



viveo

Sustainability
Report 2021



Presentation

This is the first sustainability report published by Viveo. Aligned with the guidelines of the Global Reporting Initiative (GRI), this report presents the commitments and performance of the company in relation to environmental, social, and governance issues, as well as information on its business model and long term competitive strategy.



Presentation



Message from the Management



Message from the Management

GRI 102-14

Provide care for every single life. Viveo was structured with this purpose in mind: a corporate ecosystem formed by 17 companies working in an integrated way to simplify the health sector, serving this end-to-end market from the manufacture of medical and hospital products to delivery to the final consumer. Far beyond strategic synergy, fulfilling this mission requires genuinely believing every day that every single life matters — and that the lives of people and the planet, now and in the future, depend on responsible business conduct.

Aware of our responsibility, as a link in the chain of sustainable development, we experienced a historic year in 2021 — not only as a society facing the second year of the covid-19 pandemic but also as a company. While still engaged in the fight against the health crisis, we decided to hold fast in the execution of our strategy. In this move, we launched our new brand, consolidated our governance bases, went public on the B3 New Market, and invested in expanding our business.

This expansion combines the organic growth of our operations, which in the last four years has been growing

approximately 15% per year from acquisitions of companies that provide synergies and gains in scale, enhancing our results and strengthening our business ecosystem. For this reason, we proudly state that all the acquisitions announced throughout 2021 have strengthened and added important competitive differentials to our increasingly diversified company while following its purpose of simplifying the healthcare market and providing a complete solution for our customers. In parallel to the integration of these companies, we maintained our investments in manufacturing operations, logistics infrastructure, technological tools and team development.

Our net revenue reached R\$ 6.2 billion in 2021, growing 41%, and adjusted EBITDA reached R\$ 471.4 million with a margin of 7.9%, an expansion of half a percentage point in relation to the EBITDA margin of 2020, reflecting the generation of synergies from acquisitions and optimization of the Company's operating structure. In addition, we can see greater growth in channels that have higher margins. Adjusted net income was R\$ 307.8 million, an increase of more than 134% compared to 2020.





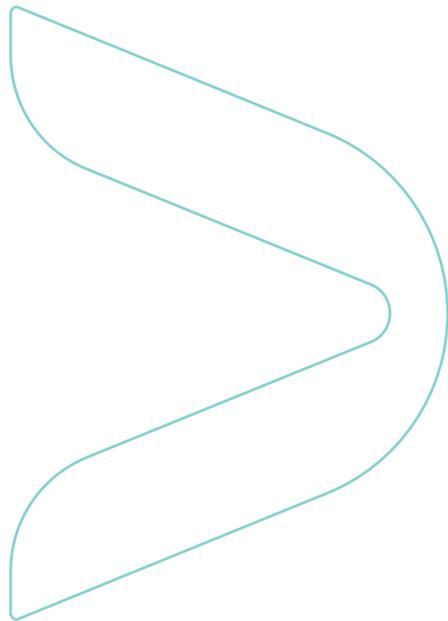
Presentation



Message from the
Management



Faced with this unprecedented health crisis, we once again count on the connection of our employees to the purpose of Viveo, reflected in our tireless effort to overcome such challenges.



All these results are a consequence of the dedicated work of our 4.5 thousand employees who incorporate the purpose of Viveo in each and every activity performed. Confident in our engagement, we accelerated our ESG agenda — Environmental, Social and Governance — which presents priority socio-environmental and governance issues to company stakeholders alongside the commitments ratified by our shareholders and management body. In a co-creation process, which involved collaborators and other publics, we developed an in-depth study of materiality that encompasses all of our segments of activity, defining short, medium, and long-term objectives.

With great satisfaction, we were able to clearly see the high level of engagement of the professionals involved and their impactful deliveries — such as the replacement of disposable packaging used in our logistics operation and the transition to an electric vehicles fleet, an innovation that generated economic, social, and environmental gains for both Viveo and our customers.

While all this internal transformation was happening, we maintained our commitment to cope with the pandemic, which in Brazil had its most acute phase in the first half of the year. Overloaded health services,

crowded hospitals and shortages of both professionals and supplies made up the very serious scenario of our sector. Faced with this unprecedented health crisis, we once again counted on the connection of our employees to the purpose of Viveo, reflected in the tireless effort to overcome challenges — which included a significant increase in costs in the global chain of medicines and hospital materials, a lack of labor in the factories, an increase in the cost of sea freight, significant exchange rate variation, and urgency of supply.

To provide care for every single life throughout the many different regions of Brazil, we more than double the production of disposable masks in our factories and imported anesthetics, which were in shortage in Brazil and essential for the intubation of patients in critical conditions — all in record time. And these are just two examples of the various every day and exceptional initiatives that Viveo undertook in 2021 to support customers and, consequently, society as a whole. At the same time, we did not overlook for one minute the health and safety of our team, following all the health protocols in the performance of our activities, providing medical and psychological support to those who required special attention by opening a health clinic of our own.



Presentation



Message from the Management



Inspired by modern retail platforms, the company brought innovation and technology to the health sector with a new customer care project. With investments of approximately R\$ 2 million, the project is focused on promoting an agile journey for customers and consumers. The portal has a personalized area for each client and offers fast virtual service with the support of the virtual assistant, Mel, who has gained its own personality and interacts within the ecosystem. Viveo is the first healthcare company in the production and distribution sector to develop this technology, which includes virtually all the companies of the group. As a result of all the work, the NPS indicator — a metric of perception of the customer's journey — advanced 25%, reaching 80 points.

That is how our company designs the future, through attentiveness to people and the planet. For 2022 and the following years, our expectation is to integrate our business ecosystem, add new companies, and create new business models, which will allow us to further expand our portfolio of products and solutions for the health sector. Internally, we will advance the agenda of development and promotion of diversity, equity, and inclusion. We are certain that this will strengthen our culture as we prepare our professionals accordingly to lead the transformation of the health sector in the country. At Viveo, the future is being built every day.

Leonardo Almeida Byrro
CEO

Mário Sérgio Ayres Cunha Ribeiro
Chairman of the Board of Directors



Highlights 2021

viveo

Launch of the new brand, Viveo, consolidating the ecosystem.



R\$ 1,3 million
allocated to social actions.

- > Inauguration of the Viveo Health Center.
- > Announcement of the ESG strategy.
- > NPS excellence area, with 80 points.



4,571
employees.



R\$ 6,2 billion
net revenue.

- > Signatory to The Better Cotton Initiative (BCI), which promotes improvements in the cotton supply chain, including gender equality and prevention of slave and child labor.
- > Zero environmental accidents generating any kind of significant impact on the environment and the community.



14,4 hours
of training per employee, on average.



R\$ 471,4 million
adjusted EBITDA.

- > Going public on B3.



2,4 thousand
suppliers of goods and services.



11 acquisitions announced
during the year and eight completed.

Presentation



Highlights
2021





Awards and recognitions 2021

- > Leaders of the Health Award, awarded by Grupo Mídia in the category of Distributors - Distribution of Hospital Materials.
- > Featured supplier in the Growth in the Private Label Industry Forum, organized by AMICCI.
- > BBM Logistics Project award — second place in the ESG category with the returnable packaging project.
- > Recognition as a strategic partner of the Albert Einstein Hospital.
- > Quality seal received from Unimed Blumenau (SC) for the level of service, reaching 100% in the Supplier Quality Index (IQF).
- > Recognition of Unimed Santa Maria (RS): 1st place in the category "Evaluation of Suppliers of Medicines and Materials."
- > Zero landfill SEAL awarded by KWM (Kapersul Waste Management) to FW Group (Blumenau/SC).
- > Business period magazine yearbook 360° 7th place among companies of the wholesale sector.

Presentation



Awards and recognitions 2021



These achievements reinforce our commitment to sustainability.

SUMMARY

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Viveo

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The São Paulo
(SP) office

1

Viveo

Our ecosystem

GRI 102-1; 102-2; 102-3; 102-4; 102-6; 102-7; 102-16

Providing care for every single life is the reason for Viveo's¹ existence, and therefore we have the mission of simplifying the health sector. Founded in 1996 in Ribeirão Preto, the company today acts as an ecosystem of products and services, offering agile, reliable, and innovative solutions to the sector — including manufacturing, distribution, inventory management, transportation, and customized solutions to hospitals, clinics, laboratories, pharmacies, wholesale, pharmaceutical industries, and end patients.

Of Brazilian origin, the company has a corporate office located in São Paulo (SP) and reached the end of 2021 with 40 operating units², including industrial plants, stores, and distribution centers located in four regions of the country, with 4,571 thousand direct employees³. Thus, Viveo figures as a leader in the manufacture and distribution of materials for the hospital segment, such as bandages, gauze, and adhesives (such as adhesives, tapes, dressings), as well as medicines, and personal care and hygiene products.

¹ The company's corporate name is CM Hospitalar S.A.

² The following units are not being considered: Far.me Far.me (Belo Horizonte/MG e São Paulo/SP), Apijã (Goiânia/GO e Palmas/TO), FW (Blumenau/SC), Cirúrgica Mafrá (Bauru/SP, Campinas/SP, Londrina/PR, Ribeirão Preto/SP, São José do Rio Preto/SP and Catalão/GO), Laborsys (São José dos Pinhais/PR), Macromed (Campo Grande/MS and São José do Rio Preto/SP), Tecno4 and PointMed (São Paulo/SP).

³ This number includes interns and apprentices.



Operating units

By the end of 2021, our 40 operating units were distributed among 25 municipalities in 10 states of the Federation.

Viveo



4 The following units are not being considered: Far.me (Belo Horizonte/MG e São Paulo/SP), Apijã (Goiânia/GO and Palmas/TO), FW (Blumenau/SC), Cirúrgica Mafra (Bauru/SP, Campinas/SP, Londrina/PR, Ribeirão Preto/SP, São José do Rio Preto/SP and Catalão/GO), Laborsys (São José dos Pinhais/PR), Macromed (Campo Grande/MS and São José do Rio Preto/SP), Tecno4 and PointMed (São Paulo/SP).



Viveo



Our ecosystem



Why do we exist?

To provide care for every single life!

How do we do that?

Simplifying the healthcare market.

Who are we?

An ecosystem of agile, reliable, and innovative solutions for the health of Brazil.

Our values:

- > Integrity comes first.
- > Every life matters
- > Thinking in an integrated way strengthens us.
- > Simplifying is our way of being.
- > We build the future of Health.





Viveo



Our ecosystem



At the end of 2021, the company's ecosystem consisted of 17 companies. Thus, with multiple businesses, Viveo integrates several links in the chain where it operates, from offering first aid, hygiene, and personal protection items to direct patient care according to the infographic on the following page.



Active segments:

- > **Distribution:** Direct and indirect sales to the public and private markets of medicines, vaccines, disposable materials, products for diagnosis in clinical diagnoses, orthoses, prostheses and special needs materials, clinical nutrition, and equipment. It operates in this market offering solutions based on broad knowledge and expertise sectorally through the companies Mafra Hospitalar, Tecno4, Tecnocold, Diagnóstica Cremer, Byogene, Biogenetix, Vitalab, Apijã, Macromed and Laborsys.
- > **Services:** A platform specialized in integrated and complementary solutions that optimize the healthcare supply chain through HealthLog. The company has its own team and fleet in strategic locations to serve customers throughout the Brazilian territory, also offering customized services in management.
- > **Direct to patient (D2P):** Services and solutions offered directly to the final consumer. In this segment, we operate with Far.me, a digital pharmacy that organizes and delivers medicines in a personalized and recurrent way, with clinical and pharmaceutical follow-up, and also with surgical Mafra, through physical stores, in the sale of clinical - hospital materials, special medicines, nutrition, orthopedic products, dermo-cosmetics, and mobility equipment, among others.
- > **Manufacturing and export:** It involves the products manufactured by Cremer, Daviso, FW and Flexicotton. They are materials for surgical procedures, first aid, urinary tract, diagnostics, sterilization, wound treatment, hygiene and protection, drug infusion, clinical nutrition, and orthopedics.



Viveo



Our ecosystem



Service platform and logistics solutions for the healthcare supply chain.

More than 900 thousand km per month and deliveries throughout the national territory.



Service platform to the patient.

Pharmacy unlike anything you've ever seen!



Our ecosystem 2021

Present in the chain from manufacture to delivery to the patient.

An ecosystem of Providing care in Brazil.

viveo



Laboratory distributors channel.
Complete solution of laboratory items.



Industry of hospital products and personal care and hygiene items.

More than 85 years as a reference in product quality and innovation.



Hospital Supplies Distributor Channel.

Complete portfolio of materials and medicines with national reach and high-quality level of service.



Vaccine Distributor Channel.
Reference in trust and quality in the vaccine market.

* Express – CNPJ represented by the trademark Mafra Hospitalar.
** POINTMED – CNPJ represented by the trademark Tecno4.



Background

Viveo started its activities in 1996 as a distributor of hospital materials and medicines, founded by entrepreneur Carlos Mafra in Ribeirão Preto (SP). In an intense growth period, it ceased to be a limited company in 2015 and in the following year it became a shareholder in DNA Capital — a healthcare-focused investment fund. The inflow of capital into the business marked the beginning of a new expansion strategy, accelerating the acquisition of assets and the formation of a business ecosystem.

Among the first assets acquired were Tecnocold in 2017, specialized in vaccine distribution. Cremer was integrated into the company the following year — with 86 years of history, the industry leader specializes in the manufacture of items for first aid, surgery, treatment, and hygiene. Given the inorganic growth, in 2020, the process of acquiring Espresso, a medical distributor that had been operating for more than three decades in Brazil — now represented by the commercial brand Mafra Hospitalar — was completed.

In the same year, the business was driven by the acquisition of four more companies: Biogenetix, Vitalab, Byogene — distributors of inputs for laboratories, marking Viveo's entry into the analytical segment (reagents) — and Flexicotton, a leader in the manufacture of hygiene products for its own brand. In addition, the company acquired 35.71% of the share capital of Far.Me, a startup from Minas Gerais, through which it expanded its activities with a service channel aimed at the end consumer.

In 2021, the company's expansion plan was strengthened with the acquisition of Daviso and FW, specialized and leaders in the manufacture of wet wipes and towels — dedicated to retail and wholesale segments, including its own brands. In order to enhance the operational and commercial synergy, expanding the range of services offered to the market, the following companies were acquired: Tecno4 and Pointmed, (distributors of medical products), and Laborsys, Apijã, and Macromed (distributors of inputs for laboratories) and surgical Mafra (a company that has physical stores and distribution centers for marketing hospital materials, special medicines, orthopedic products, dermo-cosmetics, among others). In addition to these acquisitions, the acquisition of Profarma Specialty (a distributor of medicines for hospitals and clinics), Med-care and Bemk (distributors of medical products) were announced⁵.

Thus, in 2021 this ecosystem was consolidated in Viveo, an institutional brand that brings together all the companies of the company, acting in an integrated way from production to delivery to the final consumer. The year was also marked by an important movement in the corporate area: in August, Viveo went public on B3, moving to trading common shares in order to raise funds to boost investments — the company was listed on Novo Mercado, B3's largest corporate governance segment.

In 2021, the ecosystem was consolidated through the institutional brand Viveo, which brings together all the company's companies.

⁵ By the end of 2021, these three acquisitions were awaiting approval from the Administrative Council for Economic Defense (CADE).

Viveo



Background





Timeline

Viveo



Background



● **1996**
Foundation of Mafra Hospitalar in Ribeirão Preto (SP).



● **1996 to 2015**
Expansion of Mafra Hospitalar, opening branches throughout Brazil.



● **2016**
Input from the DNA Capital Investment Fund.



● **2020**
Acquisition of the companies Express, Flexicotton, Biogenetix, Byogene and Vitalab and participation in the share capital of Far.me.



● **2018**
Acquisition of Cremer and restructuring of governance.



● **2017**
Acquisition of Tecnocold.

viveo
2021

Consolidation of the ecosystem: the Mafra group is now called Viveo and Company goes public in B3, in addition to the acquisition of the companies Daviso, FW, Tecno4, Pointmed, Laborsys, Apijã, Macromed and Cirúrgica Mafra.



With 25 years of history, Viveo offers the best customer care and level of service in national coverage.



Business model

GRI 102-6; 102-7

Viveo



Business model



Over 25 years of its history, Viveo has gained market recognition for both the quality of the services provided and its diversified portfolio. Viveo has thus become a reference in the Brazilian health sector, serving the main hospitals and clinics of the country, throughout the national territory – a thriving market composed of the most varied providers of health services (public and private), retail, and logistics.

To realize the purpose of "providing care for every single life" and the mission of offering solutions to simplify the healthcare market, the company's business model stands out for its integration, providing high growth, profitability, and return on invested capital, in addition to offering a differentiated experience to customers. At the end of 2021, Viveo's operations extended from the manufacture of hospital and personal care products to final delivery to the customer thanks to its broad product portfolio and the breadth of its hospital, laboratory, clinical, and patient solutions.

Acting as the leading provider for hospitals, clinics, laboratories, and pharmacies throughout Brazil, Viveo offers high-value services and solutions that not only meet the needs of customers but also allow health service providers and drug manufacturers to improve the management of these items continuously. These solutions, operated through Healthlog, include inventory optimization, reduction of average time and cost, as well as reduction of space for product storage, among others – which allows our clients to expand their service to the population (with greater availability of beds, for example), generate more revenue, replenish materials and medicines intelligently, improve traceability, and reduce risks of losses and inventory shortages. Seeking to be in every link in the health chain, Viveo also provides specialized pharmaceutical care and patient follow-up solutions integrated with the distribution of products, which offers care and efficiency from the purchase request to delivery at the place of care, whether at a hospital institution or the patient's home.



Distribution center - Indaial (SC)



Viveo



Strategy and competitive advantages



Factory FW - Blumenau (SC)

Strategy and competitive advantages

By consolidating its strategy of acting as an ecosystem of health products and services, Viveo has consolidated relevant competitive advantages, among which stand out:

- > **Addressable market:** The Company has access to a significantly wider market compared, for example, to companies exclusively focused on the distribution of hospital-medical materials and medications.
- > **Resilience:** Viveo's diversification of operations in different areas and segments has proved to be a major competitive differential for the company's growth in recent years, even in adverse conditions of the Brazilian economy and the health sector.
- > **Superior returns:** The diversified performance of the company in high return segments allows it to achieve more attractive consolidated results compared to companies with an exclusive focus on the distribution segment of medical-hospital materials and medications.
- > **Access to the chain:** Viveo's experience in the business segments has brought on great opportunities arising from its presence along the healthcare chain, which allows it to obtain visibility, identify trends, and generate new businesses.



Viveo



Strategy and competitive advantages



Our differentials

- > The one-stop-shop (end-to-end service of the chain) solution and its differentiated and highly qualified sales team service all different channels and customers.
- > Proprietary logistics solutions with national coverage and service levels compatible with hospital distributors of excellence on the global scale.
- > Vast experience in healthcare to act as a business partner (a reference in clinical marketing).
- > Recognition among the leading companies in the Brazilian health sector.
- > Reference in quality in the solutions offered.
- > Administration with high knowledge of the health sector and the company.
- > Strategic alignment with shareholders who contribute significantly with their experience in the healthcare sector of Brazil.
- > Strong commitment to ESG best practices.



Quality as a reference

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

Aware of its responsibility to each life, Viveo maintains a high standard in its products, processes, and services, which makes quality a key competitive differential. For this purpose, it has a robust quality management system, composed of corporate guidelines, certifications, licenses, and authorizations in order to ensure full compliance with laws and regulations applicable to its business segments. In addition, it has a Corporate Quality Assurance Center, which has the responsibility to control aspects related to this theme, managing goals defined by the company to ensure continuous improvement of performance.



Specific training and the dissemination of good practices guide employees of industrial units and logistics centers to ensure the quality of products and services. In 2021, Viveo revised its guidelines on the topic, generating an [Integrated Quality Policy](#) aiming to further improve the results obtained in the previous year, among which stand out:

- > 54% reduction in internal setbacks;
- > Implementation of automatic continuous temperature monitoring, which controls in real time the temperature in distribution centers (DCs); and
- > ISO Certification 13485:2016 Quality Management Systems for Healthcare Products in the Cremer headquarters units (Blumenau/SC) and São Sebastião do Paraíso branch (MG).

In 2021, we launched our Integrated Quality Policy.

Viveo



Strategy and competitive advantages





In addition to internal quality analyses, our units, products, and services undergo complementary evaluations. These evaluations are implemented in Cremer, where 100% of the products manufactured are analyzed for health and safety impacts according to the requirements of the standards of ABNT NBR ISO 13485, ABNT NBR ISO 9001 and RDC No. 16 Re. program of the National Health Surveillance Agency (Anvisa). Thus, we ensure that the product reaches the final consumer while preserving the qualities and characteristics with which it was developed.

Viveo

In addition to the tests defined by the regulations to which the company is subject, non-mandatory tests are applied, re-forcing the commitment to the quality of the products. In 2021, there was a significant increase in these analyses in newly developed products, as well as through studies of continuous improvement of existing ones, including aspects regarding sustainability.



Strategy and competitive advantages

ESG strategy:

Quality of Products and Services Working Group

To support actions aimed at quality assurance, Viveo created in 2021 a Working Group (WG) dedicated to the topic within the scope of its ESG strategy — learn more on the following page. This group aims to strengthen quality aspects and practices, ensuring compliance to all deliveries of the company, acting in:

- > certifications, licenses, and legal authorizations;
- > periodic training programs;
- > good manufacturing, warehousing, and distribution practices; and
- > standardization of processes for continuous improvement.

Among the main activities developed by the WG in 2021, the achievement is highlighted of the Certificate of Good Warehousing, Distribution, and Transport Practices (CBPADT), applicable to all our distribution centers (CDs).

In addition, preparations have begun for all companies in the ecosystem to be certified by 2025, according to NBR ISO 9001, regarding Quality Management Systems. By the end of 2021, Byogene and Cremer received this certification (Blumenau units and Indaial Distribution Center).





ESG commitment

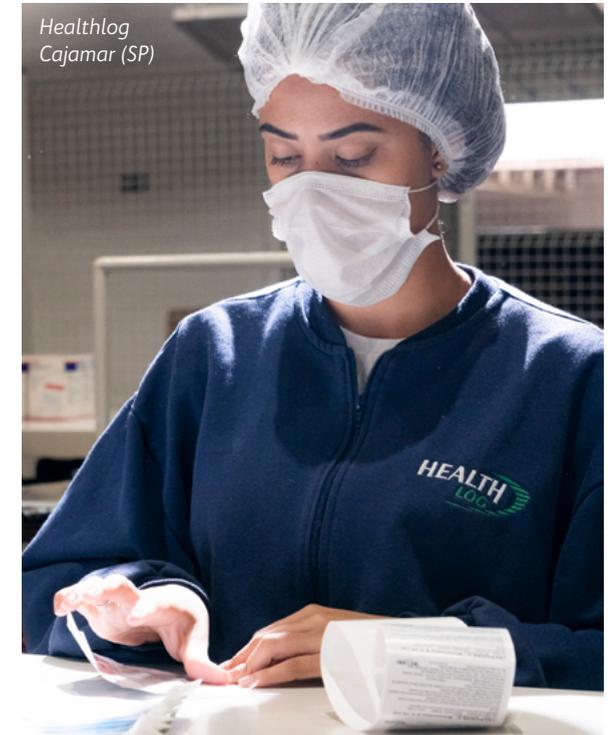
Viveo recognizes the strategic relevance and potential for protection and value generation of the integration of ESG aspects into all its activities. Therefore, it has its [Sustainability Policy](#), approved by the Board of Directors, which establishes and disseminates recommendations, guidelines, and bylaws to conduct the business in a sustainable way, considering the pillars of social, environmental, and governance responsibilities.

Throughout 2021, the inclusion of sustainability policies and practices advanced significantly. On January 21, along with the announcement of its new brand, Viveo made public its commitments in relation to sustainability to be achieved by 2030 regarding initiatives in different areas of the company. Based on an in-depth study of materiality, which considered all our segments of activity, short, medium, and long-term objectives were defined, which in addition to making the business increasingly competitive, contribute to the sustainable development of society and the planet, with a focus on expanding access to health-care.

Based on the pillars, working groups (WG) were formed dedicated to each theme composed of around 70 professionals from different areas and units of Viveo.

All WGs have a sponsor from senior management positions who form a Sustainability Committee, which has a central role in monitoring the strategy, critical analysis of the results, and alignment of the interfaces between the various areas, ensuring the effectiveness of the actions and achievement of the established work plans.

Throughout 2021, the WGs defined action plans and monitoring guidelines, initiating a broad process of diagnosis and improvement of policies and practices related to social, environmental, and governance issues. The first results of these initiatives will be highlighted throughout this report.



Viveo



ESG commitment





Viveo



ESG
commitment



Our moonshots⁶

Equalize the ratio of health professionals per 1000 inhabitants in all regions of the country.

Guarantee 100% availability of personal protection equipment in Brazil.



Our reason

We want to provide care for everyone, from employees to patients, encompassing all healthcare professionals. Embodying and offering comprehensive, efficient, and more sustainable solutions is our way.

This is our path to providing care for every single life. It's just that simple.



Our pillars of action

Integrated management

- Ethics and responsible management
- Quality of products
- Sustainable purchases

Human development

- Development and employee welfare
- Diversity and inclusion
- Management of knowledge dissemination

Eco-efficiency

- Energy and emissions
- Water
- Waste

Solutions for sustainability

- Sustainable logistics
- Industrial waste
- Sustainable products



⁶ Ambitious goals that move our team out of the comfort zone significantly.



2

Governance and integrity

Ethical conduct

GRI 102-17; 103-1; 103-2; 205-3; 406-1

At Viveo, ethics and responsible management constitute fundamental values, multiplied among all our collaborators. To ensure the integrity of its activities, the Company develops a robust integrity program that invests in the management and continuous improvement of the control and combat of unethical practices, which includes monitoring, transparency, and availability of relevant information for the external control of the publics of interest.



Governance and integrity



Ethical conduct



Viveo's performance is guided by the objective of acting and being perceived as an ethical and responsible company, positively influencing our entire value chain. Thus, the detailed guidelines contained in the Company's [Code of Ethical Conduct](#), in the [Anti-Corruption Policy](#), in the Anti-bribery Politics as well as in the other corporate policies are applicable to relations with customers, suppliers, competitors, public agencies, employees, and government representatives. Such relationships are based on compliance with all applicable laws and regulations, including — but not limited to — the General Data Protection Law, Anti-Corruption legislation, as well as laws and regulations relating to exchange controls and anti-money laundering.



The Viveo Integrity Program is a program of specific compliance, focusing on the adoption of ethical and anti-corruption measures aimed at the prevention, detection, and remediation of harmful acts provided for in the Anti-Corruption Law and other current laws, including the occurrence of bribery and fraud against the public, national and/or foreign administrations. Thus, Viveo is professionally managed in accordance with its organizational principles and best corporate governance practices with the aim of increasing its value, facilitating its access to capital, and contributing to its perpetuity. The bylaws, policies, and other documents related to corporate governance are available to stakeholders on the investor relations website (<https://riviveo.com.br/en>). More information about the integration program is reported on [page 30](#) onwards.



Governance and integrity



Governance structure



Governance structure

GRI 102-18; 102-20

The Company is listed on the B3 Novo Mercado, a listing segment composed of companies with stricter corporate rules, and has thus focused on strengthening its governance mechanisms in order to ensure transparency, the assertiveness of decision-making, and shareholder rights. Among the main practices developed in this regard, the following stand out:

- The application of mechanisms of rigorous compliance, ensuring the multiplication of ethical precepts among stakeholders, especially employees;
- Active deliberative and advisory bodies to senior management, such as committees and working groups;
- The availability of varied communication channels in order to offer relevant and up-to-date information to shareholders and the market in general in a transparent manner; and
- Shareholders' access to the Company's management, either through general meetings, public meetings, or through interaction with the investor relations team.



We strengthen our governance mechanisms in order to ensure transparency.



With the advent of the public listing (see box to the side), The Ordinary General Meeting (OGM) became the maximum decision-making body of Viveo. On a mandatory basis, it takes place annually and allows the participation of all shareholders⁷.

The governance structure is complemented by the performance of the Board of Directors and the Executive Board, advised by the Audit, Risk Management, Compliance, and Human Resources Committees — as detailed in the organization chart below.

Governance and integrity

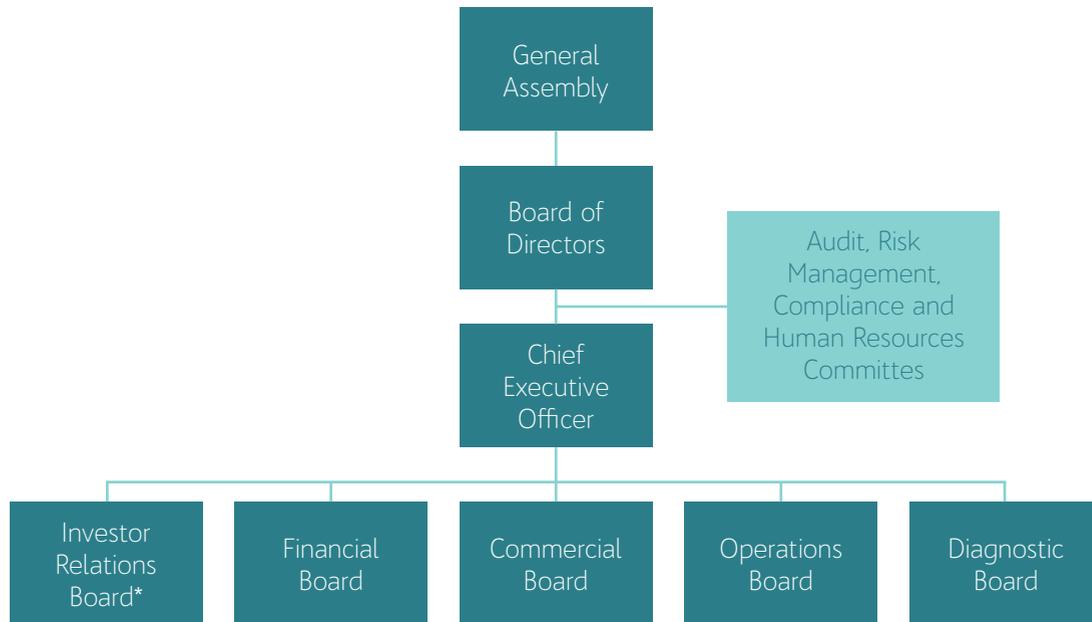


Governance structure



Organization chart of Management

(On 12/31/2021)



* Accumulated function of the CEO in 2021.

⁷ in 2021, three assemblies were held.

Public listing

In order to boost its investment plan, which includes expansion into strategic niches for the business, Viveo decided to change its corporate structure, focusing on raising funds on the capital market.

On August 9, 2021, the Company completed its initial public offering (IPO) on B3 — the Brazilian Stock Exchange, with shares traded under the ticker VVEO3. Meeting all technical requirements, the IPO took place on the Novo Mercado (IGC-NM), which holds a higher level of requirements regarding governance practices.

Viveo shares (VVEO3) make up the portfolios of the IGCX, IGM and ITAG indices, with the first pooling companies with high levels of governance, while the latter refers to stocks with differentiated tag-along rights.

The company's IPO process was handled by the banks JP Morgan, Itau BBA, BTG Pactual, UBS BB, Bank of America, Bradesco BBI, and Safra.



Governance and integrity



Governance structure



Board of Directors

GRI 102-22

Responsible for defining long-term strategies, Viveo's Board of Directors assesses risks and opportunities related to the company's activities. It also analyzes economic, social, and environmental aspects, as well as governance mechanisms. As provided for in the Novo Mercado regulations, Viveo's Board of Directors may be composed of a maximum of seven effective members — including independent members — all elected and eligible via General Meeting. Among its functions is to guide the Executive Board, which elects and dismisses.

Since 2018, the Board of Directors has had the support of the Audit, Risk Management, Compliance, and Human Resources Committees.

Composition of the Board of Directors

(On 12/31/2021)

Mário Sérgio Ayres Cunha Ribeiro	President
Thayan Nascimento Hartmann	Advisor
Luiz Felipe Duarte Martins Costa	Advisor
Ricardo Pechinho Hallack	Independent Counsel
Paula Paschoal Queiroz de Moraes	Independent Counsel

The Committees support the Counsels in their decision making.



The Audit, Risk Management, Compliance, and Human Resources Committees

The Audit, Risk Management, Compliance, and Human Resources Committees are each composed of three members — all independent — responsible for compliance routines and controls of the Company. They report directly to the Board of Directors. Their main responsibilities are:

- > Recommending approval of the company's corporate policies and future changes;
- > Recommending approval of the company's appetite and risk map;
- > Expressing suggestions for changes to the operational risk management structure and approving any suggestions for changes, if necessary;
- > Receiving and ascertaining the manifestations registered by the Complaints Reporting Channel;
- > Supervising and monitoring the effectiveness of internal control systems and external and internal audits of Viveo companies;
- > Examining tax issues of interest to the Company;
- > Control and review, before publication, the set of financial statements;

- > Monitoring compliance with current legal and regulatory requirements for suitability of Viveo's operations;
- > Monitoring the development of people and employee remuneration policies; and
- > Keeping the Board of Directors up to date on monitoring and risk exposure.

At the end of the year, the committee was composed of three members, elected by the Board of Directors:

Composition of the Audit Committee

(On 12/31/2021)

José Antonio Miguel Neto	Committee Coordinator
Paulo Sérgio Cruz Dortas Matos	Committee Member
Ricardo Pechinho Hallack	Committee Member and Advisor of Independent Administration.

Governance and integrity



Governance structure





Executive Board

Guided by the Board of Directors, Viveo's Executive Board executes the business strategy and leads the team towards achieving the objectives set for the short, medium, and long term. Throughout 2021, the company maintained five statutory boards and nine additional boards.

Both the Board of Directors and Executive Board may be supported by thematic committees on a permanent or temporary basis. These committees are formed by collaborators from different functional areas and regions, including leaders who are dedicated to the analysis and proposition of referrals

for strategic matters. By the end of 2021, in addition to the Audit, Risk Management, Compliance, and Human Resources Committees, the Committees for Sustainability, Fiscal Incentives and Donations, Diversity and Inclusion, and Anti-Bribery Management System (SGAS) were all active.

Governance and integrity



Governance structure



Statutory*

Leonardo Almeida Byrro	CEO and Investor Relations Officer
Lúcio Flávio Bueno	Director of Operations and Logistics
Guilherme Fonseca Goulart	Finance Director
Renan de Almeida Havelha	Commercial Director
Thiago Liska	Diagnostic Director

* There are ecosystem companies with their own statutory directors.

Composition of the Board

(On 12/31/2021)

Non-Statutory

André Pacheco	Marketing, Strategy and New Business
Cintia Pontalti Drehmer	Human Resources*
Flávia Carvalho	Investor Relations
Flávio Leal	Acquisitions and New Business Information
Guilherme Tavone	Technology*
Joseane Correia	Legal, Compliance and Regulatory Affairs *
Mauricio Triachim	Human Resources, Health, Safety and Environment*
Villeon Jacinto	Supply Chain
Leandro Xavier	Industrial

* Senior managers.



Governance and integrity



Governance structure



Compliance and Internal Controls

GRI 205-2

Viveo has an area of compliance and internal controls dedicated to the management of the risks inherent in the company's business assigned with the responsibility to be in compliance with applicable laws, regulations, and guidelines. In addition to this area, Viveo has an Ethics Committee responsible for conducting an Ethics Channel for reporting complaints of an independent and confidential nature (see [page 32](#)).

Internal measures to strengthen the structure, processes, and continuous knowledge management were implemented in the year 2021. For example, the company invested in its preparation for the Professional Certification in Anti-Corruption Compliance (CPC-A), providing employees special training on national and foreign legislation, risk management, policies and controls to support senior management, communication, monitoring and auditing, investigation, and reporting, due diligence, criminal and digital compliance, among other topics. After a long journey of preparation, the employees active in the area of compliance applied for the LEC certification evaluation (Legal, Ethics & Compliance) and have been certified in CPC-A.



ESG strategy:

Working Group Ethics and Responsible Management.

They are responsible for improving preexisting compliance practices and proposing mechanisms for continuous improvement of the Company's performance in relation to the topic. Among the actions developed during 2021, the following stand out:

- Elaboration of the anti-bribery policy, as well as specific training of collaborators on the topic, which included the production of a special booklet;
- Analysis of bribery risks through processes that consider the nature and extent of risks, impacts, and vulnerability;
- Construction of action plans for the control measures necessary to handle identified risks;
- Critical analysis carried out with the managers and the Executive Board, reporting to the Board of Directors; and
- Creation of the Anti-Bribery Management System Committee (SGAS), involving the areas of Compliance, Regulatory Affairs, Quality and Human Resources.





Governance and integrity



Governance structure



Compliance policies and procedures

- > **Code of Conduct:** An instrument to ensure compliance with all relevant legislation and with the principles of the company to be followed by all its professionals and representatives in the exercise of any professional activity.
- > **Anti-Corruption Policy:** Elaborated in accordance with applicable laws and regulations against bribery and corruption, it provides that, in the exercise of professional activities and in the approach to commercial matters, one must always respect the laws and regulations in force, as well as the company's internal guidelines.
- > **Risk Management Policy:** Proclaims the management of risks through processes based on their identification, evaluation, monitoring, and treatment, with the support of the Internal Controls and Compliance Department in order to mitigate the probability of the occurrence of such risks and/or their impact.
- > **Anti-Bribery Policy:** Directs and guides everyone to act in accordance with ethics, morality, integrity, and transparency in business situations, day-to-day activities, and with the behavior expected by the collaborator, third party provider, or business partner in order to prevent and combat situations prone to acts of corruption, bribery, and fraud.

All these documents are available for consultation on the company's website: <https://www.viveo.com.br/en>.

Executed by the Compliance and Internal Controls team, the Integrity Program seeks to ensure transparency in its activities, protect the physical and intellectual environment, and maintain good corporate governance practices supported by guidelines approved by the Board of Directors. To engage the internal public, Viveo has a training program on corporate policies that is provided to all new employees through its virtual or face-to-face platform, including annual updates. In 2021, there were 4,749 employees trained on aspects related to compliance. In addition, professional and outsourced employees sign a term of acceptance of the policies and contractual clauses are included in the agreements signed by the company.





Governance and integrity



Governance structure



Ethics channel

GRI 205-3; 406-1

Viveo's Ethics channel is intended for communicating any acts or suspicions of noncompliance with the Code of conduct, with the company's internal policies, or even with applicable legislation and regulations, in order to prevent unethical acts, corruption, and bribery. There are three accessible means available — through the [company website](#) to receive complaints, both from employees and other related publics;

- > **Phone:** 0800-721-9152
- > **Compliance Helpline:** <https://ethicsdeloitte.com.br/viveo>
- > **E-mail:** eticaviveo@deloitte.com

With guaranteed secrecy, all complaints are received by a third-party and independent company specialized in the treatment and investigation of such reports. Once registered, the reports are forwarded to the Ethics Committee and the Audit, Risk Management, Compliance, and human resources Committees to assess and define the measures to be taken.

One complaint was proven to be well-founded, and after being analyzed by the competent departments and the Company's legal professionals, resulted in the dismissal of the accused employee.

The channel is intended for communicating any acts or suspicions of noncompliance with the Code of conduct, with the Company's internal policies, or even with applicable legislation and regulations, in order to prevent unethical acts, corruption, and bribery.



Governance and integrity



Risk management

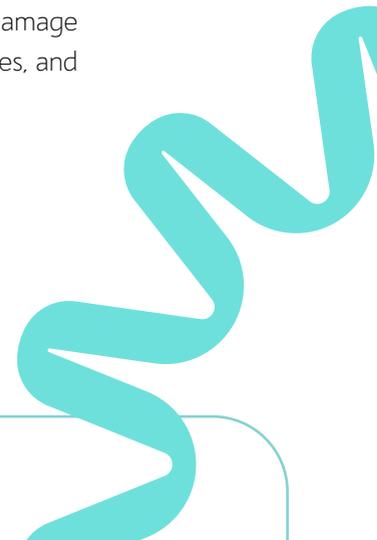


Risk management

Viveo's Risk Management Policy aims to guide the identification and control of risks and opportunities inherent in our business, thus enhancing the achievement of objectives and goals. Complementary policies, on related topics, support the management of the topic, such as the Company's Securities Trading Policy, Code of Conduct, Anti-Corruption Policy, Anti-Bribery Policy, Independent Audit Contracting Policy, Related Party Transaction Policy, and the Personal Data Protection Policy. All are available in the [Viveo website](#).

In this sense, management is conducted based on the mapping of four main risk categories:

- > **Strategic:** Decisions of senior management; image/reputation, which affects the trust or suitability of the Company; customer satisfaction and the dependence of partners.
- > **Financial:** The materialization of something that may generate financial losses for the company or its subsidiaries.
- > **Operational:** This involves operational failures and cyber aspects, with unavailability or obsolescence of equipment and facilities, as well as computerized systems; and business continuity, which can generate losses in the levels of services agreed upon by customers.
- > **Compliance:** divided between regulatory/legal risks — which may generate sanctions and possible financial loss — and socio-environmental risks, which cause economic damage or impracticability of the Company or its subsidiaries, such as indemnifications, fines, and embargoes, among others.





Governance and integrity



Risk management



At Viveo, risk management is based on three lines of defense, permeating the processes of evaluation, identification, analysis, treatment, monitoring, and communication of events that adversely affect the achievement of the company's objectives. Risks are communicated in a clear and objective manner, with all possible relevant information, to all affected and/or responsible parties, and in particular to those responsible for the determination and development of risk treatment measures. As an integral part of this management, Viveo promotes policy training, applicable to all employees. In 2021, the certification process according to ISO 37001 was initiated. This evaluation of the company's processes and practices as meeting the requirements of the standard is expected to be completed in 2022.



Information security

GRI 418-1

In order to comply with the General Data Protection Law (GDPT), in 2020 the company also began developing activities aligned with the best practices, such as mapping of personal data, flow of the life cycle of personal data, construction of the risk matrix, and evaluation of criticality of processes. These actions involved more than a thousand mapped processes and 200 hours of interviews with Viveo employees, resulting in a specific action plan.

After the appointment of the Data Protection Officer (DPO), the multidisciplinary Data Protection Committee was established in 2021, responsible for the dissemination of good practices. In the first months of operation, the committee drew up regulations and suggested a set of clauses for inclusion in the contracts signed by the company in order to

ensure the protection and privacy of data under the management of Viveo.

The entire process of adaptation to the GDPT included the training of employees, with educational content regarding risks and acceptable practices related to the topic. A service channel was also created for the owners of personal data and is widely disseminated, contributing to preserve the rights listed in the GDPT.

In 2021, Viveo received three formal requests regarding the treatment of personal data, which have since been resolved. None of the requests were from regulatory agencies and were not related to leaks, theft, or loss of customer data.





3

Operations and performance

Market context

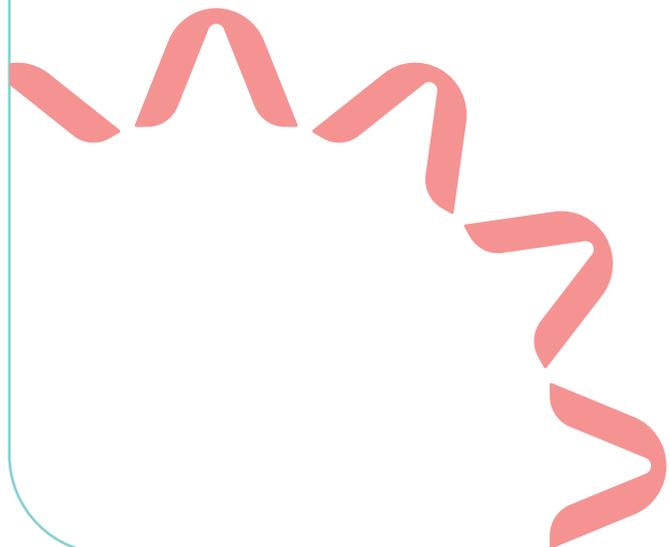
In the second consecutive year of the pandemic in Brazil, with the start of Coronavirus vaccinations, the gradual resumption of activities, and the implementation of emergency aid, the internal economy showed signs of recovery. According to the Brazilian Institute of Geography and Statistics (IBGE), Gross Domestic Product (GDP) showed growth of 4.6% in 2021 — a better scenario than seen in 2020, when GDP shrank by 4.1% — the largest drop in the last 24 years.



Thus, Brazilian economic activity has begun to recover, albeit slightly below the expected — except in certain sectors that already had been on the rise, some even benefiting from the pandemic scenario. A sector with a higher share in the GDP was services, which registered new heights once again, reflecting improvements in the current context and the reopening of the economy. In spite of bottlenecks in some supply chains, the industry was able to recover losses from 2020. In contrast to this movement was agriculture, which was hampered by climate issues.

The uncertainties brought on by the pandemic and its consequences also influenced the financial market. The interest rate (Selic) closed projections at 9.25%, while the dollar (Ptax) reached the end of the year at an exchange rate of R\$ 5.58 compared to R\$ 5.19 at the end of 2020⁸.

⁸ Fonte: Banco Central do Brasil.



Operations and performance



Market context



Daviso factory - São Paulo (SP)

In the midst of this macroeconomic scenario, Viveo followed up on the execution of its strategy, showing once again that business resilience and diversification can bring strong results in moments of instability. Throughout 2020 and 2021, among the main effects of the health crisis on the market, there was a significant increase in costs in the global chain of medicines and hospital materials, resulting, especially, from the following factors:

- > Expansion of absenteeism in factories, due to Covid-19;
- > Exchange rate fluctuations, directly affecting the costs of finished products and inputs; and
- > Increase in the cost of sea freight by about 500%⁹;
- > Land freight as the main modality during the pandemic due to the cancellation of national flights.

⁹ According to the National Confederation of Industry (CNI).



Combined with this, there was a rise in the price of petroleum in 2021, which caused increases in cost structures in Brazil as well as other countries of the world. The pandemic brought to the hospital segment the challenge of expanding emergency care at a time when elective procedures suffered strongly. The level of occupancy of hospitals ended the year at 75%, below the levels observed in the pre-Covid period. Among the effects reflected in the company's operations is the growth in demand for personal protection equipment (PPE) such as masks, aprons, and disposable gloves, which effectively boosted the sale of these items, especially in the first half of 2021 — the most acute phase of the pandemic in Brazil. At the end of 2021, with the advance of vaccinations, there was a sharp drop in demand for products related to Covid-19 and a slow resumption in the consumption of the standard mix of hospital materials, high-cost drugs, and vaccines.

It is worth highlighting, in this sense, the strategic relevance of Viveo's performance as an ecosystem, both in virtue of its integrated services in the healthcare sector as well as its ability to compensate for the impacts and effects that would have been detrimental to the company's economic and financial results — allowing it to reach a net revenue of R\$ 6.2 billion in 2021.

The pandemic brought to the hospital segment the challenge of expanding emergency care.

Operations and performance



Market context





Operational performance

GRI 102-2

Distribution to hospitals and clinics

The hospital and clinical distribution arm of the Company relies on the distributors Mafra Hospitalar and Expressa Distribuidora de Medicamentos, which joined the Viveo ecosystem in 2020, providing the advantage of a close relationship with the pharmaceutical industry and the management of high-cost and thermolabile medications. Viveo's distribution segment serves as a link between industries and hospitals, clinics, home and health care institutions in the private and public markets, with a strong presence throughout Brazil.

The company also stands out for offering a diverse portfolio of medical-hospital materials and medicines, covering 60% of the volume consumed by customers in the segment. In medicine, the products offered by Viveo to the market correspond to 74% of all volume consumed by hospitals and clinics in the country.

Also in distribution, Tecnocold Vacinas is responsible for supplying vaccines to more than 50% of the private market. Since 2017, when it integrated into the Viveo ecosystem, it has been growing year after year in performance, reaching a historical milestone of 3.5 million

doses of vaccines distributed throughout the country in 2021. It is a pioneer in the best quality practices and maintains its high standard of service and customer care, reaching 88 points in the customer satisfaction survey (NPS) for 2021.

Manufacture of finished products

Cremer is a leader in the manufacture of items for the most diverse needs, including medical materials, products applied in surgery, first aid, the urinary tract, diagnostics, sterilization, dressings, hygiene and protection, medication infusion, clinical nutrition, orthopedics, and the respiratory tract. The company seeks to meet the strictest quality certifications in manufacturing, undergoing audits on a regular basis that guarantee the safety management and effectiveness of the products and services offered. Flexicotton has been consolidating itself over the last few years as one of the largest manufacturers of private label healthcare and hygiene products for major retailers in Brazil. FW and Daviso are specialized in the manufacture of wet wipes and towels and provide products for children, adults, and hospital hygiene and are dedicated to supplying retailers, wholesalers, and private brands.



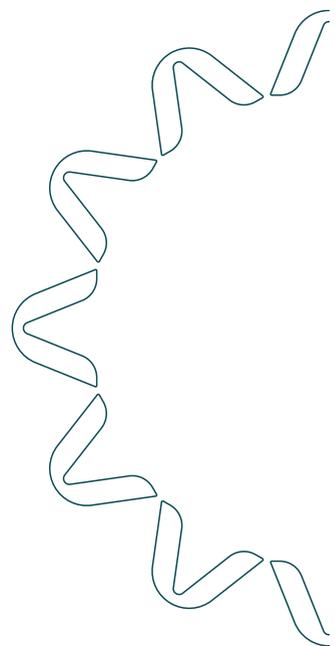
Distribution center - Brasilia (DF)

Operations and performance



Operational performance





Byogene
Ribeirão Pires (SP)



Byogene
Ribeirão Pires (SP)

Operations and performance



Operational performance



Laboratories

The market for diagnostic medicine is highly fragmented, with more than 20 thousand laboratories in Brazil today. This segment still lacks suppliers with a broad national portfolio reach and differentiated service level. In this context, Viveo's strategy is to offer a one-stop-shop solution for such customers, not only in the pre-analytical portfolio (products used in the collection and manipulation of samples), but also in reagents for clinical analysis processes — the so-called "analytical portfolio".

At the end of 2021, we serviced about 3 thousand laboratories, both with pre-analytical and analytical portfolios, placing at the disposal of these clients approximately 6 thousand SKUs¹⁰, over 3.5 thousand pieces of equipment, and seven technical-operational units spanning over seven states.

The service dynamics of the analytical portfolio, also known as in vitro diagnostics, is regionalized and, in 2021, limited to the states of São Paulo, Rio de Janeiro, Minas Gerais.

Mato Grosso, Goiás and Tocantins, in addition to the Federal District. For the pre-analytical portfolio, we do not have regionalization and commercially cover the entire national territory.

During the pandemic, the diagnostic market was very demanding, and our operational and commercial scope proved to be an important tool for product distribution, contributing decisively to the supply of essential services such as laboratories and hospitals. We also invested in a new customer service channel, e-commerce, enabling even more autonomy and flexibility in the acquisition of our goods, in line with our purpose of simplifying the healthcare market with a focus on the sustainability of the sector.

¹⁰ Stock Keeping Unit (SKU) refere-se à unidade de manutenção de estoque.



Operations and performance



Operational performance



Logistics services

Broad capillarity and distribution capacity are fundamental competitive advantages for Viveo, which add value to our ecosystem and ensure excellence in customer service. Through Healthlog, our logistics services platform, we reach several regions of Brazil, including the most remote, and achieve superior results, among which include:

- > High level of Service and national coverage with our own freight fleet;
- > A wide structure allocated in strategic regions;
- > Storage services for hospitals and the use of Vendor Managed Inventory (VMI) with customers and suppliers;
- > Highest level of Service in Brazil, able to provide service to 71% of the country's hospital beds in 24 hours, 24% in 48 hours, and 5% in 72 hours with service levels compared to the main North American distributors; and
- > The use of the Warehouse Management System (WMS) in distribution centers and cell phones in all vehicles in the fleet, with tools integrated into the technological environment of our customers.

D2P (Direct to Patient)

The company developed the D2P platform (Direct to Patient) aiming to offer agile, simple, and affordable alternatives for patients to have access to medicines and medical materials at home or wherever they wish. Due to existing business relationships and its wide distribution capacity, Viveo is in a differentiated position to operate in this segment, which in 2021 had some big highlights, such as:

- > Due to our provisions for healthcare insurance plans and beneficiaries that require special medication, patients benefited from over 22% of medication release errors being avoided, as well as 2% of adverse reactions from detected and treated treatments, and a 4.6% reduction in unnecessary operating costs was achieved;
- > 92-point patient NPS, relating to the care of individuals (patients) by the business ecosystem; and
- > More than 5.7 thousand medical prescriptions and 41 thousand medications were analyzed, followed by 700 suggestions for pharmaceutical adjustments based on pharmacotherapy, with 70% being accepted by the patient and doctor.





90 km²

Distribution centers spread across the country.

Logistics Structure



218 vehicles

Targeting the healthcare market.



+4 Electric Trucks

VUCs by JAC Motors.

Operations and performance



Operational performance



Through Healthlog, our logistics service platform, we reach several regions of Brazil, including the most remote.



Fighting the pandemic

Since the beginning of the Covid-19 pandemic, Viveo has remained dedicated to supporting the fight against the disease, with the commitment to supply health institutions with essential materials and products to cope with the health crisis. In the first quarter of 2021, the company doubled mask production and was able to import anesthetics that were lacking in the Brazilian hospital network.

In the second half, it continued with the production of masks and carried out 12 import operations to supply hospitals with anesthetics for intubation, which was also scarce in the local market. In addition, Viveo supported more than 75 hospitals by stocking them with PPE in order to ensure the daily supply of those items and free up space in these institutions, which could then be converted into beds to attend emergencies arising from the pandemic.



Economic-financial results

GRI 201-1

Net Revenue

In 2021, adjusted net revenue totaled R\$ 5,997,4 million, an increase of 35.9% compared to 2020. This result is due to an organic growth of 14.2% and acquisitions made during the period.

R\$ thousand	2021	2020	Var. 2021/2020
Net Revenue	6,218,759	4,413,421	40.9%
Adjusted net revenue*	5,997,425	4,413,421	35.9%

* Excludes the positive effect of DIFAL (ICMS rate differential) of R\$ 17.7 million in 4Q21 and R\$ 221.3 million in 2021.

Net revenue per channel

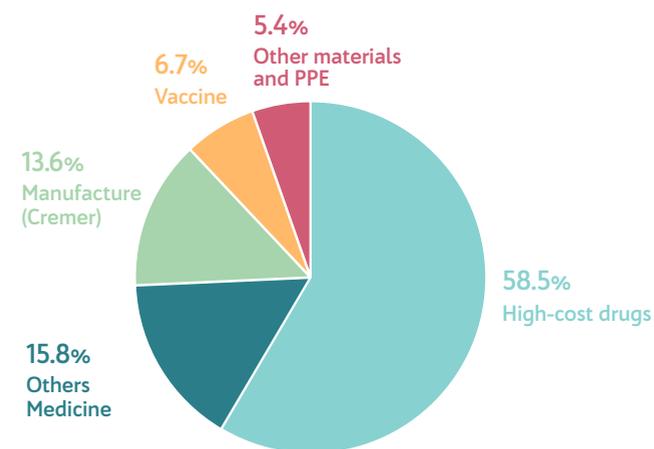
R\$ thousand	2021	2020	Var. 2021/2020
Hospitals and clinics*	5,109,644	3,915,015	30.5%
Laboratories	220,260	135,174	62.9%
Retail	583,787	315,424	85.1%
Services	83,734	47,808	75.1%
Total	5,997,425	4,413,421	35.9%

* Excludes the positive effect of DIFAL (ICMS rate differential) of R\$ 221.3 million in 2021.

In 2021, the adjusted net revenue of the distribution channel for hospitals and clinics totaled R\$ 5,109.6 million, an increase of 30.5% compared to 2020. The annual growth is mainly due to the higher sales volume of high-cost drugs and vaccines. The first two quarters saw stronger sales related to Covid-19 and a slowdown in the third and fourth quarters due to the moment of the pandemic and the highly stocked hospitals. In the second half of 2021, there was also a brief resumption of elective procedures, but still below pre-pandemic levels. Organic growth was 12.5% in 2021 compared to 2020.

In the distribution channel for hospitals and clinics in 2021, 58.5% of net revenue refers to high-cost drugs, materials (including Cremer) represented by 19.0%, other medicines 15.8%, and vaccines 6.7%.

% of net revenue 2021
Distribution to hospitals and clinics





Operations and performance



Economic-financial results



In 2021, the net revenue of the laboratory channel totaled R\$ 220.3 million, an increase of 62.9% compared to 2020. New acquisitions and an organic increase of 31.6% contributed to this growth, being the channel with the highest growth in our portfolio. Throughout 2021, the company began to serve new states and in December 2020 began sales operations through an e-commerce platform, inaugurating yet another sales channel aligned with the new consumer trends.

The retail channel, with the sales volume of materials from Cremer, Flexicotton, and from the wet wipes manufacturing companies,

Daviso was acquired in May 2021 and FW in November 2021, presenting R\$ 583.8 million in net revenue, an increase of 85.1% compared to 2020. Organic growth was 25.8% compared to 2020.

In 2021, the growth of the service channel was 75.1% compared to the previous year, with organic growth of 23.4%. Another highlight is the growth of Healthlog from providing general warehouse services for the hospital market and transportation operations with the pharmaceutical and medical products industry in the year 2021. By February 2020, Healthlog was an affiliated company of the Company and as of March

2020 it was taken under control, with its results being fully consolidated in Viveo's statements.

The results of Far.Me are registered as equity. The growth of the customer base in 2021, compared to 2020, was 420%, ending with 1,632 patients treated, including recurrent patients using Box (1,020) and patients served by the Patient Support Program (PSP) in commercial relations from various health plans.



Gross profit and Adjusted Gross Profit

In 2021, adjusted gross profit reached R\$ 876.0 million, an increase of 37.2% compared to 2020. In addition to the organic growth of 17.2% compared to the previous year, the result was impacted by the acquisitions of the period.

In 2021, the adjusted gross margin was 14.6%, an increase of 0.1 PP margin compared to 2020.

Gross profit and gross margin

R\$ thousand	2021	2020	Var. 2021/2020
Gross Profit	1,097,307	638,471	71.9%
Gross Margin	17.6%	14.5%	3.2 pp.
Adjusted Gross Profit	875,973	638,471	37.2%
Adjusted Gross Margin	14.6%	14.5%	0.1 pp.

EBITDA and Adjusted EBITDA

In 2021, Viveo's Adjusted EBITDA totaled R\$ 471.4 million, an increase of 43.9% compared to 2020. Adjusted EBITDA organic growth was 25.3% in 2021 compared to 2020. In the period, the adjusted margin increase was 0.4 p.p. margin compared to 2020, reflecting the synergies and dilution of SG&A, high growth of channels with higher margins, and acquisitions with margins above the portfolio average.

EBITDA and Adjusted EBITDA

R\$ thousand	2021	2020	Var. 2021/2020
Net Income	395,155	121,766	224.5%
IIR and CSLL	(13,696)	(67,819)	-79.8%
Financial Results	(83,449)	(7,436)	1022.2%
Depreciation and amortization	(98,189)	(82,265)	19.4%
EBITDA	590,489	279,286	111.4%
EBITDA margin	9.5%	6.3%	3.2 pp
Non-recurring	(119,124)	48,270	-346.8%
Adjusted EBITDA	471,365	327,556	43.9%
Adjusted Margin*	7.9%	7.4%	0.4 pp

* Considers Adjusted EBITDA divided by Adjusted Net Revenue.



The São Paulo (SP) office





Lucro Líquido e Lucro Líquido Ajustado

Net income for the period was R\$ 395.2 million, while adjusted net income was R\$ 307.8 million. Net income was adjusted by the same non-recurring expenses used to adjust EBITDA, net IR and CSLL, at the rate of 34%, by tax indebtedness and others.

In 2021, the adjusted net margin was 5.1%, 2.1 pp. up from 2020.

Proforma Results

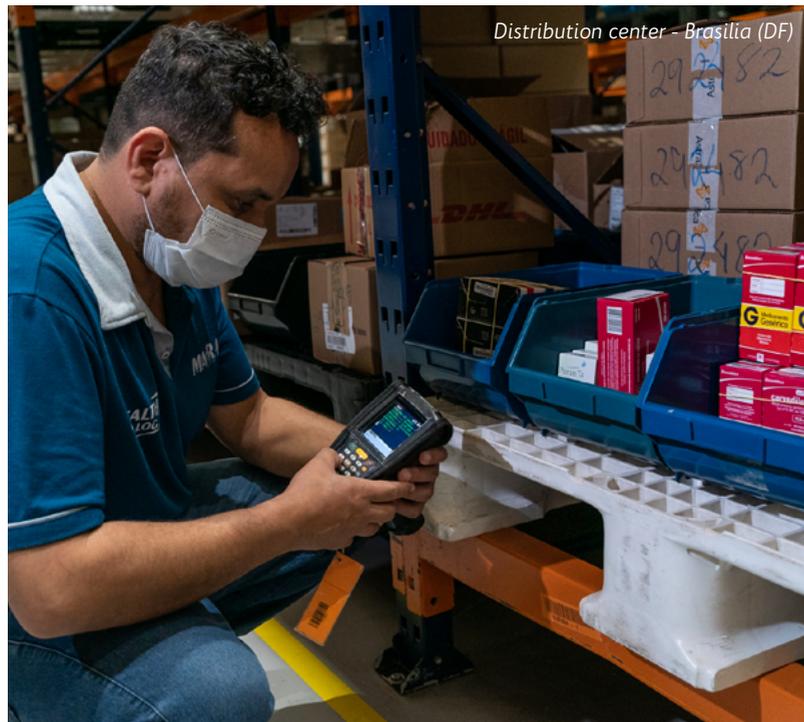
As mentioned, throughout 2020 and 2021, several acquisitions were made by the company.

The Proforma figures for 2020 consider that all acquisitions made throughout 2020 are now consolidated as of 1 January 2020. With the acquisition of Expressa, a drug distributor, Proforma gross margin and EBITDA margin are lower than accounting margins, since the company has a margin profile below Viveo's portfolio margin.

Operations and performance



Economic-financial results



R\$ thousand	2020		2021	
	Reported	Proforma	Reported	Proforma
Net Revenue	4,413,421	5,124,268	6,218,759	6,663,476
Adjusted Net Revenue	4,413,421	5,124,268	5,997,425	6,442,142
Adjusted Gross Profit	638,471	714,809	875,973	998,476
Adjusted Gross Margin	14.5%	13.9%	14.6%	15.5%
Adjusted EBITDA	327,556	358,758	471,365	535,220
Adjusted Ebitda Margin	7.4%	7.0%	7.9%	8.3%

The proforma figures for 2021 consider that the eight acquisitions completed over the year began to be consolidated as of 1 January 2021. As the acquisitions were from the consumer channels, laboratories, distribution of medical products, and services and have margins above the average of Viveo's portfolio, the proforma gross margins and EBITDA are higher than the accounting results. It should be noted that with the exception of the Daviso company, all acquisitions were made in the fourth quarter of 2021 and gains from synergies should be reaped in 2022 onward.



Return on Invested capital - ROIC

ROIC is the adjusted operating profit (EBIT) of income tax and social contribution divided by the total invested capital of the company, and the total invested capital is calculated by the sum of working capital and fixed assets (Total Invested Capital).

The standard rate for calculating income and social contribution tax is 34% on operating profit. In the year 2021, the ROIC pro the Company's proforma was 21.6%.

In 2021, the company's ROIC Proforma was 21.6%.

Loans, financing and debentures

As of December 31, 2021, the company's gross indebtedness, considering derivatives, was R\$ 2,131,2 million, R\$ 997,1 million higher than the balance calculated on December 31, 2020, mainly due to the capture of the third and fourth issues of debentures in the amount of R\$ 1,330,0 million. These investments contributed to increase the cash position and equivalents, which, at the end of December, amounted to R\$ 2,203,7 million.

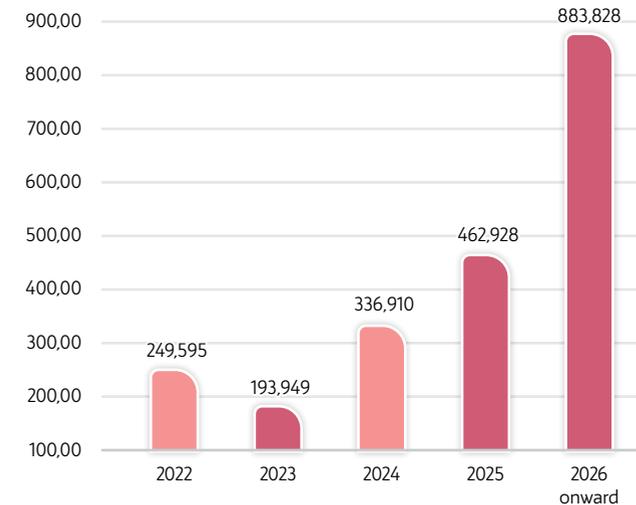
Thus, at the end of 2021, Viveo had net cash of R\$ 76.5 million, compared to the net debt position of R\$ 111.0 million at the end of the 2020 financial year. If one considers the balance relating to derivatives instruments on those dates, the net cash on 12/31/2021 was Economic-financial results the Company's proforma was 21.6%.

In 2021, the company's ROIC Proforma was 21.6%. of R\$ 72.5 million and, on 12/31/2020, a net debt of R\$ 99.3 million.

Regarding the maturity profile, at the end of the year, 88.1% of the company's debt had its maturity in the long term, and the average term of indebtedness was 5.2 years. On the same date, 99.8% of the debt was contracted in national currency and the portion registered in foreign currency was fully "hedged" with financial instruments for the Brazilian real. The detailed result can be found on the [Investor Relations Website](#) at the [Results Center](#).

Debt amortization schedule

(In R\$ thousands)





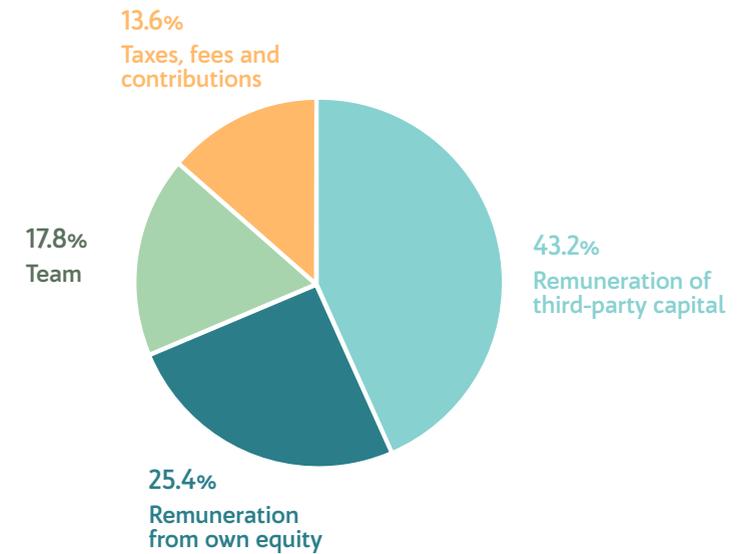
Distribution of added value

In 2021, Viveo's added value generation was R\$ 1.55 billion. The following table and graph demonstrate how this economic value was distributed.

Other information can be accessed in the [2021 financial statements](#).

Added value distribution 2021

	Value
Team	276.710
Taxes, fees and contributions	211.509
Remuneration of third party capital	672.728
Return on equity	395.155
Distribution of added value	1,556.102



Operations and performance



Economic-financial results





Capital market

Listed on the B3 Novo Mercado, a segment that concentrates companies with higher levels of corporate governance, Viveo shares (VVEO3) make up the portfolios of the IGCX, IGMN and ITAG indices, with the first pooling companies with high levels of governance, while the latter refers to stocks with differentiated tag-along rights.

Since the IPO, between 08/06/2021 and 12/30/2021, the company's shares (VVEO3) have depreciated 4.0%, compared to the performance of -14.6% and -16.2% of Ibovespa and Itag, respectively. The company's market value reached R\$ 5.4 billion at the end of December 2021.

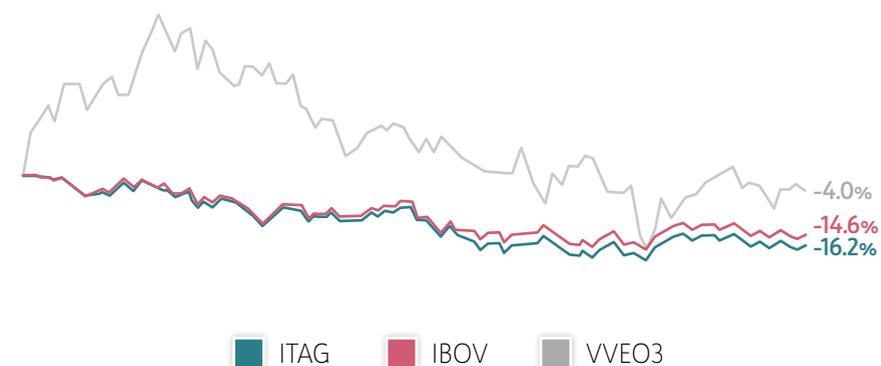
Performance of Shares

	VVEO3	Market value	Financial Volume
08/06/2021*	R\$ 19.66	R\$ 5.63 billion	129,300,683
12/30/2021	R\$ 18.87	R\$ 5.40 billion	6,160,646

* IPO price adjusted by proceeds.

VVEO3 compared to IBOV and ITAG

(On 12/31/2021)



Operations and performance



Capital market





The São Paulo
(SP) office

4

Social management

Providing care for people is at the center of Viveo's strategy, which seeks to act as a transformative agent in society to increasingly promote the democratization of access to healthcare, fulfilling our purpose of providing care for every single life. This quest is shared with all our publics, from employees to customers, through the communities where we are inserted and by our suppliers, health professionals, shareholders, and other partners. Everyone helps the company realize the present and build the future.



Social management



Coping with the pandemic

The emergence and evolution of the Covid-19 pandemic highlighted the relevance of health as a fundamental theme of Brazil's sustainable development. Aware of its responsibility as an active agent of the sector, Viveo quickly expanded and adapted its operations to support the country's health institutions in serving the population. Among the actions developed in this regard, there are:

- **Production of its own gel alcohol and masks:** When the pandemic began, in 2020, gel alcohol was not part of Viveo's product portfolio, but began manufacturing it to support tackling the pandemic. Disposable masks however were imported from China. Production of the Company's own masks allowed it to maintain supply with fair and adequate prices to the domestic market — high demand led to a rise in prices of the order of 20 times on the global market. Between 2020 and 2021, to meet the demand with agility, Viveo invested R\$ 2.9 million, including the importation of German machinery with a production capacity of 3 million masks per month. By the end of 2021, the monthly production of these items, by Cremer, reached the mark of 5.9 million.
- **Donation to health institutions:** In 2020, the totality of masks and gel alcohol from the first week of production of these items was donated to healthcare institutions to help fight the new coronavirus. Several other donations were later made, which totaled about R\$ 1.55 million by the end of 2021.



Cremer Factory - Blumenau (SC)

- **Strengthening logistics operations:** To ensure capillarity and agility in serving the population, we expanded our distribution centers and fleet of trucks, essential to deliver essential items at times when air traffic was restricted — at the beginning of the Pandemic, there was an 80% reduction in domestic flights. In that period, we also chartered planes from China to import 13 million surgical masks and deliver them to more than 110 hospitals in all Brazilian states.
- **Prevention support:** Through Cremer, we offer vending machines for masks and gel alcohol at Metro stations in São Paulo at affordable prices in order to expand the preventive care of the population in the largest city in the country.
- **Import of anesthetics:** In the most acute phase of the pandemic in Brazil, experienced in the first half of 2021, we organized a robust supply operation in the national market with the import of almost 2.5 million units of anesthetics, which were in shortage and were fundamental to the intubation procedure of patients. Navigating a highly complex process, Viveo was able to import these medicines from Europe in record time (10 days), through aircraft with refrigerated containers, fulfilling all the special licenses necessary for this type of operation.



Employees

GRI 102-8; 102-41; 103-1; 103-2; 405-1

For Viveo, the fulfillment of its purpose of providing care for each life starts with the care dedicated to each of its employees. This premise is reflected in our organizational culture, constantly challenged by the dynamism of the business and the accelerated expansion of the company.

In order to ensure that our entire team — more than 4.5 thousand people in 2021 — shares the same aspirations and vision of the future, throughout the year we carried out an in-depth project to strengthen the corporate culture, which culminated in the launch of five core values for our teams:

1. Integrity comes first: The safety of every human being is a value for Viveo, which praises the integrity of people, the efficiency of processes, and the technical excellence of the solutions it develops. As a reference in the health sector, recognized by a legacy of quality, safety and compliance, integrity is a fundamental value for everything we do.

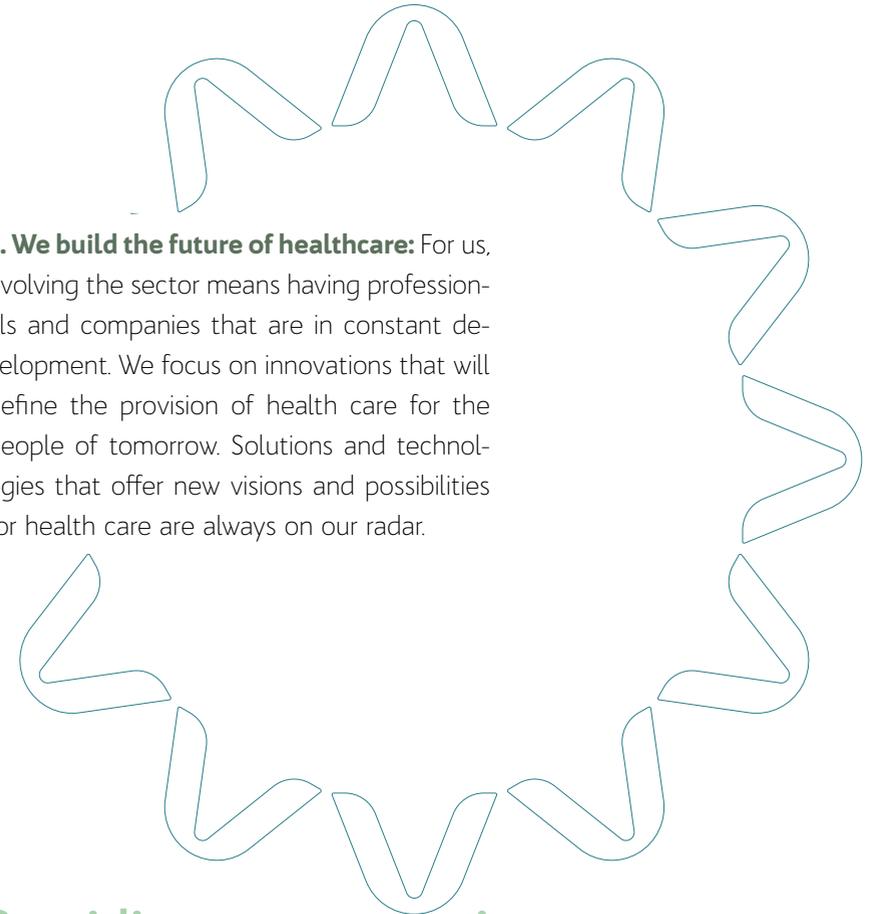
2. Every life matters: Our reason for existing is to provide care for every single life. Everything we do is oriented to ensure care is provided for every human being, from the collaborator to our clients and patients. This thinking guides all our actions, from customer service capable of anticipating needs and delivering relevant solutions, to our open and inclusive internal culture.

3. Thinking in an integrated way strengthens us: We make our brands, people, and solutions work in a network, with connected and collective thinking. Our business ecosystem perspective lends us the energy to offer more robust and complete solutions to the healthcare sector.

4. Simplifying is our way: That's why we strive to reduce bureaucracy, create an internal culture that promotes assertiveness and add business models to our ecosystem that facilitate access to health care.

5. We build the future of healthcare: For us, evolving the sector means having professionals and companies that are in constant development. We focus on innovations that will define the provision of health care for the people of tomorrow. Solutions and technologies that offer new visions and possibilities for health care are always on our radar.

Providing an appropriate working environment based on ethical and transparent relationships is a permanent commitment of Viveo.



Social management



Employees





Social management



Employees



Viveo employees are the ones particularly responsible for making the company increasingly competitive and sustainable. Therefore, providing an adequate working environment based on ethical and transparent relationships constitutes a permanent commitment with all the people who work in our units. At the end of 2021, there were 4,571 direct employees¹¹ — a growth of 30.6% in relation to 2020, due to the expansion of the business, especially with the integration of new companies and the expansion of the São Sebastião do Paraíso plant in Minas Gerais. Of the total number of employees, 95% work full-time and 81.4% are covered by collective agreements or negotiations¹², conducted together with workers union representatives — with whom Viveo establishes a relationship based on cooperation, transparency, and mutual respect. In addition to direct employees, 167 outsourced professionals completed the company's functional framework.

¹¹ These total figures include interns.

¹² Directors, managers and employees of the São Sebastião do Paraíso unit (MG) are not covered by collective or bargaining agreements, as they do not have a representative union.

Cremer Factory - Blumenau (SC)



Democratic space

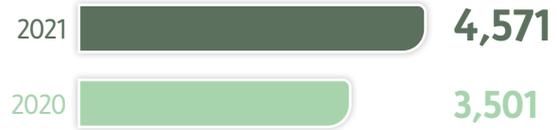
Since 2019, Viveo has implemented an internal communication tool to strengthen the corporate culture. The challenge is to communicate in an agile and effective way the different profiles of employees (managers, factory operators, drivers, external sales representatives), since about 70% of them do not have email or access to computers.

The Workplace by Meta system, integrated with the payroll system, ensures more accessible and democratic communication in a secure and decentralized way through network knowledge sharing.

The tool has been improved over the years and is a great ally for engaging management.



Total employees



Employees by Region

(On 12/31/2021)



Social management



Employees



Contributors by gender



Women

2,244

1,454



Men

2,327

2,047

902	Up to 29 years old	750
1,165	30 to 50 years	1,305
177	Over 50 years of age	272

2020

2021

Trade union freedom

GRI 102-41

Viveo employees have ensured the rights to trade union freedom, collective bargaining, and internal representation of employees in collective labor agreements.



Admissões e demissões

GRI 401-1

Throughout 2021, 2,902 employees were admitted and 2,063 dismissed. Thus, Viveo's hiring rate reached 62%¹³ in the period, while the turnover rate approached 38.6%¹⁴. As a practice of talent development and the equitable offering of opportunities, Viveo also directs vacancies open to the internal public, who can participate in the recruitment and selection processes. In 2021, about 15% of the 839 jobs available were occupied by professionals who already worked at the company.

Social management



Employees



¹³ Number of employees admitted / total number of employees

¹⁴ Turnover rates are calculated based on the following formula: (admissions + dismissals)/2 / (effective initial year + effective final year)/2. Trainees and apprentices are considered, and increases and reductions in work force are disregarded.

Admissions



Women
1,729



Men
1,173

1083	Up to 29 years	626
610	30 to 50 years	504
36	Over 50 years of age	43

Dismissals



Women
1,087

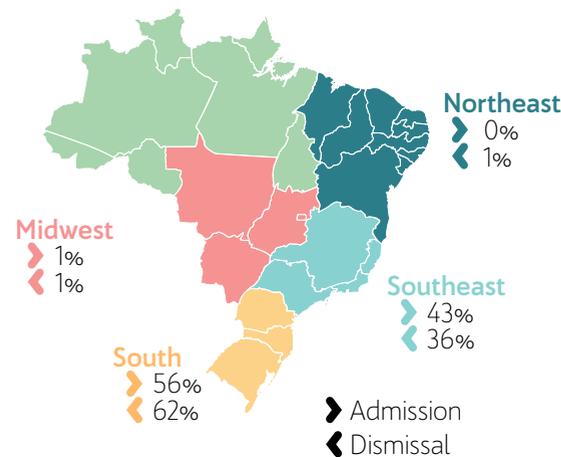


Men
976

629	Up to 29 years	440
420	30 to 50 years	475
38	Over 50 years of age	61

2021

Admissions and dismissals by region* - 2021



Turnover

Total: 38.6%

➤ By genre:
Men: 36.4%
Women: 41%

➤ By age:
Up to 29 years: 67.5%
30 to 50 years: 28.7%
Over 50 years of age: 11.4%

*Percentage of each region in relation to the total number of employees admitted and dismissed by Viveo in the country.



Remuneration and benefits

GRI 401-2

Viveo seeks to offer fair, attractive, and compatible remuneration according to the market, based on the salary practices of both the regions and the sectors where it operates. Our remuneration policy establishes guidelines in the process of personnel movement, salary adjustment, variable remuneration — awards, commissions, Results Participation Program (PPR) and short-term incentives (ICP) — with due attention to internal balance, competitiveness based on the market and the retention, engagement, and attraction of talent.

It also offers an additional package to the benefits provided by the legislation in order to provide more safety and comfort to employees regarding healthcare, finances, and family care.

In 2021, it entered into a partnership with Total pass, an agreement that aims to offer employees greater flexibility to practice physical activities.

Benefits offered to employees



Medical assistance.



Charter transportation (in some units).



Dental care.



In-company restaurant (in some units).



Gym pass.



Clube de Vantagens Viveonários, an advantages club offering discounts in partner commercial establishments.



Private pension.



Viveo Health Center (see more on page 64).



Variable remuneration — the Participation in Results and Short-Term Incentive Program.



Special discounts at Cremer stores.



Life insurance.



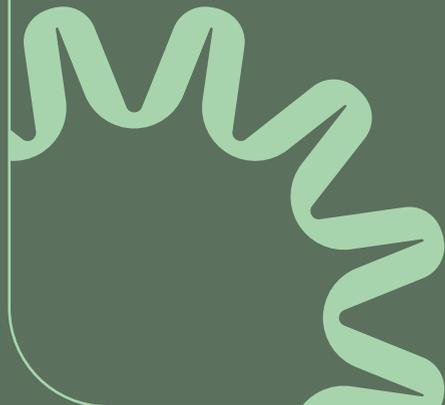
Meal vouchers and/or food stamps.

In order to continuously evaluate the assertiveness of the benefits and the quality of the suppliers involved in the provision of services to employees, the Company monitors specific indicators periodically.

Social management



Employees





Diversity

GRI 405-1

Viveo believes that diversity in the work environment contributes to the development of teams, risk and opportunity management, and innovation. For this reason, the company has been maturing its people management methods with a focus on an increasingly inclusive culture that allows equal opportunities regardless of gender, age range, ethnicity, sexual orientation, or beliefs, among other aspects.

Regarding gender equity, Viveo seeks to achieve equal remuneration between men and women who perform the same functions, promoting isonomic treatment among employees. The Company remains committed to advancing the inclusion of more women —who already represent 49% of its functional staff — in leadership positions.

Number of employees according to functional category and gender 2021

Functional category	Men	Women	Total
Directors	10	1	11
Managers	60	25	85
Coordinators/Experts	84	61	145
Supervisors/Leaders	58	29	87
Professionals/Technicians	727	645	1,372
Operators	1,335	1,400	2,735
Interns/Apprentices	53	83	136
Total:	2,327	2,244	4,571

Social management



Employees



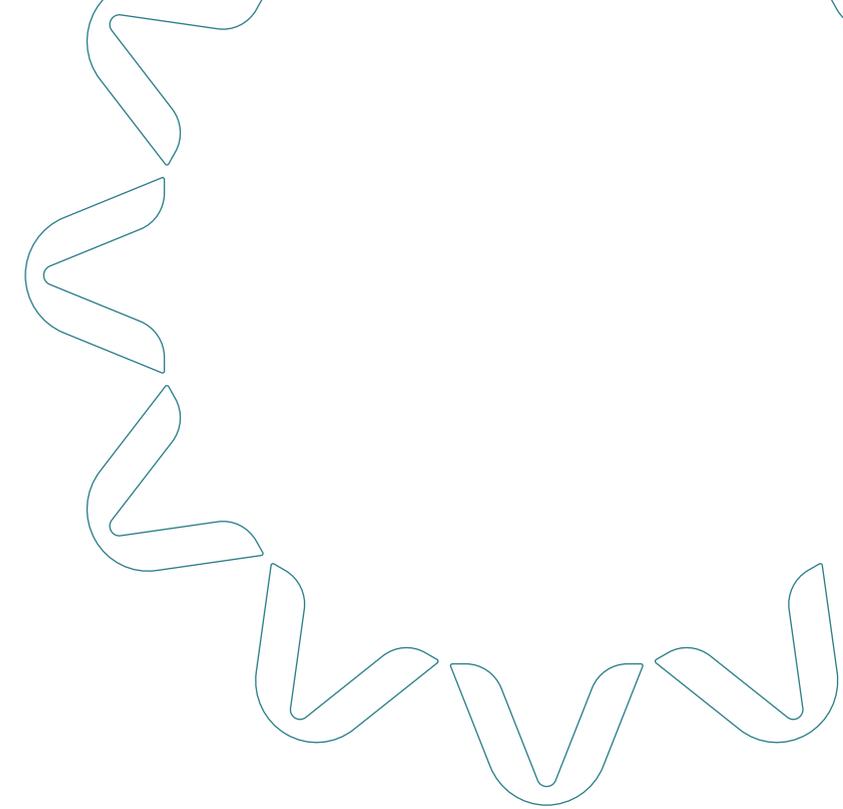
ESG strategy:

Diversity and Inclusion Working Group

In order to ensure respect for diversity and promote inclusion through people management practices, this WG has been committed to identifying indicators of good practices, both internal and external, that contribute to the advancement of the company in relation to this theme. In this regard, the main achievements in 2021 were:

- > Creation and leadership of the committee, with structured agendas and meetings;
- > Construction of the identity of the affinity groups;
- > Training program for promoters of the technical training of the Guards of Diversity and Inclusion, who deploy relevant content to other groups;
- > Publication of Viveo's Diversity & Inclusion Booklet; and
- > the realization of actions to promote awareness





Social
management



Employees



Between September 13 and 18, 2021, the first edition of Viveo Diversity Week was held with the aim of raising the awareness of employees and leaders regarding the importance of plurality and respect for differences, highlighting the following actions:

- 13 live streams/webinars aimed at all employees on combating discrimination and unconscious biases;
- Two sign language workshops with a total of 37 trained people; and
- The promotion of five conversations wheels on the topic.

**Viveo promotes
respect for
differences.**



Social management



Employees



Grupos de afinidade

Among the actions that make up Viveo's Diversity and Inclusion Program (IOFC Program), four affinity groups were created, with members called "allies", who are responsible for offering new perspectives and initiatives for the construction of welcoming and inclusive spaces for all human plurality as a way to fight discrimination.

The contribution of the groups is reflected in the company's progress on important agendas. In 2021, the Super Action group developed actions

to promote the theme, such as the hiring of a consultant firm specialized in the selection and recruitment and raising awareness of leaders in their regard and treatment of people with disabilities (PCDs). To support the inclusion of such professionals in the labor market, Viveo entered into a partnership with the Social Service of Industry (SESI) for the technical training of 32 PCDs, of which three were hired and the others remain registered in the curriculum bank for future opportunities.



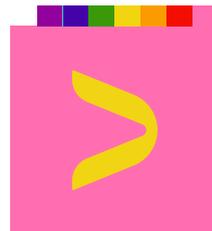
Race
InRace
35 allies



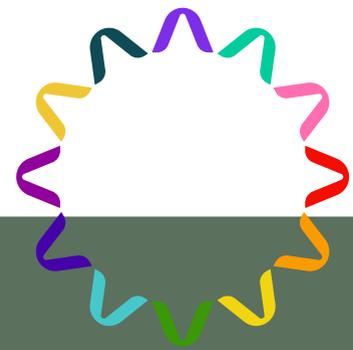
Gender
inCanAThey
27 aliados



Persons With Disabilities
SuperAction
30 allies



LGBTQIA+
BeWHOWEARE
36 allies



Diversity Committee:

In 2021, the structure of the IOFC Committee — advisory body to the board of Directors and Executive Board — for matters related to diversity and inclusion (D&I) was created. The main objectives of the committee are:

- > Connect D&I actions to Viveo's sustainability strategy;
- > Analyze and manage company plans and results on the topic;
- > Assist with data and information in the planning of actions;
- > Guide, accompany, and support affinity groups.

For the execution of the actions, the committee has 16 members, including members of the Board and other leaders, representatives of the Human Resources area, and a team dedicated to the project.



Social management



Employees



Number of employees according to education level - 2021

Illiterate	-
Elementary School Non Graduates	394
Elementary School Graduates	354
High School Non Graduates	394
High School Graduates	2,182
Incomplete Higher Education	400
Higher Education Graduates	626
Graduate school Graduates	221
Total:	4,571

Opportunities for youth

Viveo also strives to promote the employability of youths through its Internship Program, which had 40 participants in 2021 — of which six became effective employees. Throughout the Year, actions were structured dedicated to ensuring greater connection between trainees, as well as the development of behavioral skills, which included the construction of an Individual Development Plan (IDP) for each youth.

In December, the company launched a new version of the program to expand the social impact of the initiative starting in 2022, opening a plural selection process to seek interns in various areas of the Company. The selection of candidates was carried out with a focus on the learning journey and experience of each intern/trainee, since their recruitment, in a humanized and welcoming

way. The process has six stages: registration on LinkedIn, form submission, video of the channel for identification of the cultural match, a group activity, interview with the manager and HR professional, and admission process. The candidates undergo a special development program with the goal of empowering them for corporate challenges and career advancement.



Health and safety

GRI 103-1; 103-2; 103-3; 403-1; 403-2; 403-3; 403-5; 403-6; 403-8; 403-9

For Viveo, ensuring safety conditions for all people who work and visit the facilities or perform activities in the company is a fundamental commitment. Aware of the risks inherent to the activities, the company remains attentive to the mechanisms of prevention, control, and reduction of accidents and incidents based on the dissemination of a safety culture shared with employees and third parties.

Thus, Viveo has its own Health, Safety, and Environment (SSMA) team, composed of 40 employees from different specialties and training — doctors, nurses, nursing technicians, environmental engineers, and occupational safety — exceeding the number of professionals required by legislation. To strengthen this structure, in 2021 Corporate Management of Safety and the Environment was created in order to implement the theme into the strategic level of the company.

The strategies of the area involve planning with employees and leadership to achieve a high degree of assertiveness and excellence of results. By monitoring indicators and inspections in loco the effectiveness of the implemented actions, projects, and programs is analyzed to ascertain whether they met the objectives and expectations, or if any failure or opportunity for improvement was identified.

In the industrial units, the Management Committee was created for weekly analysis of SSMA indicators.

Social management



Employees



Pillars of the Health and Safety Culture



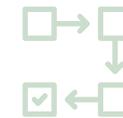
Compliance

Identification of legal requirements applicable to all units, the definition of procedures and continuous monitoring of compliance with legislation and internal policies, standards, and procedures.



People

Development of risk perception, sense of ownership, and safe behavior, accompanied by the strong engagement of company leaders.



Process

Mapping of hazards and opportunities, risk assessment, and diagnosis of unsafe conditions to prevent the occurrence of occupational diseases and work accidents.



Social management



Employees



2021, this culture had already been established with the practice of Daily Safety Talks (DST) carried out for years at the company, and the behavioral observation program called the Preventive Observation Program (POP), performed by the company leadership focusing on the educational approach and recognition of safe behaviors this culture has since been strengthened through the adoption of new features, such as the use of the Easy Check List app, to simplify the registration of unsafe behaviors identified in the POP, and the registration of near-accidents through QRCode, in addition to the implementation of the Minimum-Security Requirements Audit Program (ARMS). As a result of these actions, Viveo consolidated the following results in the year:

- > Celebration of a year without accidents with removal in the adhesive unit — 386 days without accidents requiring medical leave;
- > 865-day mark without accidents requiring medical leave at the plastics unit of Santa Catarina;
- > 1,400 hours of safety training;
- > 530 improvement actions implemented with a focus on accident prevention; and
- > No lost time or injury accidents in our Diagnostics business units; and
- > No fatal accidents or serious injuries.

The process of improving the management system is based on the monitoring of SSMA indicators, which include the frequency rate and severity of accidents, adherence to the behavioral observation program, monitoring of medical certificates, occupational care, and use of the Health Center.

Health and Safety Indicators

	2020	2021
Number of hours worked	6,422,106	9,034,257
Number of days lost — work accidents requiring medical leave	262	555
Number of fatal accidents (deaths)	0	0
Number of accidents with serious consequences (except deaths)	1	0
Number of near-accidents	21	43
Number of typical accidents requiring medical leave	13	38
Number of accidents occurring on route to work requiring medical leave	8	10
Index of accidents with serious consequences (except deaths)*	0.16	0

* Index calculated with the formula:
(number of accidents with serious consequences/number of hours worked) x 1,000,000.

	2020	2021
Frequency rate (TF) of company employees*	2.02	4.21
Gravity Rate (TG) of company employees**	36	61

* Número de acidentes com afastamento por milhão de horas trabalhadas. Acidentes de trajeto não estão inclusos no cálculo desse indicador.

** Número de acidentes por milhão de horas trabalhadas. Acidentes de trajeto não estão inclusos no cálculo desse indicador.



Social management



Employees



In 2021, 38 work accidents requiring leave were recorded in Viveo units, of which only six required a leave period greater than 15 days, in addition to 43 near-accidents, all having been evaluated for the identification of causes and adjustments implemented in the processes in order to avoid recurrence.

The increase in the number of accident records between 2020 and 2021 is a reflection of the development of prevention activities and measures in the last year, especially in logistics operations and at the plastics unit in Minas Gerais. The expansion of the Company resulted in an increase in the number of employees, a greater volume of receipt and shipment of products, mainly internal movement in the warehouses, and deliveries to customers. In 2021, the most recurrent occupational injuries occurred on the hands, which the company

seeks to avoid through the replacement of tools, revision of operating procedures, protection of machines and equipment, development of more efficient personal protective equipment (PPE), and raising awareness through DDS, campaigns, and other periodic training programs.

To support health and safety management, Viveo maintains 20 internal accident prevention committees (CIPAs) composed of 180 members representing the different operational and administrative areas, and six services specialized in Safety Engineering and Labor policy (SESMTs). Among other activities, CIPA actively participates in the investigation of accidents, contributing to the identification of risk factors and thus improve preventive actions.



Cremer Factory - Blumenau (SC)

To support the management of occupational health and safety, Viveo maintains 20 internal accident prevention committees (CIPAs).



Social management



Employees



Security capabilities

At Viveo, the job descriptions stipulate the need for training related to health, safety, and quality issues, and, for operators, safety procedures applicable to their workplace. To monitor these training programs, the Company has a specialized team that guides professionals regarding the regulatory standards (NRs) necessary for the activities performed — including the employees of hired third-party companies. A monthly audit of the system is carried out to identify workers who require updated training.



Fábrica Cremer - Blumenau (SC)

Health, Safety and Environment (SSMA)

The purpose of the SSMA area is to provide care for the health and safety of people and the environment in order to prevent diseases, work, and environmental accidents, thus contributing to the sustainability of the business.

To achieve this purpose with excellence and be a reference in caring for people and the planet, in 2021 the strategy (2021-2025) of the SSMA area was created and defined as its major objectives to:

- > Strengthen and evolve SSMA culture;
- > Meet legal health, safety, and environmental requirements;
- > Not generate pollution and environmental liabilities in places where we operate;
- > Reduce generation and add value to the waste generated in the business and for the customer;
- > Zero injuries and occupational diseases requiring leave; and
- > Value the well-being of the communities within and surrounding the Company's locations.



Social management



Employees



Health awareness

Health promotion programs for employees aim to provide information on this topic, prevent injuries and occupational diseases and support the health conditions of employees. In 2021, Viveo built the Health Center, in Blumenau (SC) to offer face-to-face and remote care to all its employees free of charge. Led by a multidisciplinary team — doctors, nurses, physiotherapists, ergonomists, and speech therapists — the new space enables the provision of care in the following areas:

- > **General Practice:** Diagnosis, the request and evaluation of tests and prescriptions;
- > **Pediatrics:** Non-emergency care for children;
- > **Psychology:** Psychological complaints and coping with stress and anxiety;
- > **Psychiatry:** Treatment and follow-up of mental disorders;
- > **Physiotherapy and ergonomics:** Care for pain prevention and job adaptation;
- > **Orthopedic:** Specialized clinical care in musculoskeletal complaints; and
- > **Integrative Therapies:** Alternative treatments validated by SUS.



Blumenau Health Center (SC)



Blumenau Health Center (SC)



In 2021, 6,830 face-to-face and telemedicine medical appointments were provided.

In addition to care, the following health promotion programs are developed at the center, with a preventive approach:

Social management



Employees



> **Mental Care:** it includes, in addition to psychological and psychiatric support, periodic preventive actions for mental health, addressing topics such as anxiety and stress control, self-knowledge, and well-being.



> **Gestate Well:** a group of managers offers the future mother a journey of knowledge through lectures on pregnancy care, the preparation for childbirth, breastfeeding, and the first steps with the baby. At the end, the collaborators receive a certificate of participation and a personalized sponsorship with Viveo products.



> **MoviMente:** focusing on the promotion of health and quality of life, it encourages the practice of physical activity, healthy nutrition, and changes in habits. It develops periodic actions, providing health tips, encourages participation in sports practice groups that are also created by the program.



> **Talk to Pedi:** focused on child health, it offers elucidation for parents regarding doubts they may have about pediatrics through quick consultations, in addition to periodic orientations on related topics. It also encourages participation in internal communication channels.



> **Influenza vaccination campaign:** offers flu (Influenza) vaccinations, at costs partially subsidized by the company.

The company develops several preventive healthcare programs.





Social management



Employees



Caring for employees during the pandemic

The Viveo Health Center emerged as the company's response to the difficulty faced in many cities to receive medical care during the pandemic and the need to avoid hospitals visits. Thus, the program offers employees medical appointments 100% free of charge, face-to-face or remote (online). In 2021, the program offered medical appointments in pediatrics, general practice, psychiatry, and psychology. For those who live in Blumenau (SC), the appointments took place in person. For the others, the service was provided by telemedicine and both formats were extended to the children of employees. In addition to the reception at the Health Center, the company made available to employees a series of initiatives in order to protect people's health, such as:

- > Hiring an infectious disease doctor to provide technical support to the medical and healthcare team of Viveo;
- > Educational live streams with infectious disease doctors;
- > Internal communication and constant engagement on prevention measures;
- > Creation of the Salu Hot Line Group: technical support through the instantaneous sharing of information between all the company's doctors and the infectious disease doctors of Salu — a service platform dedicated to occupational health;
- > Delivery of PPE to collaborators; and
- > Employee transportation benefits.
- > The constant updating of protocols and scenarios regarding the development of the pandemic, carried out by our main leaders;



ESG strategy:

Working Group for the Generation and Dissemination of Knowledge
GRI 103-1; 103-2

Viveo considers the training of health professionals and the guidance of the population to be essential actions for sustainable development. Therefore, it created a working group dedicated to generating and disseminating knowledge and sharing relevant and scientifically based information through different platforms. With the mission of raising awareness, guiding, and training, this WG proposes actions aimed at both the internal and external public — which includes, in addition to clients and health professionals, the general population, which can be guided through informative and educational content on social networks, direct approaches, lectures, participation in seminars, etc.

Among the activities carried out in 2020 and 2021, the following stand out:

- > 73 themes mapped out for dissemination — 14 for collaborators and 59 for health professionals;
- > 8,514 views on live streams and awareness talks; and
- > 612 educational approaches on scientific/technical concepts with the attendance of approximately 10 thousand health professionals.





Professional development

GRI 404-1

The continuous development of the skills of our professionals represents an essential practice for the sustainability of Viveo. That is why the company invests in corporate education. In 2021, there were 66 thousand hours dedicated to specific training, which required investments of R\$ 979.100, a value 27.8% higher than in 2020. In the year, the average hours of training per employee was 14.4 hours.

Social management



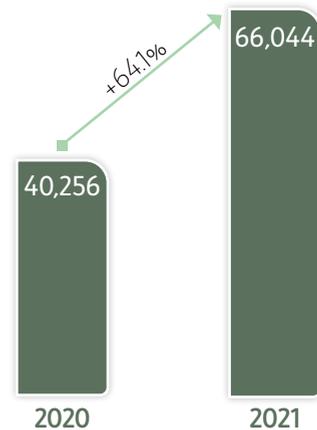
Employees



Average training hours, by gender

Men	Women
13.5	15.3

Total training hours



Average training hours, according to functional category

Functional category	Men	Women
Directors	40.2	17
Managers	33.5	35.3
Coordinators/Experts	22.1	24.4
Supervisors/Leaders	16.3	23.1
Professionals/Technicians	12.2	12
Operators	12.3	16
Interns/Apprentices	12.5	11.5

Star players in operation

Viveo understands that the specific competencies of each business in its ecosystem complement each other; as such, training solutions need to be customized. In this sense, in 2020, the "Star players in Operation" program was launched aimed at more than 50 leaders of logistics solutions, covering content such as People Management, Supply Chain, Projects, Lean philosophy, and Quality Management.



In addition to the usual trainings programs, in 2020 and 2021, the Leader Development Program, LiderA, was structured, which operates on two fronts, according to the specific needs of each team involved. They are:

- > **Development of managers:** Focused on business, it is developed in partnership with the Dom Cabral Foundation, specifically for managers. It includes modules that aim to support leaders with technical and tactical knowledge on creating a more synergistic ecosystem between units, reflected in a shared vision of the business, its risks and opportunities. In addition to the in-depth understanding of Viveo's strategy and competitiveness, it proposes a re-thinking of the portfolio of solutions in an innovative way, based on customer demands and market trends, with the aim to enhance the Viveo value proposition.
- > **Development of coordinators:** With a focus on leadership skills, it is designed for coordinators and, with the support of the consulting firm Crescimentum, works on behavioral aspects that cover the individual challenges of leaders and the tools to develop engaged and high-performance teams.

Social management



Employees



The Trilhar Platform

Since 2020, the company has the Trilhar platform that provides online training to its employees. The portfolio, which began with a specific track of sales and people management, ended 2021 with 47 additional modules, from corporate policies, security, technical product training, to information technology tools.



The São Paulo (SP) office



Organizational climate

In 2021, the "Engagement Survey" was conducted, a methodology used by Mercer in partnership with Valor Carreira, which evaluates two main aspects — Prosperity and engagement — in eight dimensions:

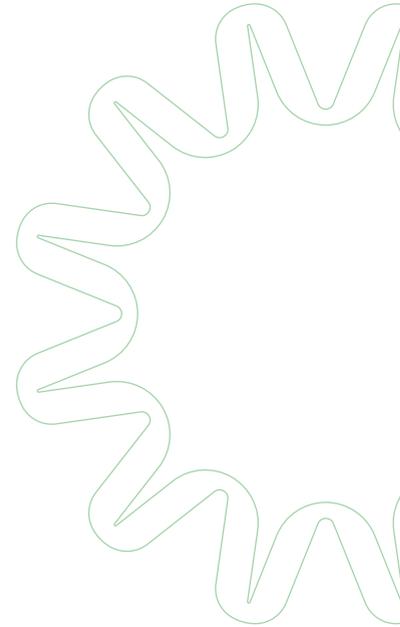
1. Engagement;
2. Prosperous individuals;
3. Attractive careers;
4. Fair reward;
5. Healthy working environment;
6. Responsible leadership;
7. Organizational agility; and
8. Culture of integrity.

The "Engagement Index" is composed of the average favorability index of four questions that measure commitment, pride, and motivation to work in the company. The Prosperity Index is based on the average favorability index of 39 questions distributed in seven dimensions related to culture, leadership, a healthy environment, among other aspects.

Social management



Employees



ESG strategy:

Working Group for the Development and Welfare of Employees

It aims to maximize the potential of each employee through the care and promotion of personal development. In 2021, the main activities were:

- > **Development of the concept "Career or Specialist":** sequence of positions that a Viveo professional can assume, according to the nature of their performance (managerial or technical). In both, access to the same level of remuneration and recognition offered by the Company is guaranteed;
- > **HR Central:** 344 employee requests satisfied;
- > **Advantages Club:** 1,413 beneficiaries of special benefits offered by the company;
- > **Customized actions and programs:** focusing on the development of the team; and
- > **Clarity and encouragement of internal recruitment:** as a source of empowerment for professionals.





In 2020, the survey received a response from 78% of invited collaborators and the engagement rate reached 82%. In 2021, survey adherence increased to 87% and engagement resulted in 79%.

Despite the economic instability, the pandemic scenario and the entry of new companies into the survey, Viveo maintained its average favorability in prosperity and had a three pp drop in the engagement dimension.

A number of actions performed by the company in 2021 were implemented due to the results of the survey in 2020, such as:

- > Leaders Program;
- > Construction of a schedule for health and well-being actions;
- > Programa Idem;
- > Training programs with leaders on remuneration and benefits policy;
- > Presentation of private pensions;
- > Y career development;
- > Focus on internal recruitment; and
- > Careers panel.

During 2022, corporate and local action plans will be worked out to identify opportunities for improvements in engagement and other issues with lower scores.

Social management



Employees



Climate survey indicators

	2020	2021
Adhesion*	78%	87%
Engagement	82%	79%
Prosperity	71%	71%

* Percentage of respondents in relation to the total number of employees.



Featured answers in the survey:

- > My immediate manager treats me with respect and dignity;
- > This company improves the way customers live their lives;
- > I feel like I fit in well with this company;
- > I can maintain a reasonable work-life balance; and
- > I can be myself (be authentic) at work.



Social management



Community



Community

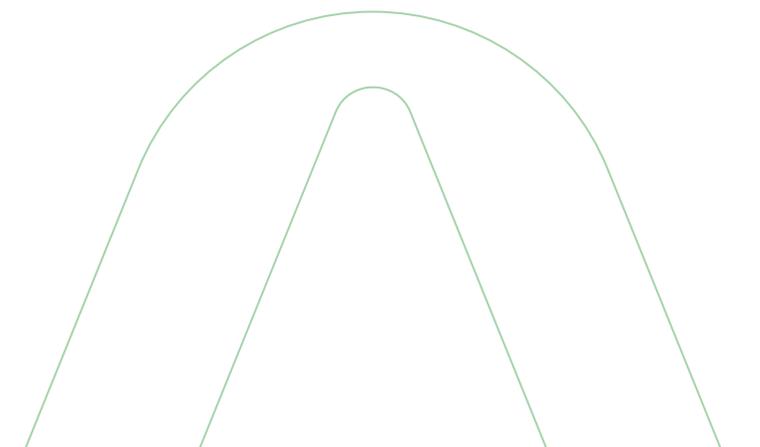
GRI 201-1; 413-1

Viveo contributes to local development through active social responsibility policies and practices, respecting the well-being of communities within the proximity of their locations. Thus, it seeks to ensure the social legitimacy of its activities through the strengthening of interaction with these communities and the integration of their interests in the conduct of business.

The objective of collaborating for the transformation of healthcare in Brazil, aligned with the purpose of Viveo, also guides the company's social responsibility actions, especially in supporting the development of healthcare entities and vulnerable communities, especially in the cities and regions where the company is inserted. To define the social investment strategy, Viveo maintains a Donations and Tax Incentive Committee, which evaluates requests for support and ongoing projects, directing the allocation of resources.

All donations made follow ethical and legal norms, in accordance with the Donations and Tax Incentive Policy, The Code of Conduct, the Anti-Corruption and Anti-Bribery Policy, and other related corporate guidelines. In this sense, the company does not make, directly or indirectly, donations for electoral purposes and ensures the suitability of partner entities. Each request or project is evaluated by the Committees according to the following criteria:

- > Actions carried out by hospitals and healthcare institutions;
- > Social projects for publics in a state of vulnerability;
- > Situations warranting support in a state of public calamity;
- > Self-sufficient projects or institutions;
- > Preferably entities present in places that Viveo has operation; and
- > Initiatives that drive the pillars of Viveo's sustainability strategy.





Several projects are developed or supported by Viveo through tax deductions, based on mechanisms such as the Culture Incentive Law (Pronac), the Sports Law, the Fund for Childhood and Adolescence (FIA), and the Elderly Law. In 2021, the investments made by the company through these mechanisms reached R\$ 866.7 thousand, with emphasis on donations made to Hospital São Jose, Jaragua do Sul (SC), The Projeto Viva e Deixe Viver project (SP, RJ, PE, BA, DF and RS), the Olga Kos Institute of São Paulo (SP), and APAE of Tubarão (SC).

Social management



Community



Social Responsibility

The Company understands that social responsibility is a theme that affects the entire organization and encourages employee engagement and voluntary participation in the social projects it supports.

Another R\$ 481.7 thousand in products were distributed for the benefit of the communities through donations, among which stand out:

- > **Donation of medicines and materials to Amazonas:** support to the state in the face of the serious health crisis experienced in the first quarter of the year, with the donation of products to combat Covid-19.
- > **Together We Win:** A project that made the donation of products to families living in a state of social vulnerability in Rio de Janeiro (RJ).
- > **Downwind Solidário:** In support of the Dharma Institute, the donation of medicines and medical materials were made for an expedition along the coast of Ceara to provide medical care, donate food and PPE, and raise children's awareness about the environment. One volunteer collaborator also participated in the project.
- > **Adopt a Little Angel:** An institution was chosen to lend support during the Christmas season, based on the survey of its main needs. Voluntary donations were made by the Company's employees, proportional to their wherewithal. In 2021, in addition to the collaboration for external institutions, Viveo also made it possible for employees of the Blumenau factories to benefit from the action — in total, 61 family members were included in the program.



Social management



Suppliers



Suppliers

GRI 102-9; 103-1; 103-2; 204-1

Viveo considers its suppliers as playing a fundamental role in achieving its objectives, as well as the Company's contribution to sustainable development. Therefore, it values establishing long-term partnerships, guided by ethics and mutual support. Many of its partners contribute with the preparation of business plans, for example. Composed of organizations from different sizes, sectors, and regions of the country and the world, the company's supply chain included, at the end of 2021, approximately 2.4 thousand actively registered suppliers. In the manufacturing segment, approximately R\$ 600 million was paid out, with 53% of this amount allocated to local suppliers, based in states where Viveo maintains industrial operations (factories). Of this percentage, 26% correspond to suppliers based in Santa Catarina, 23% in São Paulo, and 3% in Minas Gerais.

Regarding distribution, our total purchase volume exceeded the R\$ 4.2 billion mark, with approximately 80% of this amount directed to the acquisition of medicines and 20% to the acquisition of medical materials. In 2021 Viveo had more than 170 suppliers in the distribution sector.

Composed of organizations of different sizes, sectors and regions of the country and the world, the company's supply chain amounted to 2.4 thousand suppliers in 2021.

When hiring suppliers of goods and services, the company carries out a rigorous evaluation process, which critically evaluates environmental, labor, legal, tax, administrative, and labor safety aspects¹⁵. In addition to the analysis of documentation proving legal regularity, all contracts signed with suppliers include clauses that prohibit the use of child, forced, or slave labor, as well as practices characteristic of corruption. Suppliers are periodically evaluated for decision-making regarding their maintenance or replacement in the Viveo supply chain.

¹⁵ In the medical-hospital segment, the company also follows high standards of safety and quality of the products it distributes, following compliance with all the determinations of the health authorities and the certifications required by its customers.



Social management



Suppliers



In 2021, two actions strengthened the company's responsibility for this link in the value chain. In order to ensure conduct in line with Viveo's values, the Term of Ethical Compliance was elaborated and shared with suppliers, in which the company reaffirms that all agents involved in the business are aligned with its precepts of compliance, respecting standards of integrity and contributing to the fight against corruption. On another front, a working group dedicated to the topic was implemented, supported by a specialized consulting firm for the improvement of policies and practices along the value chain. Among the main activities carried out by the group in 2021 is the elaboration of a socio-environmental and market risk matrix related to suppliers, which serves to guide priority actions.

Certified cotton

In 2021, Viveo became a signatory to The Better Cotton Initiative (BCI), A multi-sectoral governance group that promotes improvements in the supply chain, especially in plume cotton cultivation practices and social aspects of the production chain, such as labor rights, gender equality and the prevention of slave and child labor. With this, the company only purchases 100% plume cotton from BCI certified farms for use in the production of health and hygiene products.

ESG strategy:

Sustainable Procurement Working Group

In order to integrate socio-environmental criteria into supply management, mitigating risks and encouraging the development of our suppliers, this WG developed the following main activities in 2021:

- > Elaboration and dissemination of the Procurement and Admissions Policy;
- > Validation of the suitability and compliance practices of suppliers;
- > BCI seal requirement for cotton suppliers; and
- > Elaboration of the risk matrix for risk mitigation according to the criticality of each category.





Social management



Clients



Clients

Viveo's client portfolio is composed especially of private and public hospitals, clinics, pharmacies, supermarkets, wholesalers, distributors, and laboratories in Brazil. In addition to this group of customers, certain product categories reach the final consumer, such as items marketed by pharmacies. Overseas, most customers are made up of distributors. Thus, considering the diversity of the portfolio in each business segment, the company develops relationship practices adapted to the different customer profiles, focusing on agility, responsibility, and innovation.

The market segments served by Viveo have two distribution and marketing channels:

- > The company serves private and public institutional clients through the physical distribution of medical-hospital and surgical materials, medicines, laboratory products, first-aid products, consumer products (treatment, hygiene, and well-being) and vaccines; as well as
- > its E-Commerce channels for the distribution and commercialization of laboratory products.

About 99% of Viveo's revenue comes from sales made in Brazil. Abroad, the commercial portfolio is distributed among 19 countries located in Africa, America, and Europe.

The satisfaction survey conducted by the company with customers revealed the NPS index — metric of perception of the customer journey — of 80%¹⁶, in relation to the previous two quarters. The company also provides customer service (SAC), responsible for receiving and handling questions, complaints, and compliments. 9,668 interactions were received in 2021, higher than in 2020, which reached 7,731. Of the total number of registered contacts, 67% referred to an error in sales and 10% regarding questions about distributed products.

Results Satisfaction Survey – 2021

NPS > 80 = Area of Excellence



¹⁶ A survey was conducted with clients between January 3 and February 4, 2022 referring to the service received in the previous year.



Digital transformation and open innovation

As a market leader, Viveo plays a key role in building the future of healthcare in Brazil. Innovation is our strategic priority and since 2019 we have a digital transformation sector that promotes excellence in care for our customers, partners, and employees.



In 2021, aiming to scale the benefits of our actions, we gave a new name to this front: Viveo Connection — connecting links to provide care for every single life.

The initiative has three main focuses:

- > **Organizational agility:** Agile cells that ensure a quick response to new market demands;
- > **Digital solutions:** New tools that simplify the health market and strengthen ESG initiatives; and
- > **Open innovation:** Looking outwards collaboratively, creating relationships for the exchange of ideas, knowledge, and technologies.

The digital solution has simplified the day-to-day of our clients. The first launch of the Viveo Connection was Mel — Viveo’s virtual assistant — and its platform that integrates the Company’s customer care services. With the new channel, the NPS indicator went from 65 points to 75 points in the first and second quarters and closed the year at 80 points. Also worth mentioning:

- > Automation of more than 10 thousand calls via telephone and emails received per month;
- > Decreased customer service time from four days to 30 seconds;
- > Creation of the Quotation Portal, making the quotation process for customers more agile, with a decrease of 80% in response time and an increase of 17% in the number of items quoted through the Bionexo platform;
- > A stronger e-commerce presence extended to laboratories; and
- > Tools to ensure agility and mobility of the commercial team, with applications that facilitate quotes, price simulations, verification of goals, and sales made.

Social management



Clients



Virtual assistant

In May 2021 Mel was introduced — Viveo’s virtual assistant. This integrated services channel follows the customer’s journey and gathers all the information of registered partners, both for queries and requests, as well as for purchase management, making the customer’s behavior perceived and thus receiving more direct customer service, in addition to driving improvements in the channel itself.

The service is available at the web address www.viveo.com.br/cliente.





Social management



Clients



Investors and other publics

The opening of capital, held in 2021, brought Viveo another very special aspect of public relations: investors. At the end of the year, the company's equity base consisted of more than 800 investors. In accordance with the best practices of corporate governance, communication channels dedicated to shareholders have been created, through which relevant information about the business is divulged to support their decision-making.

In this sense, the [company website](#) offers corporate content and periodic performance reports, among other materials. Thus, it com-

plements the information made available on official platforms, such as the repositories of B3 and the Securities and Exchange Commission (CVM).

In addition to the investors and other stakeholders already addressed in this report — employees, communities, customers, and suppliers, Viveo maintains relationships with several other stakeholder groups. Entities representing the sector, universities, government representatives in all its spheres, the press, and non-profit organizations, among others, are part of the company's broad group of stakeholders.



Participation in associations

GRI 102-13

At the end of 2021, Viveo was part of the following entities:

- > ABIHPEC (Brazilian Association of the Personal Care, Perfumery and Cosmetics Industries);
- > ABIMO (Brazilian Association of the Medical Device Industry);
- > ABINT (Brazilian Association of Nonwovens and Technical Fabrics Industries);
- > ABNT (Brazilian Association of Technical Standards);
- > ABRADIMEX (Brazilian Association of Distributors of Specialized, Exceptional and Hospital Medicines);
- > ANAHP (National Association of Private Hospitals);
- > ACIB (Blumenau Business Association);
- > Fiesc (Federation of Industries of the State of Santa Catarina); and
- > Sintex (Union of the Spinning, Weaving and Garment Industries of Blumenau).



5

Environmental Management

GRI 102-11

Viveo strives to achieve complete eco-efficiency of its operations in order to minimize the impacts of its activities on the environment. To this end, it continuously strives to meet all legal requirements and promotes internal campaigns for conscious consumption of natural resources, in order to strengthen engagement among its collaborators. In addition, it has been strengthening its management structure of this theme, with the creation of working groups to establish guidelines and practices aimed at improving environmental performance, as reported below.



Energy and emissions

GRI 103-1; 103-2; 103-3; 302-1; 302-2; 305-1; 305-2; 305-3; 305-6

As part of its evolution in environmental management, Viveo conducted a study to develop initiatives aimed at maintaining an increasingly clean energy matrix and implementing actions that contribute to the environment. In addition to the R\$ 20 million already invested in these initiatives, our strategic plan provides for another R\$ 15 million annually in the area in the next three years.



Cremer Factory - Blumenau (SC)

Aware of the direct relationship between energy consumption and decarbonization, the company initiated integrated actions to reduce energy consumption and, consequently, CO₂ emission. Among these actions stand out:

- > Biomass-powered boiler: in its largest industrial plant, located in Blumenau (SC), the fossil fuel of the boiler was replaced by biomass sourced from reforested wood.
- > The use of compressed air compressors to heat water: another form of reuse of thermal energy is the use of compressed air compressors for the production of preheated water for use in bleach processes, reducing fuel consumption to generate steam.
- > Modernization of weaving in textile plants, with more efficient and productive equipment, generating substantial reductions in electricity consumption.
- > Acquisition of I-REC, a certificate that ensures that all energy used by the company in 2020 came from renewable sources.



Environmental Management



Energy and emissions





Direct energy consumption, represented by the sum of electric energy and fuels used in the company's operations, totaled 4072 thousand Giga Joules (GJ) in 2021¹⁷ – a decrease of 3.8% compared to 2020, due to the implementation of the biomass boiler in the company's textile plant, reducing the burning of electricity and natural

gas. In addition to this volume, 13.9 thousand Giga Joules (GJ) were used in relation to purchased goods and services, employee transportation (home-work), waste generated in operations, and business trips.

Environmental
Management



Energy and
emissions



Energy consumption — Non-Renewable Fuels (In GJ)

Fuel	2020	2021
Acetylene	704	2,89
Diesel	70,636.62	68,569.22
Gasoline	7,927.79	11,065.48
Liquefied Petroleum Gas (LPG)	3,689.19	6,015.25
Natural gas	135,018.98	87,076.15
Total	217,279.62	172,728.99

Energy consumption — renewable fuels (In GJ)

Fuel	2020	2021
Biomass / other primary solid biomass	431.22	794.80
Hydrated ethanol	636.70	1,659.80
Total	1,067.92	2,454.60

Electricity consumption (In GJ)

	2020	2021
Acquired electricity	204,785.97	232,052.96

Total energy consumption — fuels + electricity (In GJ)

Energy	2020	2021
	423,133.51	407,236.55

Energy consumption outside the organization — Non-Renewable Fuels (In GJ)

Fuel	2020	2021
Diesel	8,864.38	11,239.48
Gasoline	860.78	262.52
Aviation kerosene	2,997.64	2,358.29
Total	12,722.80	13,860.29

¹⁷ Data does not include the consumption of the units of Daviso and FW companies.



Viveo emitted 24.4 thousand tCO₂e¹⁸ and thousand tCO₂ of greenhouse gases in 2021 (see table below) — an increase of 13.5% compared to the previous year. The greatest variation in emission sources occurred from the acquisition of electric energy, greatly impacted by the increase of more than 100% in CO₂ emission factors from electricity generation in the National Interconnected System (SIN) of Brazil. In 2020, the average annual factor (tCO₂/MWh) was 0.0617, while in 2021 it reached 0.1264, representing an increase of 104.8%.

In addition to the emission factor, the total consumption of electric energy grew by 74% due to the increase in the volume produced, the reduction of the working day in some manufacturing units in 2020, as an effect of the pandemic, and the expansion of our Minas Gerais unit.

Environmental Management

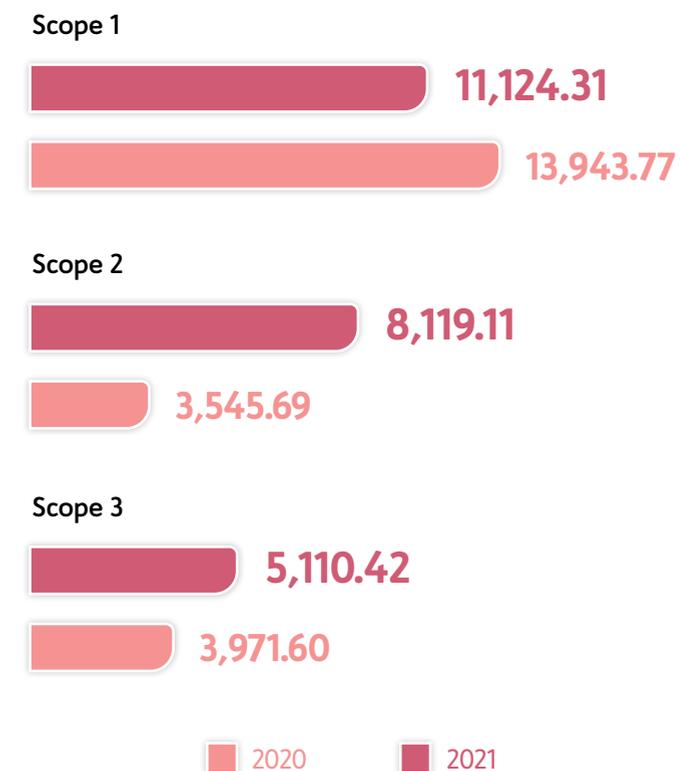


Energy and emissions



Emissions GHG (In tCO ₂ e)		2020	2021	Variation
Scope 1	Stationary combustion	7,931.00	5,261.76	-33.7%
	Mobile combustion	5,139.01	5,309.74	3.3%
	Fugitive	873.76	552.81	-36.7%
Scope 2	Acquisition of electricity	3,545.69	8,119.11	129.0%
	Purchased goods and services	718.43	469.30	-34.7%
Scope 3	Transportation of employees (home-work)	598.25	759.33	26.9%
	Waste generated in operations	2,388.65	3,696.51	54.8%
	Business trips	266.27	185.28	-30.4%
Total		21,461.06	24,353.84	13.5%

Evolution of GHG emissions (In tCO₂e)



¹⁸ Data do not incorporate the consumption of the units of Daviso and FW companies.



Environmental Management

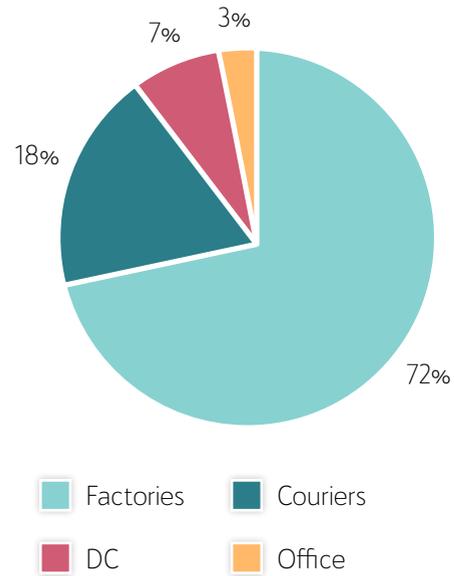


Energy and emissions



Representativeness of GHG emissions by segment, in 2021

(In tCO_{2e})



Emission of ozone-depleting substances (SDO) — In tCO _{2e}	2020	2021
HCFC-22	835.97	1,473.96
HCFC-141b	10.15	8.21
Isobutane (R-600A)t	0,001	-

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Working groups

Energy and Emissions and Sustainable Logistics

Viveo maintains two working groups dedicated to improving performance related to energy and GHG emissions. One of them, called Working Group on Energy and Emissions, defines long-term goals and adoption of eco-efficiency practices with a focus on reducing energy demand and GHG generation, as well as increasing the participation of renewable energy in industrial processes. Thus, in 2021, this WG had direct participation in the study and implementation of actions related to gains in energy efficiency.

The Sustainable Logistics GT, on the other hand, aims to plan and monitor the implementation of initiatives to reduce emissions in logistics activities.

Throughout 2021, these GTs spearheaded the preparation of the company's first Emissions Inventory. In addition, investments of R\$ 65 million by 2025 in emission reduction and sustainable logistics actions were authorized by the Board of Directors.





Environmental Management



Energy and emissions



Innovation with the green fleet

2021 was also marked by Viveo's first investment in a green fleet, acquiring four 100% electric trucks from JAC Motors. The company expects in the next three years to replace the last mile of all vehicles serving the São Paulo metropolitan region with electric vehicles, significantly reducing emissions from the freight of products.

On another front, the entire fleet of Viveo's commercial area, which includes approximately 200 vehicles, became the object of a sustainable partnership with Movida. The initiative consists of neutralizing GHG emissions generated by lease agreements through the planting of native trees in the Araguaia River biodiversity corridor, one of the largest biodiversity corridors in the world.



Healthlog - Cajamar (SP)



Healthlog - Cajamar (SP)

Environmental Management

Water and effluents

Water and effluents

GRI 103-1; 103-2; 103-3; 303-1; 303-3

An essential resource for the development of Viveo's activities, water is a fundamental input for the manufacture of the products offered by the company to the market, as well as for the expansion of its operating units. To meet this demand, the company combines the supply through local distributors, in urban areas, and underground catchments that are properly granted. Thus, the consumption is monitored through the information recorded by the

Company's supplier panels, invoices, and water meters installed at a collection point. Volume measurements are taken in order to not exceed those defined by the concessions granted by the environmental agency.

In the localities where it has a manufacturing unit, Viveo performs the treatment of effluents, returning the water in equal or better conditions than received from the catchment.

Water withdrawal (In m³)*

Source	2020	2021
Surface catchment	506,503.00	580,909.00
Public supply (via concession)	21,332.15	18,528.83
Groundwater (well granted via concession)	51,169.62	69,300.49
Total	579,004.77	668,738.32

* Catchment information obtained with consumption estimate DCs: Mafra DF, Mafra Londrina, Expresso DF, Byogene, Mafra Jaboaão. Data does not include the consumption of the units of Daviso and FW companies.

The increase in water consumption related to surface catchment in 2021 compared to the previous year is due to the increase in productivity and the reduction of hours in some manufacturing units in 2020 due to the pandemic. The increase of 35% related to underground catchment was due to the expansion of Flexicotton's activities in 2020 and 2021.

The industrial process that concentrates the largest amount of water in our operations is the processing of cotton and fabrics. Investments in more modern and efficient equipment are underway, as well as process improvements to minimize the consumption of this resource.

ESG strategy:

Water Working Group

Aware of the impact of water management on society, aligned with the sixth Sustainable Development Goal (SDG 6), Viveo created a working group dedicated to the theme, with the following objectives:

- > Reduce water consumption by volume produced. Analysis of research studies are currently being carried out to define actions for the following years;
- > Support the technological renewal of processes and equipment, with a view to reducing consumption; and
- > Implement waste reduction programs and increase water reuse, with extensive employee engagement.





Environmental Management



Waste



Waste

GRI 103-1; 103-2; 103-3; 306-1; 306-2; 306-3

The responsible management of waste originating from its operations builds on Viveo's commitment to the environment, reflected in its quest to send as little material as possible to landfills, continuously expanding its rates of reduction, reuse, and recycling. Each unit of the company maintains a solid waste management plan (PGRS), as well as specialized, qualified, and licensed service providers to perform the final disposal of discarded materials.

The most significant environmental aspects related to solid waste with potential environmental impacts are related to the industrial process of our segments (textile, plastics, adhesives, hygiene, and cosmetics products), where there is a greater volume and diversity of discarded materials. Still, 99% of the total waste generated in industrial plants is classified as non-hazardous. The following includes the main waste generated in the main operations of the company:

- > **Textile:** leftovers, such as cotton fines and fabric shavings, directed to composting and recycling, respectively. The largest volume of raw material used is cotton, purchased from suppliers with certified practices (see [page 74](#)).
- > **Plastics:** waste and plastic fragments generated in the manufacture of products aimed at the hospital-medical line — probes, plastic reels for adhesives, fits, catheters, and collection vials, among others.

- > **Adhesive:** fabric leftovers, out-of-specification products, and chemical leftovers.
- > **Logistics:** expired medicines, plastic and cardboard packaging, pallets, and refrigeration elements involved in the distribution of materials and medicines to hospitals, clinics, and health institutions in general from the public and private sectors.
- > **Diagnostics (LABs):** failed or expired diagnostic reagents, reagents used in measurement processes and/or maintenance of electronic equipment and appliances. In this segment, Viveo's activities include the receipt, processing, separation, and dispatch of diagnostic kits and equipment purchased from suppliers based in Brazil so that our companies do not handle raw materials, but only finished products in their original packaging.



Environmental Management



Waste



Throughout 2021, Viveo generated about 5.1 thousand tons of waste. Of this total, 1% were hazardous wastes and 99% were non-hazardous. The increase of 58.7%, in comparison to 2020, reflects the acquisition of two new manufacturing units, Daviso and FW, as well as the implementation of procedures that contributed to the continuous improvement of data record related to waste management.

Total weight of waste generated (In tonnes)*

	2020	2021
Hazardous Waste	4154	4757
Non-Hazardous Waste	3,161.72	5,036.44
Total	3,203.26	5,084.01

* 2020 volumes were calculated based on generation estimates at the company's factories. The 2021 figures consider the Cremer, Flexcoton, Daviso, and FW industrial units

ESG strategy:

Waste and Sectoral Waste Working Groups
GRI 103-1; 103-2

As a result of its ESG strategy, Viveo has established two working groups focused on waste: Sectoral waste GT and waste GT.

The **waste GT** aims to strengthen management, focusing on monitoring, reducing, recycling, and valorizing the waste generated in our activities and processes, prioritizing circular economy and the elimination of final disposal in landfills, in addition to ensuring legal compliance throughout all these stages. One highlight is the acquisition of software for the management of waste, in addition to the start of the diagnostic activities of the units and the definition of performance indicators.

The goal of **sectoral waste GT** it is to contribute, through our products and services, to the health sector in the management of its waste in a sustainable way.

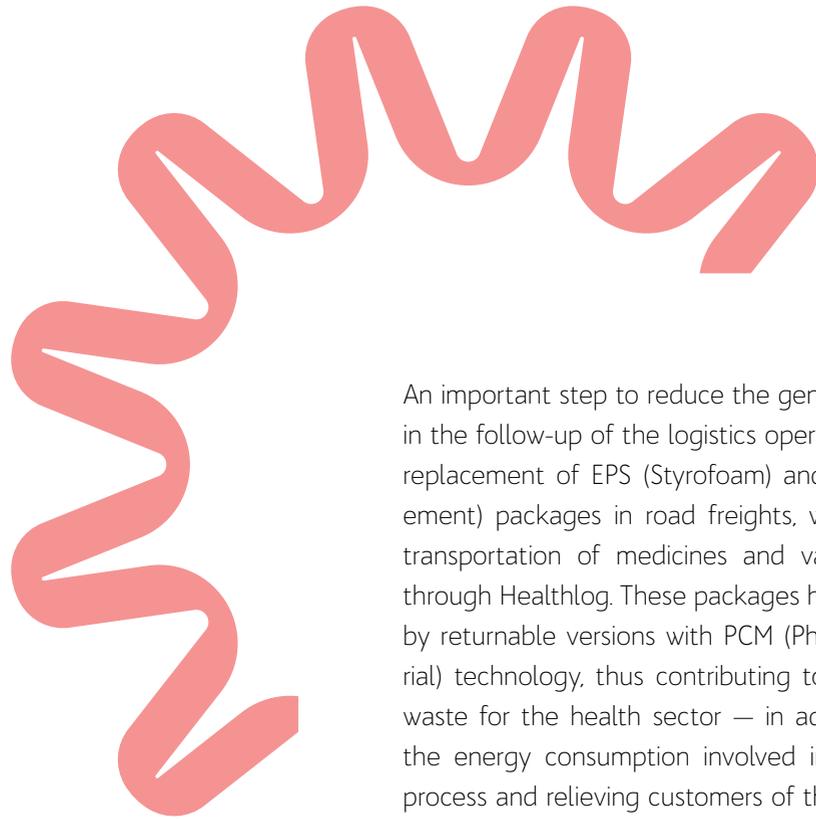




Environmental Management



Waste



An important step to reduce the generation of residues in the follow-up of the logistics operations sector is the replacement of EPS (Styrofoam) and ER (a cooling element) packages in road freights, which are used for transportation of medicines and vaccines distributed through Healthlog. These packages have been replaced by returnable versions with PCM (Phase Change Material) technology, thus contributing to the reduction of waste for the health sector – in addition to reducing the energy consumption involved in the refrigeration process and relieving customers of the need to provide space for storage and appropriate disposal of styrofoam boxes.

The company estimates that the replacement will annually reduce more than 450 tons of solid waste generated in its logistics operations. The packaging developed for replacement was awarded 2nd place in the ESG category at the BBM 2021 Awards, in partnership with BLS – Biothermal.





Sustainable industry

At Flexicotton's unit in Santa Catarina, Viveo uses 100% of the raw material of cotton strip residue — short fiber plaids of flaky appearance, from fabric industry waste. In 2021, about 4 thousand tons of this waste were purchased for the production of rolls, discs, cotton balls and squares, flexible rods, breast protectors, multipurpose cotton, and cotton swabs.

Another practice adopted by the company is the reuse of the cotton residue generated in the spinning of the textile process in orthopedic products. The manufacture of the products takes place in the same manufacturing plant, which brings operational synergy to the use of the material. About 86.5 tons of this waste were directed to internal reuse in 2021.

Also in this sense, we produce flexible rods of biodegradable paper, replacing the plastic rod. In 2021, about 113 million rods were produced with sticks made from paper, avoiding the consumption of approximately 3.6 thousand tons of plastic.



Environmental Management



Sustainable industry



ESG strategy:

Sustainable Products Working Group
GRI 103-1; 103-2

Viveo believes that analysis of the impact of products and packaging and the search for sustainable solutions must be an intrinsic element of the innovation process and continuous development of its portfolio, involving the entire scope of the service life of products and services. Therefore, this theme integrates the company's sustainability strategy and reflects its commitment to the entire ecosystem.

As part of the Company's ESG strategy, a working group is dedicated to integrating sustainability into the product development process. In this sense, attributes to be pursued in production were defined, which involve the use of raw materials of renewable origin, the creation of biodegradable lines, the replacement of packaging with returnable or recyclable versions, the reduction of water use in manufacturing, and emissions in transportation, in addition to ensuring respect for human and labor rights throughout the production chain.

In 2021, the activities of the WG focused on the diagnosis of components used in the manufactured products, to verify opportunities for improvement, as well as market research with customers in order to gain insights related to the theme. A [Sustainable Products Policy](#) was also elaborated, available on our website, which will guide the development of new products of the company.





The Report

Report profile

GRI 102-45; 102-48; 102-49; 102-50; 102-51; 102-53; 102-54

The publication of this Sustainability Report represents Viveo's first step towards increasingly consistent reporting of its economic, environmental, social and governance performance. This report, guided by the guidelines of the Global Reporting Initiative (GRI) — in its standard version, in the Essential scope — it presents information on management, policies, and corporate practices for the period from 1 January to 31 December 2021. Such information includes the subsidiaries that integrated most of the company's revenues, as well as most of its operations in the period, as presented in the 2021 Management and Financial Statements Report. Any exceptions are indicated throughout this publication. For comparability purposes, the performance indicators for the year 2020 were inserted where possible.



The Report



Report
Profile



Viveo's Sustainability Report 2021 was prepared with the participation of a multidisciplinary team, with the direct involvement of about 70 Company professionals. Aligned with GRI guidelines, we seek to report in this edition sustainability topics that reflect real impacts and effective management. Thus, the company's socio-environmental performance was described in a broad context in order to relay aspects and impacts common to the segments and regions where it operates. The definition of the topics reported in this report was based on the analysis of existing policies and practices, the availability of information, and the positioning of other organizations in the sector, in addition to the influence of the Company's conduct on the decisions of its stakeholders.

Questions, comments and suggestions regarding this report can be sent by email ri@viveo.com.br

Stakeholder engagement

GRI 102-40; 102-42; 102-43

For the definition of material themes, research was carried out by benchmarking with the main players in the sector and interviews with key people in order to identify the information desired by the main stakeholders of the company. Using the criteria adopted by GRI as the basis for defining the themes to be addressed in the report, stakeholders were asked about the issues related to sustainability that most aroused their interest.



Relevant topics

GRI 102-44; 102-46; 102-47; 103-1

Based on the criteria described, the relevance matrix of Viveo's Sustainability Report 2021 presents four major themes, which unfold in 12 material aspects, topics, and indicators.

The Report



Relevant topics



Material Themes

Integrated management	Human development	Eco-efficiency	Solutions for sustainability
Ethics and responsible management	Development and well-being of the collaborators	Energy	Sustainable logistics
Quality of products	Quality of Products	Water	Waste from the Sustainable
Sustainable Procurement	Sustainable purchases	Waste	Products Sector

Related Indicators

Pillar	Theme	Disclosure reported
Integrated management	Ethics and responsible management	102-17; 205-3; 406-1
	Quality of products and services	416-1
	Sustainable procurement	204-1
Human development	Development and well-being of employees	403-1; 403-9; 404-1
	Diversity and inclusion	405-1
	Generation and dissemination of knowledge	103-1; 103-2
Eco-efficiency	Energy and emissions	302-1; 305-1; 305-2; 305-3
	Water	303-1; 303-3
	Waste	306-1; 306-3
Solutions for Sustainability	Sustainable logistics	305-1
	Health sector waste	103-1; 103-2
	Sustainable products	103-1; 103-2



GRI Summary

GRI 102-55

The Report



GRI
Summary



	Disclosure	Description	Page	Omission and justification
Organizational Profile				
GRI 102: Contents General 2016	102-1	Name of the organization	9	
	102-2	Activities, brands, products and services	9; 13	
	102-3	Location of headquarters	10	
	102-4	Location of operations	10	
	102-5	Ownership and legal nature	14	
	102-6	Markets served	12	
	102-7	Organization Size	9	
	102-8	Information about employees and other workers	53	
	102-9	Supply chain	73	
	102-10	Significant changes to the organization and its supply chain		There was no change in the supply chain in the period reported.
	102-11	Adoption of the precautionary approach or principle	78	
	102-12	External initiatives		In 2021 Viveo was not a signatory to external initiatives related to sustainability.
	102-13	Participation in associations	77	
Strategy				
GRI 102: Contents General 2016	102-14	Statement of the executive with the highest decision-making power in the organization	3	
Ethics and Integrity				
GRI 102: Contents General 2016	102-16	Values, principles, standards, and norms of behavior	11; 23	
	102-17	Mechanisms for counseling and communication on ethics issues	30; 31; 32	



The Report



GRI
Summary



	Disclosure	Description	Page	Omission and justification
Governance				
GRI 102: Contents General 2016	102-18	Governance structure	25-29	
	102-22	Composition of the highest governing body and its committees	27; 28	
Stakeholder engagement				
GRI 102: Contents General 2016	102-40	List of stakeholder groups	90	
	102-41	Employees covered by collective bargaining agreements	52; 53	
	102-42	Identification and selection of stakeholders	90	
	102-43	Approach to engaging stakeholders	90	
	102-44	Issues and concerns raised by stakeholders	91	
Reporting practice				
GRI 102: Contents General 2016	102-45	Entities included in the financial statements	89	
	102-46	Definition of content and boundaries of material themes	91	
	102-47	List of material themes	91	
	102-48	Explanation of the consequences of any reformulations of information provided in previous reports		Not applicable — This is the first sustainability report published by Viveo.
	102-49	Significant changes compared to previous years with regard to the list of material topics, limit of topics covered		Not applicable — This is the first sustainability report published by Viveo.
	102-50	Reporting period	89	
	102-51	Latest report date		Not applicable — This is the first sustainability report published by Viveo.
	102-52	Reporting cycle	89	
	102-53	Contact for questions about the report	90	
	102-54	Reporting premises in accordance with GRI standards	89	
	102-55	GRI content summary	92	
102-56	External verification		The report was not verified by an independent third party.	



The Report



GRI Summary



	Disclosure	Description	Page	Omission and justification
Form of Management				
GRI 103: form of Management 2016	103-1	Explanation of the material topic and its limits	19; 23; 51; 60; 66; 73; 79; 84; 85; 86; 88	
	103-2	Form of management and its components	19; 23; 51; 60; 66; 73; 79; 84; 85; 86; 88	
	103-3	Evaluation of the form of management	19; 60; 79; 84; 85;	
Economic performance				
GRI 201: Performance Economic 2016	201-1	Economic value generated and distributed	42; 71	
Combating corruption				
GRI 205: Fighting corruption 2016	205-2	Communication and training in anti-corruption policies and procedures	30; 31	
	205-3	Confirmed cases of corruption and measures taken	32	
Energy				
GRI 302: Energy 2016	302-1	Energy consumption within the organization energy	79; 80	
	302-2	Consumption outside the organization	80	
Water				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	84	
	303-3	Water catchment	84	
Emissions				
GRI 305: Emissions 2016	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	81	
	305-2	Indirect greenhouse gas (GHG) emissions from the acquisition of energy (Scope 2)	81	
	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	81	
	305-6	Emission of ozone depleting substances (SDO)	82	



The Report



GRI Summary



	Disclosure	Description	Page	Omission and justification
Waste				
GRI 306: Waste 2020	306-1	Waste generation and significant impacts related to waste	85	
	306-2	Management of significant impacts related to waste	85	
	306-3	Waste generated	86	
Occupational Health and Safety				
GRI 403: Health and Safety the Work 2018	403-1	Employee representation on formal health and safety committees	62	
	403-2	Hazard identification, risk assessment, and incident investigation	60	
	403-3	Occupational Health Services	61; 64; 65; 66	
	403-5	Training of workers in occupational health and safety	63	
	403-6	Promotion of occupational health	61; 64; 65; 66	
	403-8	Workers covered by the Occupational Health and Safety Management System	60	
	403-9	Work injuries	61; 62	
Training				
GRI 404: Professional training and education 2016	404-1	Average number of training hours per employee	67	
Diversity				
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity of governance bodies and employees	27; 29; 52; 53	
Non-discrimination				
GRI 406: non discrimination 2016	406-1	Discrimination cases and corrective measures taken	32	



The Report



GRI
Summary



	Disclosure	Description	Page	Omission and justification
Community				
GRI 413: Communities Locations 2016	413-1	Operations with programs for local community engagement, impact assessment impact assessment and local development	71	Partial response. The company did not perform an impact assessment during the reporting period.
Consumer health and safety				
GRI 416: Consumer Health and Safety	416-1	Assessment of health and safety impacts caused by 19 the categories of products and services	19	
	416-2	Cases of non-compliance regarding health and safety impacts caused by products and services		There were no nonconformities in the reported period.
Privacidade do Cliente				
GRI 418: Privacidade do Cliente 2016	418-1	Proven complaints regarding privacy violation and loss of customer data	34	



Sustainability Report 2021

Coordination: Human Resources Board

Materiality and strategy ESG: Origami Management

GRI consulting and editorial production: We Sustentabilidade