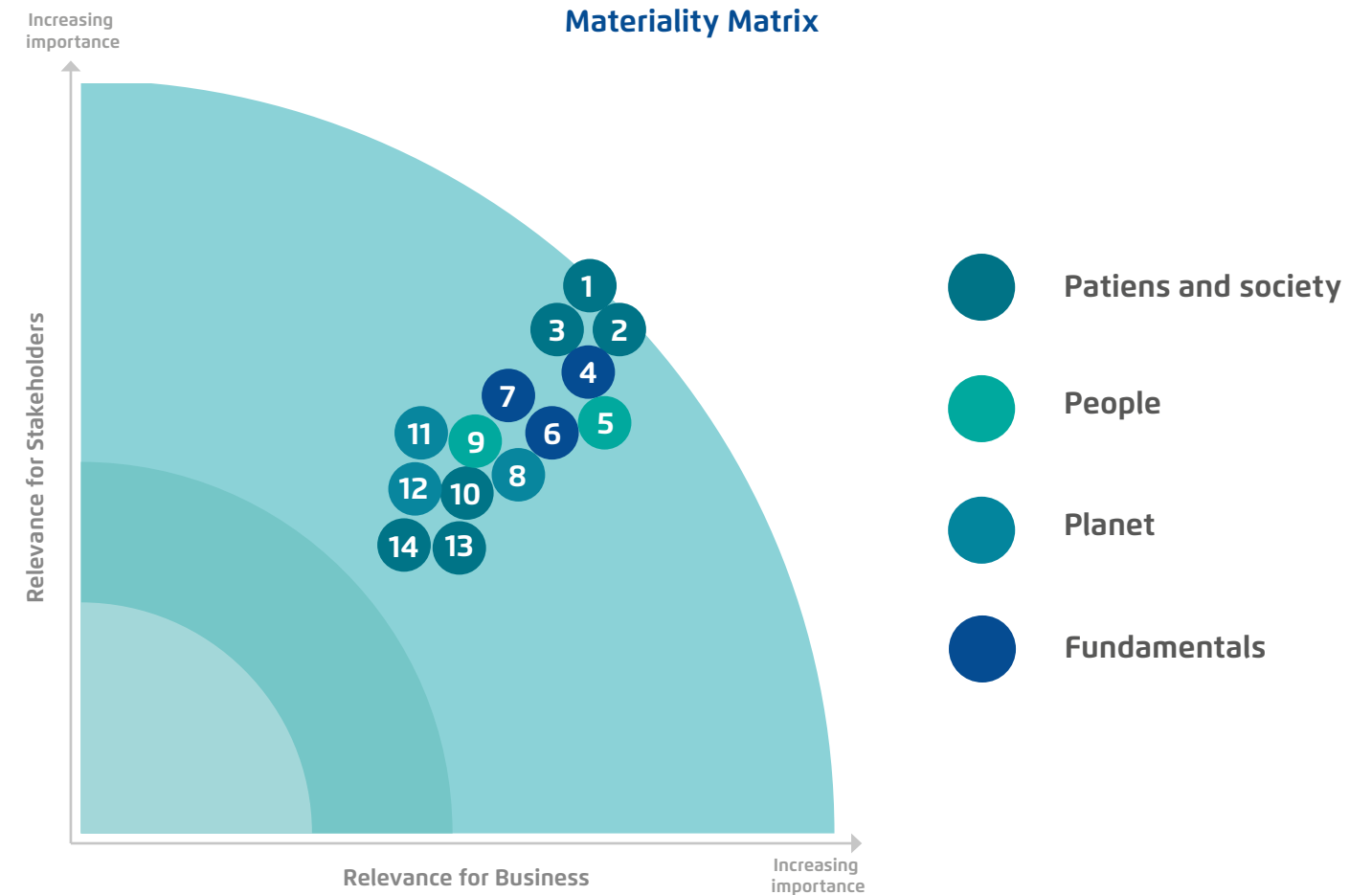
852 surveys **10** interviews **6** workshops

We collected feedback from 876 individuals representing:



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Participants assessed the topics based on strategic objectives and business risks. Following internal validations and cross-referencing with the corporate strategy, the resulting materiality matrix was established:



Issues

1. Product safety, efficacy, and quality
2. Innovative R&D portfolio
3. Availability and affordability of differentiated solutions
4. Ethical business culture
5. Human talent, diversity, equality and inclusion
6. Financial sustainability
7. Corporate governance and risk management
8. Sustainable and resilient supply chain
9. Employee health, safety and well-being
10. Commitment to communities for social value generation
11. Environmental impact of products
12. Energy, waste, and water management
13. Awareness and health education
14. Cybersecurity and data privacy

We categorized the material topics identified through our analysis into four pillars: patients and society, people, planet, and fundamentals. These pillars outline specific priorities aiming to ensure an effective governance structure, define a strategic path, and implement a monitoring scheme that incorporates long-term ESG KPIs.

Sustainability Accounting Standards Board (SASB) Content Index

Biotechnology & Pharmaceuticals

Code	Accounting Metric	Page/Direct Response
Safety of Clinical Trial Participants		
HC-BP-210a.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	p. 53.
Access to Medicines		
HC-BP-240a.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	p. 54
Drug Safety		
HC-BP-250a.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	We have no reported cases related to quality issues. In 2022, the FDA did not issue any alerts on products manufactured by the Corporation. No fatalities associated with adverse effects, market and/or product recalls, or GMP non-compliances have been reported.
HC-BP-250a.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	
HC-BP-250a.3	Number of recalls issued, total units recalled	
HC-BP-250a.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	
Counterfeit Drugs		
HC-BP-260a.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	p. 52.

Code	Accounting Metric	Page/Direct Response
Employee Recruitment, Development & Retention		
HC-BP-330a.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	p. 71, 74, 75
		In accordance with our Code of Ethics and Conduct, all interactions with Healthcare Professionals (such as physicians and nurses) adhere to principles of independence, autonomy, and respect for professional practice. To ensure compliance with these ethical standards, the following dispositions are outlined:
		1. No payments, whether monetary or in kind, are permitted in support of healthcare professionals involved in the development of medical visits or promotional activities. Compensation for such activities is strictly prohibited.
HC-BP-510a.2	Description of code of ethics governing interactions with health care professionals	2. Events organized or sponsored by the Corporation for healthcare professionals must focus on providing scientific and educational information regarding medical and scientific advancements, therapies, and health technologies. These events should not be utilized to influence decisions related to prescribing medicines, their purchase, recommendation, dispensing, or their potential inclusion or exclusion in technical guides, protocols, and/or benefit plans within the health system of each respective country. For further information please click here

Global Reporting Initiative (GRI) Content Index

Procaps Group has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.

GRI Standard	Disclosure	Location	SDGs
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
1. The organization and its reporting practices			
2-1	Organizational details	Procaps Group S.A. p. 11	
2-2	Entities included in the organization's sustainability reporting	p. 16-19	
2-3	Reporting period, frequency and contact point	p. 117	
2-4	Restatements of information	No updates have been made for information from earlier reporting periods. p. 117	
2-5	External assurance	p.117	
2. Activities and workers			
2-6	Activities, value chain and other business relationships	p. 11-13	
2-7	Employees	p. 69-70	
2-8	Workers who are not employees	p. 69-70	
3. Governance			
2-9	Governance structure and composition	p. 97-103	
2-10	Nomination and selection of the highest governance body	p. 100	

GRI Standard	Disclosure	Location	SDGs
2-11	Chair of the highest governance body	p. 97	
2-12	Role of the highest governance body in overseeing the management of impacts	p. 98	
2-13	Delegation of responsibility for managing impacts	p. 101	
2-14	Role of the highest governance body in sustainability reporting	p. 4-7	
2-15	Conflicts of interest	p. 105	
2-16	Communication of critical concerns	p. 106	
2-17	Collective knowledge of the highest governance body	p. 97	
2-18	Evaluation of the performance of the highest governance body	p. 100	
2-19	Remuneration policies	p. 99	
2-20	Process to determine remuneration	p. 99	
2-21	Annual total compensation ratio	Omission due to confidentiality constraints	
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	p. 25	
2-23	Policy commitments	p. 52, 65, 76, 105 -107, 111, 113	
2-24	Embedding policy commitments	p 102, 103, 105, 111	

GRI Standard	Disclosure	Location	SDGs
2-25	Processes to remediate negative impacts	p. 105, 106	
2-26	Mechanisms for seeking advice and raising concerns	p. 106, 108	
2-27	Compliance with laws and regulations	p. 95	
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	p. 51, 119-121	
2-30	Collective bargaining agreements	Employees in our Rymco (2 employees), Funtrition (4 employees), and Softgel (39 employees) manufacturing facilities are currently represented by industry labor union organizations.	
GRI 3: Material Topics 2021			
2. Disclosures on material topics			
3-1	Process to determine material topics	p. 119-121	
3-2	List of material topics	p. 119-121	
3-3	Management of material topics	p. 119-121	

GRI Standard	Disclosure	Location	SDGs
GRI Topic Standards			
Product safety, efficacy, and quality			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 51-53	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
416-1	Assessment of the health and safety impacts of product and service categories	p. 51	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 52	
Innovative R&D portfolio			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 47-50	
Availability and affordability of differentiated solutions			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 54, 55, 59	

GRI Standard	Disclosure	Location	SDGs
Ethical business culture			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 105-109	
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	p. 106	
Human talent, inclusion, diversity, and equality			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 65-77	
GRI 401: Employment 2016			
401-3	Parental leave	p. 67	
GRI 404: Training and education 2016			
404-1	Average hours of training per year per employee	p. 73	
404-2	Programs for upgrading employee skills and transition assistance programs	p. 71-73	
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	p. 69-70	

GRI Standard	Disclosure	Location	SDGs
Financial sustainability			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 14-15, 21	
Corporate governance and risk management			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 94-113	
Employee health, safety, and well-being			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 76-77	
GRI 403: Occupational health and safety 2018			
403-2	Hazard identification, risk assessment, and incident investigation	p. 76-77	
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 76	
403-5	Worker training on occupational health and safety	p. 77	
403-6	Promotion of worker health	p. 76-77	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 76-77	
403-9	Work-related injuries	p. 77	

GRI Standard	Disclosure	Location	SDGs
Commitment to communities for social value generation			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 56-63	
GRI 413: Local communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	p. 56-63, 90-91	
Energy, waste, and water management			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 81-91	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	p. 86-87	
302-3	Energy intensity	p. 87	
302-4	Reduction of energy consumption	p. 87	
GRI 303: Water and effluents 2018			
303-4	Water discharge	p. 88	
303-5	Water consumption	p. 88	

GRI Standard	Disclosure	Location	SDGs
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	p. 85-86	
305-2	Energy indirect (Scope 2) GHG emissions	p. 85-86	
GRI 306: Waste 2020			
306-2	Management of significant waste-related impacts	p. 89-91	
306-3	Waste generated	p. 89	
306-4	Waste diverted from disposal	p. 89	
306-5	Waste directed to disposal	p. 89	
Awareness and health education			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 58-63	
Cybersecurity and data privacy			
GRI 3: Material Topics 2021			
3-3	Management of material topics	p. 113	
GRI 418: Customer privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 113	



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Disclaimer

This report may include "forward-looking statements." Forward-looking statements may be identified by the use of words such as "forecast," "intend," "seek," "target," "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

Such forward-looking statements may include projected financial information. Such forward-looking statements with respect to revenues, earnings, performance, strategies, synergies, prospects, and other aspects of the businesses of Procaps are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements.

These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control), or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, including those included under the header "Risk Factors" in Procaps' annual report on Form 20-F filed with the SEC, as well as Procaps' other filings with the SEC. Should any of the risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Accordingly, you should not put undue reliance on these statements.

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