



**Genomma Lab.**®

# Creating Your Welfare

Sustainability Report 2013





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01

Message from our  
**CEO**

By permeating Genomma Lab's culture, we strengthen our bonds, not only internally but with our various stakeholders.

**[1.1]**

For Genomma Lab Internacional, 2013 was a year of great challenges and great achievements. The slowdown of the Mexican market posed a major challenge for our operation in the country, and however we achieved growth in our consolidated sales in relation to the year 2012. At the same time we continued with the expansion and consolidation of our international operations, which had an outstanding performance in the year 2013, and for 2014, will continue this expansion.

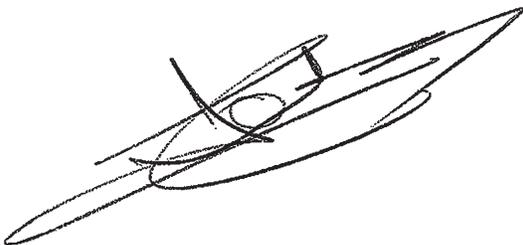
These results are the product of the commitment and the effort of the collaborators; by recognizing the value of our people, we implemented the new model of performance management that will allow us, in a more efficient manner, continue to develop Genomma Lab's culture that is the foundation that allows us to maintain our growth and strengthen our international operation.

By permeating Genomma Lab's culture, we strengthen our bonds, not only internally but with our various stakeholders. During 2013 we analyzed their major concerns through a formal study of materiality, the results of which allow us to focus our actions and communication, in sustainability, to respond to their expectations.

As we have stated in our previous reports, it is essential to our operation in the long term the reduction of our impact on the environment, as well as the care of it. We recognize that because of our operating model, the biggest impact we can have in regards to the environment and communities is throughout our value chain; this is why we participated for the first time in the Environmental Leadership Programme for Competitiveness, organized by the Federal Office for Environmental Protection (PROFEPA), a programme whereby 15 of our suppliers have been benefited in the development of their environmental capacity, allowing them to generate economic savings and reduce its impact on the environment.

The integration of social and environmental efforts with the business strategy of Genomma Lab contributes to increase our value as business. These efforts continue being recognized by stock markets since, for the second consecutive year, we are part of the IPC Sustainability Index of the Mexican Stock Exchange (BMV, acronym in Spanish).

The commitment that we have adopted with the sustainability is continuously confirmed, it is a commitment that will continue to strengthen during the next few years and that will contribute to the generation of value for all our stakeholders.



Lic. Rodrigo Herrera Aspra  
Chair of the Board of Directors and  
CEO of Genomma Lab Internacional S.A.B. de C.V.

02

# About this Report

In 2013, we continued with our scheme of expansion by mean of acquisition of brands, both in Mexico and in other countries.



**[2.5][2.9][3.1][3.2][3.3][3.6][3.7][3.11]**

For the third consecutive year, voluntarily, we submit our sustainability report, thus endorsing our commitment to disclose our activities and achievements in the field of sustainability. This report covers the period from January 1 to December 31, 2013; our previous report was published in April 2013, corresponding to the year 2012.

The information presented here refers to our operations in Mexico, incorporating relevant data about our international operation in the cases where so specified. Our international operation includes the export and marketing of our products in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, United States of America, Guatemala, Honduras, Nicaragua, Panama, Peru and Dominican Republic.

In 2013, we continued with our scheme of expansion by mean of acquisition of brands, both in Mexico and in other countries. The acquired brands were Oxigricol, Passiflorine, Tafirol, Estomacurool and Ah-Micol, as well as rights for use and exploitation for the brands Losec A, Xyloderm, Xyloproct and Mopral.

We additionally acquired from Johnson & Johnson a brand package, containing Agarol®, Kaopectate®, Masse®, Triatop®, Emplastro Sabia®, Bebederm®, Carlo Erba® y Dulcoryl®, which have presence in some of the following countries: Brazil, Mexico, Colombia, Ecuador, Peru, Panama, Guatemala, Honduras, El Salvador and Uruguay; and finally the right, subject to several standard conditions, for obtaining 15 brands and 30 sanitary registries of OTC medicaments in Brazil

We additionally started exports from our subsidiary in Argentina, towards the subsidiary of Brazil and towards other regions.

Our international operation includes the export and marketing of our products in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, United States of America, Guatemala, Honduras, Nicaragua, Panama, Peru and Dominican Republic.

03

# Company Profile

We are one of the companies with higher growth in the industry of the “over the counter” (OTC) pharmaceuticals. We offer more than 600 products through our 93 brands.



**[2.1][2.3][2.7]**

# About Us



We are one of the companies with higher growth in the industry of the “over the counter” (OTC) pharmaceuticals, generic medicines, and products for personal care in Mexico, and we have a presence in 15 countries in the international scope. According to the information provided by IMS Health, we are the company on OTC pharmaceuticals industry which had the higher sales in Mexico and Argentina. We are dedicated to the development, sale and promotion of a variety of products, many of which are leaders of their category in which they compete in terms of sales and market share. We have been able to achieve the combination of an effective process of new product development, marketing focused on the client, an extensive network of distribution of products and a model of highly flexible operation and low cost, with a pattern of outsourcing the manufacture of our products.

# Our products and operations



## **[2.2][2.8]**

We offer more than 600 products through our 93 brands in various categories, which have high rates of growth, including anti-acne products, cream to improve the texture of skin with scars, shampoos, soaps, deodorants and products to prevent hair loss; ointment for muscle aches, antifungal treatments and treatments for the relief of colitis and to counteract the level of stress, anti-wrinkle products, antacids, anti-ulcer, medicaments for flu, medicaments for protection and enhancement of sexuality, treatments for removal of warts, treatments for hemorrhoids, varicose veins and for osteoarthritis; ophthalmic medications, lotions, products for cholesterol and generic medicaments, among others.

From the 93 active brands that we have, 87 of them are available to general public in the whole national territory, and they are purchased by consumers from all of the socio-economic levels. Our products are available to our consumers in more than 44,000 retail outlets, including independent pharmacies through wholesalers, pharmacy chains, supermarkets, department stores, and convenience stores.

**\*\*\* Further details of our brands, products, attended markets, countries where we operate, legal and operational structure can be viewed in our annual report.**

**<http://www.genommalab.com/Inversionistas/Pages/BoardandCommittees.aspx>**

## Corporate Profile, Mission, Vision, and Values



## Corporate Profile

We are a avant-garde, young, dynamic, flexible and innovative Mexican company; occupied and concerned to find solutions to improve the quality of life and health of all those who benefit from the appropriate use of our products

We conduct our practices and operations based on our vision, mission and values:

### Mission

To improve and preserve the health and well-being of people through innovative, safe and effective products, giving opportunities for developing the staff and profitability to our shareholders and positively impacting the community and the environment.

### Vision

Be a leader internationally in our categories of drugs and personal care products, and be recognized by positively impacting the health and well-being of people, communities and environment.

### Values

The values that govern our proceedings in Genomma Lab regulate also our contribution to the sustainability of the company and the respect of our stakeholders.

| Genomma Lab's values    |   |
|-------------------------|---|
| Values                  | Applicable Actions  |
| Integrity               | <ul style="list-style-type: none"> <li>Lead us in righteousness in all areas of our business.</li> <li>Act in an ethical manner.</li> <li>Be responsible and professional in our work.</li> <li>Be honest executive/directive in the manner we communicate.</li> <li>Report the good and the bad news in a timely manner.</li> </ul>      |
| Innovation/Creativeness | <ul style="list-style-type: none"> <li>Generate new ideas.</li> <li>Challenge that established.</li> <li>Take risks.</li> <li>Support changes.</li> <li>Encourage the innovation.</li> <li>Solve problems in a creative way.</li> </ul>   |
| Efficiency/Efficacy     | <ul style="list-style-type: none"> <li>Respond with opportunity for the achievement of the objectives and tasks assigned, using the best possible means for the proper fulfillment of our tasks.</li> </ul>   |
| Team work               | <ul style="list-style-type: none"> <li>Collaborate with colleagues in a coordinated and harmonious way.</li> <li>Help the leader of the team to fulfill objectives.</li> <li>Take advantage of the strengths of others.</li> <li>Detect areas of opportunity, and work on them.</li> <li>Cooperate to the success of the task.</li> </ul> |
| Sustainability          | <ul style="list-style-type: none"> <li>Orient the actions to the permanence of the business in the long term.</li> <li>Fulfill the objectives and performance indicators.</li> <li>Demonstrate in practice the ethical and institutional values.</li> </ul>   |

## Awards and Certifications

[2.10]

We focus on developing corporate practices under a perspective of sustainability in the context of expansion and continuous innovation. In Genomma Lab we exceed the national average of joint qualification on environment, social responsibility and corporate governance, while we fulfill the criteria of minimum required percentage of floating shares and liquidity, so that for the second consecutive year, the company is part of the list of emitters that make up the IPC Sustainability Index of the Mexican Stock Exchange (BMV). We integrate aspects of sustainability in our operations, policies and procedures while we adhere to important national initiatives that support the social commitment which we publicly assume to our stakeholders.

| MEXICO   |  |  |       |                          |
|--|--|--|-------|--------------------------|
| Logo   | Acknowledgment / Certification                     | Granting Institution   | Scope | Period                   |
|   | Socially Responsible Company (SRC)                 | Mexican Center for Philanthropy (CEMEFI)<br><br>Alliance for Entrepreneurial Social Responsibility (AliaRSE) | Local | 2006–2013<br><br>7 years |
|   | Inclusion Committed Institution                    | National Council for Prevention of Discrimination (CONAPRED)   | Local | 2012–2013 / 1 year       |
|   | Family Responsible Company                         | Ministry of Labor and Social Security (STPS)   | Local | 2011–2013 / 2 years      |
|   | Model for GenderEquity                             | National Institute for Women (Inmujeres)   | Local | 2008–2013 / 5 years      |
|  | Inclusive Company Emblem, Gilberto Rincón Gallardo | Ministry of Labor and Social Security (STPS)   | Local | 2009–2013 / 4 years      |

Additionally, during 2013 we had the following recognitions:

| ARGENTINA                                |   |
|--|---|
| Acknowledgment / Award / Certification   | Granting Institution                                      |
| Entrepreneurial Growing Award 2012       | Argentinean Society for Pharmaceutical Marketing (SAMFI)  |
| Casco Medieval Award                     | Argentinean Society for Pharmaceutical Marketing (SAMFI)  |
| COLOMBIA                                 |   |
| Best Comercial Performance in the UN OTC | Multictive Association for Suportive Services (COPSERVIR) |

# Sustainable Business Management

We have endorsed our adherence to the initiative of the Global Compact of the United Nations for the seventh consecutive year.



# Materiality

[3.5]



Aiming to formalizing our strategy and management of sustainability, in 2013 we carry out the first formal analysis of materiality, for which we were advised by a specialized consultant. This study allowed us to identify those themes within the environmental, social, and economic dimensions, which are most relevant to our main external stakeholders, such as the Chambers of industry, regulatory entities, government agencies, civil society organizations with a social and environmental approach, representatives of consumers, companies in the same sector, investors, as well as communication media both nationally and internationally; those topics were contrasted with our internal approach to have a solid basis towards the definition of our sustainability strategy.

By means of this analysis was determined our degree of development in each of these themes, as well as the indicators whereby we will give follow-up to the evolution that we have in each of them.

With the information obtained with this study, we ensure that our sustainability strategy includes the material issues, with our primary focus on those aspects on which we have major impacts, risks and/or opportunities.

## Social Responsibility approach



For 7 consecutive years we have obtained the Socially Responsible Company distinction, which has led us to make annual revisions to the management of our social, environmental practices, labor practices, as well as corporate governance, so that we make sure we keep them consistent through time.

As part of our commitment to responsible practices inside and outside the company about human rights, care of the environment, and anti-corruption practices, we have endorsed our adherence to the initiative of the Global Compact of the United Nations for the seventh consecutive year.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN Goals.

We welcome feedback on its contents.

# Our stakeholders

[3.5][4.14][4.15][4.16]



We have defined as our main stakeholders those entities or organizations with whom we have commercial or social transactions.

| Stakeholders                |  |
|-----------------------------|--|
| Collaborators               | Our results and achievements are possible thanks to the commitment of our collaborators and the creative and innovative work that they bring to the company. Therefore, we generate various actions focused on their personal and professional development that will ensure a safe, healthy and diverse workplace. |
| Consumers                   | In Genomma Lab we always act to meet the needs of health and beauty of our consumers, through the commercialization of products that provide wellness, beauty and happiness.   |
| Suppliers and manufacturers | Our manufacturers and suppliers are key allies for the development of our business; we maintain trust relationships with them through different initiatives and, above all, the promotion of best practices, aimed to the fulfillment of strict quality controls and sustainable performance.                      |
| Community                   | In Genomma Lab we undertake various actions that contribute to the community so they can take care of their health and improve their lives. These actions are carried out through Genomma Lab International and Genomma Lab Foundation.  |
| Shareholders                | We strive to ensure the ability to continue growing in profitable way in the future, by creating value for shareholders, generating employment and wealth in the environment.  |

To reinforce our commitments on the subject of sustainable development and to strengthen our relationships with our stakeholders, we maintain formal procedures of communication through the following mechanisms and communication channels.

| Stakeholder                          | Mechanism Communication  | Frequency                                 | Expectations   |
|--------------------------------------|--|---|--|
| Consumer                             | Market studies<br>Satisfaction surveys<br><br>Comments mailbox             | Continuous / annual                       | Assortment<br>Prices<br>Quality of products<br>Quality of service<br>Care for the environment  |
| Collaborators                        | Permanent contact<br>Employee satisfaction studies<br>Compensation studies | Continuous / annual                       | Training<br>Programs and benefits for collaborators and their families<br>Recognition systems<br>Care for the environment  |
| Suppliers and Manufacturers          | Permanent contact  | Continuous                                | Development of the value chain<br>Fair trade<br>Long term relationships  |
| Authorities and regulatory entities  | Permanent contact  | Continuous                                | Compliance with laws and regulations<br>Active participation in key industry topics<br>Care for the environment  |
| Financial institutions               | Permanent contact  | Continuous / annual                       | Transparency<br>Timely and accurate information<br>Compliance with laws and regulations  |
| Communication Media                  | Permanent contact  | Continuous                                | Constant communication<br>Timely and accurate information  |
| Communicators / opinion leaders      | Permanent contact  | Continuous                                | Constant communication<br>Timely and accurate information  |
| Society                              | Community perception studies   | Annual                                    | Community support<br>Information on activities<br>Easy access to medicines   |
| Shareholders, investors and analysts | Meetings<br>Telephone conferences<br>Internet<br>Permanent contact         | Continuous / monthly / quarterly / annual | Generation of economical and social value<br>Care for the environment<br>Transparency<br>Fair treatment<br>Timely and accurate information<br>Constant communication |
| Civil society organizations          | Meetings   | Half-yearly                               | Support<br>Synergies<br>Care for the environment   |
| Chambers                             | Meetings   | Monthly                                   | Support<br>Share good practices and experiences<br>Promote the sector schedule   |

## Participation in initiatives and partnerships

[4.13]



As one of the Mexican pharmaceutical companies of greatest relevance to national and international level, we are part of the National Chamber of the Pharmaceutical Industry (CANIFARMA), the National Association of Chemical-Pharmaceutical Biologists from Mexico, and the Pharmacovigilance Association in Mexico (AFM); in Peru we are members of the Chamber of Commerce of Lima; in Colombia, we are affiliated to National Association of industrialists (ANDI), the Chamber of Commerce of Bogotá and the CEOs Forum; and in Ecuador we belong to Association of Companies Producers and Distributors of Cosmetics of Ecuador, and the Chamber of Commerce of Guayaquil.

In addition to the aforementioned chambers, we are also part of the Mexican Association of Directorate of Human Resources (AMERIDIH).

We have defined as our main stakeholders those entities or organizations with whom we have commercial or social transactions.

We maintain formal procedures of communication with them.

# Generating Economic Value

During 2013 we do not receive financial assistance of any type from the Government of the countries where we operate.



**[1.2][2.6][2.8][EC1][EC4]**

In 2013, our total sales amounted to 11,361 millions of Mexican pesos, 15.9% more than the previous year. We continue with high perspectives on international expansion that is reflected in the high growth of international operation. Our operations in Mexico decreased 1.2%, while our international operations grew 62.5%; sales of the international operation represented more than 38% of the total sales of the company, in that year.

|                                 | 2013        | 2012       |
|---------------------------------|-------------|------------|
| Total sales                     | \$ 11,660.7 | \$ 9,799.7 |
| Costs of operation              | \$ 3,416.4  | \$ 3,062.1 |
| Economic donations              | \$ 16.0     | \$ 1.8     |
| Payments to suppliers of funds  | \$ 342.5    | \$ 168.1   |
| Payments to Governments (taxes) | \$ 795.0    | \$ 716.7   |
| Undistributed profits           | \$ 1,752.5  | \$ 1,584.6 |

(Data are in millions of Mexican pesos)

Our brands with the higher sales are the following:

| Brands         |               |
|----------------|---------------|
| 1. Asepxia     | 6. Sistema GB |
| 2. Cicatricure | 7. Vanart     |
| 3. Goicoechea  | 8. Shot B     |
| 4. Tío Nacho   | 9. Unesia     |
| 5. Next        | 10. Medicasp  |

During 2013 we do not receive financial assistance of any type from Government of the countries where we operate.

*\* Greater detail of economic performance, risk factors, and indirect economic impact, can be consulted in our financial reporting <http://www.genommalab.com/Inversionistas/Pages/BoardandCommittees.aspx>*

# 06 Our Business Model

In Genomma Lab we have established a strong commitment with the quality of the products we offer to the market. Genomma Lab is rigorously in compliance with codes and regulations that COFEPRIS and PROFECO have established.



Genomma Lab's business model includes a robust process of innovation and development, through which we have developed innovative formulas, focused to satisfy the needs of our consumers, both with our brands and personal care products, and with OTC medicaments. In addition, we acquired brands that have a strong presence in the mind of the consumer, both of personal care products and OTC medicaments, which we renew and improve before release them again.

Although the development and improvement of the formulas is performed internally, the production of all our products is performed externally. The outsourcing of manufacturing gives us so much flexibility, but also represents the involvement of many of the operational areas to ensure both the quality of the product and its availability. Because of this, we work with the best laboratories in Mexico and ensure adherence to rigorous quality control standards.

## Genomma Lab's Quality



**[PR1][PR5][PR6]**

In Genomma Lab we have established a strong commitment with the quality of the products we offer to the market, so we pursue the minimization of the risks to the health and safety of our consumers, ensuring that guidelines, regulations and applicable national or international application codes are met in each of the phases of the life cycle of the product, regardless if are activities carried out directly by us or by our manufacturers.

Of our products, 100% are subject to assessment procedures in each of the stages of the product life cycle, starting from concept development to the use by the consumer, through the phases of research and development, the required certifications, the manufacture process, storage and distribution. In some stages, the evaluation is done by government regulation, and in other cases is performed because of our internal quality policy to ensure the satisfaction of the client by maintaining appropriate standards of quality and performance.

According to the product category, required assessments by the authority are different, so that it is through our procedures and internal controls that we guarantee compliance with such assessments. Likewise, through the areas of "Regulatory Affairs" and "Quality and Image", we are in compliance with the corresponding regulation.

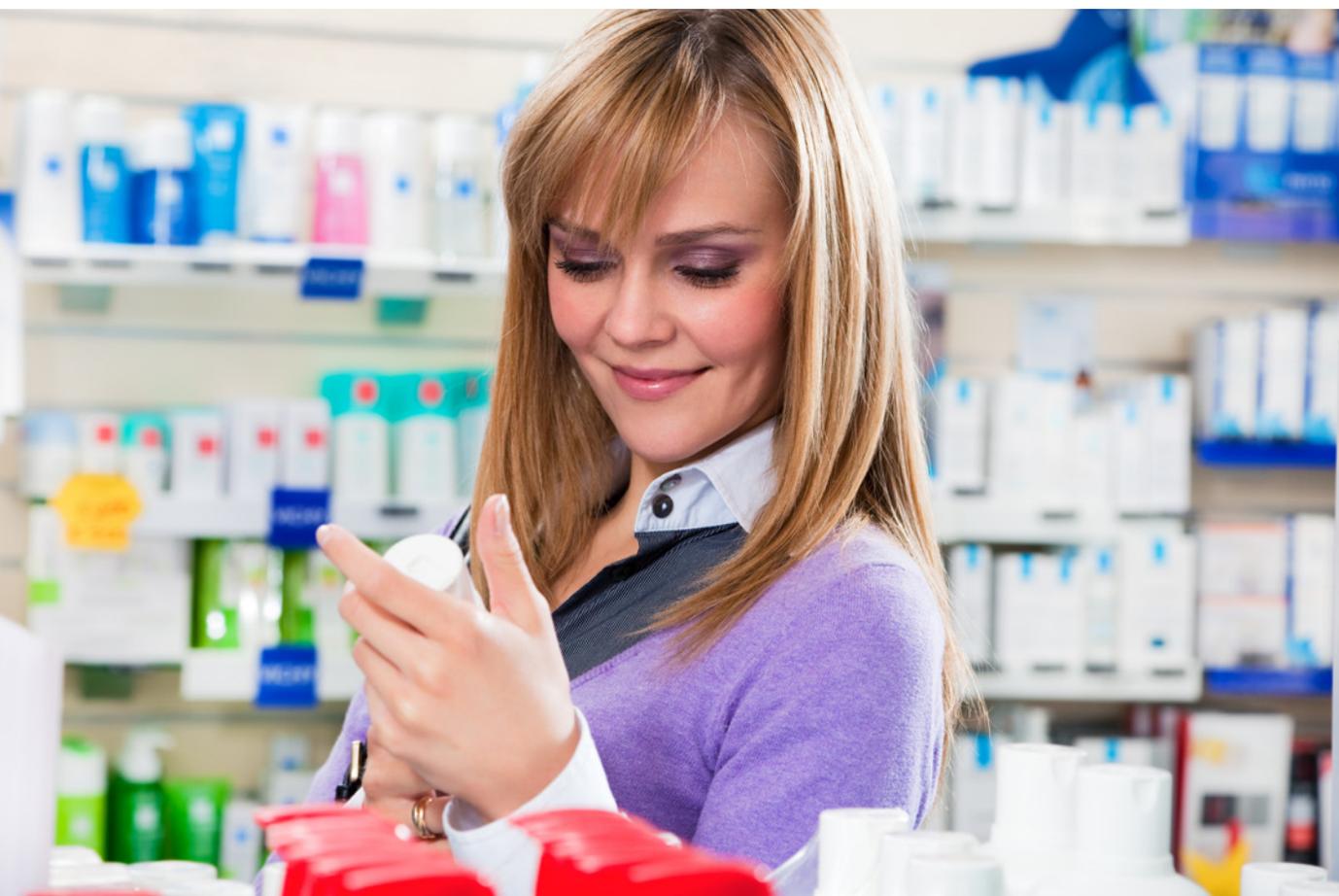
The main regulations that apply to the development and manufacture of products we sell are:

- Official Mexican Standard, NOM-059-SSA1-2006: Good Practices of Manufacture for Establishments of the Chemical-Pharmaceutical Industry, dedicated to the manufacture of medicines.
- Official Mexican Standard, NOM-141-SSA1/SCFI-2012, Labeling for pre-packed cosmetic products. Sanitary and commercial labeling.
- Regulations of Inputs for Health.
- Pharmacopoeia from Mexico.
- Herbal Pharmacopoeia from Mexico.
- Regulations for Sanitary Control of Products and Services.
- Applicable provisions of federal, local and municipal scope, according to the product and the country where it is sold.
- Provisions on Environmental Matters.
- Health General Law.

The evaluations carried out have as main objectives to ensure the safety and health of our consumers, as well as its satisfaction by using our products, and carry out improvements in the product.

Under the belief that the quality of the product lies not only in an area, we work in synergy with our manufacturers and suppliers to offer a product that meets the required standards and provide the benefits expressed in our campaigns.

## Quality of personal care products



In what refers to the personal care products, to ensure the features and benefits expressed in our communication campaigns and specified in our packaging, "Quality and Image" performs a variety of studies to the finished product, which are classified in the following way:

**Performance studies:** Physical-chemical characteristics concerning to attributes related to the product category and those characteristics that are desired to highlight on the evaluated product.

**Organoleptic studies:** Description of the physical characteristics of the product that can be perceived by the senses such as smell, taste, color and feel of consistency.

**Efficacy studies:** Consisting of tests to support that affirmations about the product are coincident with the consumer perception about thereof. A checking of products and formulas is performed.

Likewise, we carry out the following practices on an ongoing basis:

| Description of practice      | Product or service to which it applies | Frequency of the study | Channels or communication tools         |
|------------------------------|--|------------------------|---|
| Maintain performance         | Personal care products                 | Daily                  | Staff/Mail                              |
| Standardization of products  | Personal care products                 | Daily                  | Staff/Mail                              |
| Subjectivity of the consumer | Personal care products                 | If Required            | Staff/Mail/Intranet / External agencies |

To ensure the consistency of the product performance and to allow its traceability, if required verification, after the delivery of the product, we run a process of random sampling in each batch.

For all the studies we have standardized methodology so that these can be replicated at any time, thus ensuring a consistent performance each time the consumer use the product. In this way, we are able to maintain high quality standards that favor re-purchase the product over time.

## Quality of over-the-counter (OTC) medicaments



The quality of a drug is related with the scrupulous fulfillment of the good manufacturing practices and the strict adherence to the standards.

The current regulations require that every manufacturer have the corresponding formulation to ensure the correct manufacture, quality and compliance of each product. This is why according to the established quality system, a number of batches of drugs that we sell are selected randomly to be sent to third parties to check its formulation.

## Suppliers and manufacturers



The Research and Development Area is responsible for selecting suppliers for new products and for products in normal production, on the basis of technical specifications to be met by the manufacturer, and are assessed by means of audits. Selection of manufacturers and suppliers is based on its ability to respond timely to the product demand, as well as fulfillment of the required quality standards.

All products are manufactured by third parties, so we have rigorous processes and quality control measures, since Genomma Lab assumes full responsibility of the product. We maintain a strict control of our manufacturers to ensure consistent production with high quality standards.

Our extensive network of manufacturers guarantees the quality of the product through production systems with standardized process controls. However, as Genomma Lab is responsible for the quality of the product to the consumer, and for carry out checking to finished product above mentioned, we also have established audit procedures to the production processes of our manufacturers, thus maintaining a strict regulation of the quality of the products that reach our consumers.

Audits are carried out in order to verify the processes related to the stability, reliability, safety, effectiveness and quality of our products, in accordance with a strict procedure by which we check compliance with good practices of manufacture, storage, distribution and documentation, in accordance with the regulations applicable to each type of production process, including the environmental and social issues. The main aspects assessed include the applicable documentation, design, control and manufacturing equipment, as well as the technical specifications of the product and the disposal of their waste.

In addition to items mentioned, guidelines for audits elaborated by the Quality Assurance Department also include compliance with good practices of storage of medicines, cosmetics, food, beverages, nutritional supplements, and supplies packaging, among others.

Audit processes to manufacturers ensures that the processes of production, infrastructure, human capital, health and safety conditions, and technical resources meet the requirements of quality, stability and, where applicable, good practices of manufacture of the World Health Organization (OMS).

If any of the audited conditions does not meet the established requirements, a plan of action is designed and implemented to advise the manufacturer in the compliance of this conditions.

Manufacturers and suppliers must adapt to the requirements of quality that we demand concerning the use of raw materials and packaging materials, to ensure that the performance and efficiency of the product is consistent throughout the value chain. Raw materials and inputs used may be selected and imported by the same manufacturers, provided that they adhere to the quality requirements of Genomma Lab and they demonstrate it through studies of quality of raw material.

However, with the objective of maintaining the standardization of quality and performance of the product, as well as seeking for greater efficiency in terms of supply and prices of raw materials and packaging, in Genomma Lab we have implemented a unique purchase negotiation process with suppliers of raw materials and packaging, by which we guarantee costs and, above all, the quality that we require for raw materials that will be supplied to our manufacturers. In the same way, we guarantee that the packaging of a product is consistent between different manufacturers.

The collaborative network of suppliers allows a coordinated management of the manufacture of products, ensuring the quality and regulatory compliance stipulated by COFE-PRIS which also regulates the performance of our manufacturers and suppliers. Product studies that we carry out in Genomma Lab are extensive to the manufacturer, to ensure that it adheres to product performance requirements over time, which facilitates the process of product audits.

By means of these practices, we seek to ensure that our products are all the time available on shelf and that the dynamism with which we work doesn't impair the quality of the products over time. So that our products are perceived as the best choice on the shelf.

We perform exhaustive studies about safety and efficiency that contribute to the development of the manufacturer and to the continuous improvement of the products manufactured.

The frequency of audits depends on the conditions of the supplier, at least at yearly intervals.

**[PR3] [PR6]**

## Information to consumer



### Regulations and responsible information

The industry in which Genomma Lab operates is highly regulated. The main regulatory authority for the operations of the sector in Mexico is COFEPRIS, the entity decentralized of the Ministry of Health, responsible for the protection about health risks, by means of regulation, control, and health promotion, on the terms of the General Law of Health. As regulator of the labeling of generics, OTC pharmaceuticals, and personal care products, COFEPRIS is responsible for verification of the information about products, ensuring that consumers receive true, accessible and adequate information. Also, verify that the dissemination of health messages or cautionary legends hold the Mexican official standards and applicable regulations.

Genomma Lab is rigorously in compliance with codes and regulations that COFEPRIS and PROFECO have established on information about product, to provide the information and labeling of all our products indicating the provenance of its components, content, management and disposal, by addressing the significant impact of our products. For which, we carry out an internal checking process, in Normative and Compliance departments, prior to dissemination of any type of information and advertising of our products

Thus, in Genomma Lab we adhere voluntarily to the recommendations of the Code for Advertising Ethics of the AFAMELA (published by CETIFARMA) relating to the dissemination of information about our products. Likewise, we assume the values of legality, honesty, decency, veracity, dignity, fair competition, health and welfare and protection of the children of the Code for Advertising Ethics of the Council for Self-Regulation and Advertising Ethics (CONAR); and we also comply with requirements of Consumer Protection Act and that established in the Regulation of the General Law of Health in Issues of Advertising.

## Product Labeling



In addition to being a mean of information about the product, that provides certainty and security to the consumer, for Genomma Lab the labeling represents an important mean to hold image and reputation positively associated with our brands, and contribute to the maintenance of the market. Requirements about the type of information required varies among the countries where Genomma Lab has a presence;

in all of them, is given a full compliance to applicable regulatory procedures and those which relevant health authorities could require. In all cases we fulfill the strictest standard according to the countries where each product is marketed. For instance, in Colombia, we follow the procedure for art and labels approval prior to printing and, in the United States of America we have staff responsible for compliance with the existing regulations.

At the international scope, we are subject to the highest levels of demand on supply of information, including, among other items, the origin of the components of the product, the content of substances in the product that may have an environmental or social impact, the form of safe use of the product, and its respective form of disposal and impact on the environment and health. Genomma Lab establishes the necessary conditions to ensure that the information disseminated in the label of our products includes adequate instructions, and to ensure that the issued precautionary measures are clear, avoiding mislead consumers, and preventing any adverse effects that might have by using or consuming any of our products.

Our extensive network of manufacturers guarantees the quality of the product through production systems with standardized process controls.

# Advertising communication



We avoid the marketing of forbidden products in the markets in which we participate, by establishing business strategies subject to legal compliance programs, and promoting adherence of the company to standards and voluntary codes, while we respect the generally accepted cultural and ethical standards.

Genomma Lab assumes seriously the ability to influence opinion of consumers and its decisions for purchasing, by the adherence to CETIFARMA's Code of Good Promotion Practices and respect for internal policies, by reviewing on a weekly basis the compliance of these guidelines. We internally adhere to policies relating to business plans, promotion and advertising, and regulatory compliance for the transmission of advertising spots, thus ensuring the accuracy of the information transmitted through that mean.

In Genomma Lab we are convinced that the promotion and advertising of nonprescription drugs must be carried out with the highest ethical principles. The consumer must have the knowledge of the benefits and importance of take responsibly the auto-medication, for which Genomma Lab develops information tools such as: labeling, full prescribing information, clinical trials, and scientific bibliographic information, that will provide a proper understanding of the proper use of the drugs, their contraindications and possible side effects, which are complementary to those recommendations issued through mass advertising media.

The commitment of Genomma Lab to ensure respect for the normative frames establishing criteria for advertising communication extends to international scope. Such is the case of Peru, where Genomma Lab is subjected to the approval of drug advertising by General Administration on Drugs, Inputs, and Remedies (DIGEMID) before dissemination, according to the applicable procedure whenever is required to launch an advertising spot of OTC medicines.

## Incidents



As Genomma Lab is a company committed to the transparency of information, in the table below are listed the incidents arising from failure to comply with regulations relating to (i) impact of products and services in health and safety, (ii) the information and labeling of products and services, (iii) marketing communications and (iv) significant fines with respect to the supply and use of products and services of Genomma Lab.

So far, the proceedings initiated by COFEPRIS and PROFECO, resulting in economic amounts presented below, have been irrelevant, because of which, Genomma Lab has not dispensed any amount for payment of fines. Also we have avoided that the authorities banned the marketing of some of the products that are currently part of our commercial portfolio. However, we carry out a constant legal and internal monitoring of issued alerts to ensure that customer satisfaction is not weakened by the situations arising from these incidents.

| <b>Incidents resulting from a breach of the legal regulation or voluntary codes</b> |  |  |  |
|---|--|--|--|
|   | Concerning the impact of products in the health and safety | Relative to information and labeling of products | Relating to the marketing communications |
| Incidents that resulted in fines  | 0  | 0  | 0  |
| Incidents resulting in alerts or warnings   | 0  | 5  | 12                                       |
| Incidents with voluntary codes  | 0  | 0  | 1  |

So far, it has been determined annulment of liability to the company about the incidents from which are derived the economic amounts below showed; and because of that, Genomma Lab did not had to pay any kind of fine. To date, they have been resolved favorably for Genomma Lab, incidents by around \$9,834,000.00 before PROFECO, and \$2,104,000.00 before COFEPRIS, while the remaining \$5,710,000.00 are pending judgment and resolution. In addition to the legal process, Genomma Lab carry out an internal follow-up on alerts issued, to ensure customer satisfaction.

The Tío Nacho Case: Among the demands filed against Genomma Lab related to misleading advertising, we were notified about a fine concerning a lawsuit raised before PROFECO, pointing that the product Tío Nacho Shading Shampoo didn't provide the claimed benefits. Genomma Lab explained that it has the elements required to prove the quality of the brand before the corresponding instance, because of what, to the fine imposed to Genomma Lab was turned unsuitable, so Genomma Lab did not pay any kind of sanction and the file was concluded fully and definitively.

Additionally, during 2013 were not detected incidents in the supply chain based upon breach of legal regulation and voluntary codes relating to the impacts of products and services in the health and safety during their life cycle.

## Customer satisfaction



**[PR5] [PR8]**

Through different communication channels we maintain permanent contact with the consumer. We identify the customer's satisfaction as one of the main objectives of Genomma Lab, from the conception of the product until it is acquired and used by consumers.

We continuously performed marketing studies during the year 2013, related both with product launches and the satisfaction of the consumer with products already marketed, for which we use quantitative and qualitative techniques that allow us to know the impact of the image of our products, the perception of the consumers about our products and brands, as well as the perception of our competence, while we identify the requirements and trends in various market segments in which we participate, transforming information into actionable strategies.

In addition, these studies allow us to identify the ideal competitive advantages for consumer in such a way that we can transform them into innovation and relevance for our products, new opportunities for line extensions, new products, and even new communication strategies.

In Genomma Lab we have a very robust communication scheme for consumer information, which is processed to assess the performance of each product by region. We promote a continuous communication with the customer and we maintain constant feedback in a formal and informal way. We observe and evaluate the satisfaction of customers through various channels, as telephone, and electronic and other means, with the aim of ensuring and improving the quality of the product through established procedures for attention to complaints and the relevant research.

We have established the area of pharmacovigilance, which operates in agreement to the Mexican Official Standard, NOM-220-SSA1-2002. Through this area is the attention and timely follow-up to any consumer who presents any type of adverse effect by using any of our products. Also in this area are carried out monthly reports of incidents that come from reports received, according to the requirements established by COFEPRIS.

In Genomma Lab, we control the privacy of our customer's information under strict measures of data protection, in Mexico and abroad, according to applicable laws; by which we recognize in the staff a high degree of integrity, and the strict adherence to respect for and compliance with the company's privacy measures. In this line, we have not detected in the organization any complaints based on the privacy through leaks, theft, loss or other form of data leakage.

We continuously performed marketing studies during the year 2013, related both with product launches and the satisfaction of the consumer.

# 07 Our People

In Genomma Lab we recognize the staff as an entrepreneurs, representatives and leaders of this entity in constant evolution.



# Value for our people

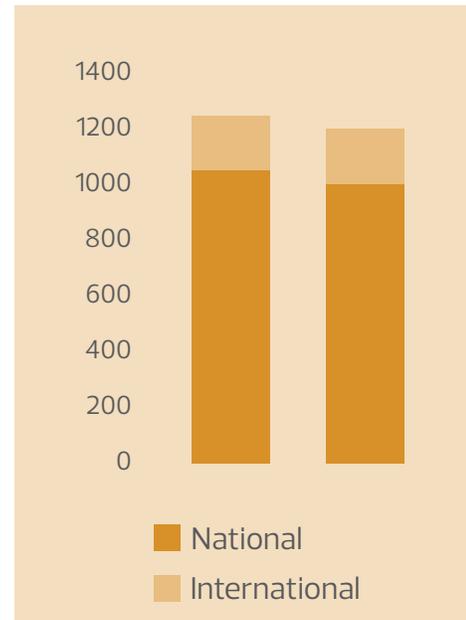


**[2.8] [LA1] [LA2] [EC3] [LA3] [LA14] [EC5]**

We are a company of high growth and dynamic nature, committed to the development of products and trading strategies with an avant-garde approach and innovative present, throughout our value chain. The international projection of Genomma Lab, progressive and ever-expanding, hold us as a prestigious institution committed to the satisfaction of the consumer, innovation and creation of value through our most valuable asset, the Human Capital.

In Genomma Lab we recognize the staff as an entrepreneurs, representatives and leaders of this entity in constant evolution, so we seek to maximize individual potential and professional development of the staff while we synergistically reach our corporate, local, and international objectives. The workforce of the group consists of the talent of a total of 1252 members, among which outstands an international team of 213 collaborators, a growth of 3.40% in relation to 2012, whom are committed to meet the demands and expectations that this market need, because of the expansion of the company in the international market.

| Worforce                      |               |       |
|-------------------------------|---------------|-------|
| Region                        | Location      | Total |
| México                        | National      | 484   |
| Distribucion Center at México | National      | 555   |
| Chile                         | International | 9     |
| Colombia                      | International | 31    |
| Perú                          | International | 20    |
| United States of America      | International | 9     |
| Argentina                     | International | 66    |
| Brasil                        | International | 40    |
| Central America               | International | 20    |
| Dominican Republic            | International | 1     |
| Ecuador                       | International | 17    |
|                               | Total         | 1252  |



The total of the staff decreased over the previous year, as we continue with an approach of achieving greater efficiency and synergy among areas.

The permanence of staff is key to ensuring the continuity of processes and to permeate Genomma Lab culture in our people. During 2013 we had a series of changes in the way we operate in our distribution center, which was reflected in the turnover of staff. We are sure that during the 2014, these changes will be consolidated and will give us greater efficiency in our operation, thus reducing the level of rotation.

| Turnover 2013       | Mexico |     |       |
|---------------------|--------|-----|-------|
|                     | Women  | Men | Total |
| Corporate           | 24%    | 25% | 26%   |
| Distribution center | 55%    | 74% | 68%   |
| Total               | 40%    | 53% | 49%   |

The information presented will help us to follow-up of the rotation in all areas to ensure that we maintain it at an optimal level, both in Mexico and in our international operations, which every day gets greater importance in our business growth.

As a key element of this global approach, we have talent that positively impacts the company's transformational performance, by addressing the complex international context from which we progressively are part. Therefore, the dynamism that permeates the industry involves the commitment to promote a corporate structure focused to develop to the maximum the skills of the staff, in such a way that collaborators will exceed performance expectations posed.

Genomma Lab seeks to establish the optimal conditions for high performance through our commitment to important national initiatives that reflect this approach. Such recognition reinforces our commitment to inclusion and gender equality, by promoting equal opportunities for all of the collaborators.

## Gender Equity Model



We have received this recognition because we are committed to mainstreaming a gender perspective that establishes equality in working conditions for men and women. We establish policies, practices and mechanisms, which are constantly updated, so that during the recruitment, selection, training and development of human capital, we reached conditions of equality of opportunities. Through the gender equality management system we are looking for the planning, organization and evaluation of the main aspects that we take to ensure the mainstreaming of gender, which are the improvement of workspaces, the prevention of sexual harassment, diminishing occupational segregation issues, the incorporation of a greater number of women in senior charges, the promotion to training and professional development, and strengthening the conditions of equality in remuneration and benefits.



We extend to a global level the equity commitments, something by which we have been recognized. Internationally, the distribution by gender in the group is presented in similar percentages between men and women, being distributed in equal parts the number of collaborators by gender.

| Distribution of staff by gender |        |        |
|---------------------------------|--------|--------|
|                                 | Women  | Men    |
| Corporate Mexico                | 37.60% | 62.40% |
| Distribution center at Mexico   | 32.07% | 67.93% |
| International <sup>2</sup>      | 51.17% | 48.83% |
| Global <sup>1</sup>             | 37.46% | 62.54% |

<sup>1</sup> It includes all the countries where the company has operations.

<sup>2</sup> Overseas presence: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, United States of America, Guatemala, Honduras, Nicaragua, Panama, Peru and Dominican Republic.

It is in Mexico where there is a marked difference between the amount of personnel distributed between men and women, however the percentage of women has increased from 30% in 2012 to 35% in 2013, and the total percentage of women in the group exceeded 37%.

By expanding our operations to international scope, equality of opportunities for professional growth is reflected beyond the percentage of hires by gender, because it also depends on the type of contract. Currently, permanent recruitment (indefinite contract) extends to almost all the personnel working abroad and is equal in men and women.

| Type of international hiring 1 |        |        |
|--------------------------------|--------|--------|
|                                | Women  | Men    |
| Indefinite contract            | 51.72% | 48.28% |

<sup>1</sup> Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, United States of America, Guatemala, Honduras, Nicaragua, Panama, Peru and Dominican Republic.

## Social benefits to staff



To consolidate a workforce with a sustainable vision that meets the most relevant aspects of the business model, Genomma Lab provides social benefits that are superior to those set by the current legislation. Most of the human capital was benefited with such benefits, as more than 90% of the staff is working under indefinite contract, and in the majority of countries the benefits are extended to all of the collaborators.

In Mexico, in addition to the benefits required by law, we provide benefits as the fund of savings, stock option plan, Genomma Lab's products with discount, nursery, and dining service, among others.

In Genomma Lab we exceed social benefits which, according to current law of each country, we must give to human capital of the group. We guarantee coverage of obligations arising from social programs, which go beyond the demandable, by providing benefits that bring stability and well-being in the short, medium, and long term to the collaborators.



Internationally, Genomma Lab provides benefits exceeding the mandatory by law, according to analysis and needs of each country are offered different social benefits.

Benefits which Genomma Lab provides aim to reward the talent of the staff, at the same time we seek its permanence, by satisfying and exceeding its expectations on professional compensation. In terms of the remuneration to the staff, we seek afford competitive salaries in each country, by establishing a salary assigned by level, and equitable between men and women. The relationship of base salary (BS) between men and women is equitable in Central America, Peru, Bolivia and Brazil, then showing a clear equality of remuneration. On the other hand, some countries have a higher average base salary of women in relation to men; such is the case of Mexico, Colombia, Argentina and Ecuador. The relationship of salaries in each country is presented almost at the same ratio as the base salary designated by gender.

To guarantee the economic welfare of personnel by contributing to their well-being, is a commitment that we assume by offering competitive salaries; we believe that it is a relevant factor to maintain the loyalty of collaborators and to ensure our social license to operate through strong relationships, which we created with the community.

While in Mexico, more men than women are working in Genomma Lab, our compensation scheme does not differentiate between men and women, but is based on the performance and results.

| Hierarchical level                               | BSW/BSM |
|--|---------|
| VP / Direction / Assistant director / Management | 0.86    |
| Coordinator / Specialist / Analyst / Auxiliary   | 0.96    |

BSW is Base salary for women

BSM is Base salary for men

The ratio range between the initial base salary (SBI) and the local minimum salary (SM) varies from one country to another where we develop significant operations, exceeding the local minimum salary in all of those countries.

| Ratio of Initial Base Salary (SBI) / minimum salary (MS) |                   |                   |
|--|-------------------|-------------------|
| Region   | Women             | Men               |
| Corporate Mexico <sup>1</sup>                            | 11.57             | 11.57             |
| Distribution Center Mexico                               | 8.76              | 8.44              |
| Colombia <sup>2</sup>                                    | 2.34              | 2.88              |
| Argentina  | 2.03              | 1.82              |
| Brazil   | 1.30 <sup>2</sup> | 1.96 <sup>3</sup> |

Note: Considered significant operations for this indicator those countries where the operating personnel are higher than 5% of the total number of collaborators of Genomma Lab.

1 Federal District "A" area

2 Average of all positions

3 Average women of Brazil – São Paulo, Brazil – Santa Catarina Pharmaceutical

4 Average men of Brazil – São Paulo, Brazil – Santa Catarina Pharmaceutical and Brazil – Santa Catarina Commercial

Genomma Lab recognizes collaborators of the group as integral people, for which we have included in our daily work, the Good Labor Practices in the areas of equality of gender, prevention and combating workplace violence and sexual harassment, which have been endorsed by the Ministry of Labor and Social Welfare. Because of that, we have been recognized as a Family Responsible Company, by the aforementioned Ministry.

# Professional development



**[LA10] [LA11] [LA12] [HR3]**

Maximizing the potential of the human capital and the respect for individual dignity are driving our decision-making and the design of our business strategies. Genomma Lab manages the performance of human capital by maximizing the competencies of staff and ensuring their individual and professional growth, by developing leadership, objectivity, independence, self-management capabilities, and honesty, with an orientation towards the effective implementation of global strategies that align the scope of our goals, our values, mission, and vision.

The workforce of the group is based on the strategic development of the capabilities and strengths of the human capital directly linked to the company's business strategy. We promote improvement of the staff through their continuous training in all of the levels. The total time spent in training addressed to collaborators in Mexico, including jobs at all hierarchical levels, accounted in 2013, the amount of 26,837 hours, which is broken down in the following way:

| HOURS OF TRAINING          |                      |        |        |                      |       |       |
|----------------------------|----------------------|--------|--------|----------------------|-------|-------|
| Category of collaborator   | Total training hours |        |        | Average per employee |       |       |
|                            | Women                | Men    | Total  | Women                | Men   | Total |
| Direction                  | 95                   | 868    | 963    | 19.00                | 33.38 | 37.04 |
| Management                 | 2,090                | 2,374  | 4,464  | 72.07                | 57.90 | 63.77 |
| Executives                 | 153                  | 685    | 838    | 13.91                | 24.46 | 21.49 |
| Other categories           | 6,805                | 11,038 | 17,843 | 49.67                | 52.07 | 51.12 |
| Distribution Center Mexico | 779                  | 1,950  | 2,729  | 4.26                 | 5.43  | 5.04  |
| Total                      | 9,922                | 16,915 | 26,837 | 27.56                | 24.91 | 25.83 |

Training and continuous formation aims to enhance the knowledge and skills so that the human capital accomplishes the strategic objectives of our dynamic work environment. Because of that, we maintain a perspective of continuous formation by promoting skills management programs, through the model of skills and training, segmented as follows.

- **Regulatory Training:** about processes required by some entity or a process required for a specific area or on a global scope.
- **Technical Training:** the specialization of people of some area in particular on technical processes for its department or operational management.
- **Training in specific skills:** development of skills that make more efficient the execution of tasks and responsibilities in a general compliance.
- **Skills training:** development of competencies required for the overall development of people during their working careers.

Looking for the highest possible development of the staff, we have signed agreements with the national-scope universities of greater academic recognition, such as ITAM, ITESM, Universidad Anáhuac, Universidad Iberoamericana, UNITEC, and Universidad del Valle de México, to facilitate the access of our collaborators to programmes both bachelor as master's degrees, diplomas and courses; also we have done extensive this benefit to direct relatives of the staff, although with certain requirements to meet. In addition we are designing a program, in cooperation with the National Institute for Adult Education (INEA) which will begin in 2014, through which the staff may conclude their high school in case they has not done this previously.

During 2013 was developed and implemented a new performance evaluation system. Through that system, particular objectives have been defined by area and position, as well as the way to measure them. Its implementation aims to strengthen a culture of performance to identify and develop skills and competencies required to exceed the requirements needed for each position. While we seek to disseminate and promote a constant feedback on staff development, training programs, onwards, will be defined according to the requirements by this system, in such a way that the congruence between the skills and those capabilities to be developed, as well as the organizational requirements, are maintained.

From 2014 the staff should receive an annual evaluation of its performance based on the objectives defined and stated in that system during the 2013.

Also, in the year 2013 was conducted a survey of employee satisfaction and organizational culture, and were identified valuable aspects for staff, including the development and professional growth, which confirmed us the imperative need for a better system of talent management that will provide greater lucidity to the staff on their performance and areas of opportunity. In addition, we seek bring to all personnel working abroad, the capabilities developed by talent management undertaken at the national level.

In Genomma Lab we believe that the individual is an integral entity, so that, through training, in addition to the focus on technical aspects, we also deal with the development of skills, competencies, as well as training on human rights subjects. We believe that respect to the person and his dignity is essential to create a work environment that is conducive to high performance of all who work in this organization. That is why we disseminate our corporate philosophy at the time that a collaborator becomes part of the group, through our induction process with subjects on ethics and human rights, those with which the organization is committed.

Moreover, during 2013, were given courses on human rights subjects; the total number of personnel trained in this area was of 100 people, 23% of the total number of our collaborators in Mexico in the Corporate offices, and the course lasted 3.5 hours. The rest of the staff, both corporate and distribution center will be trained entirely in 2014.

Maximizing the potential of the human capital and the respect for individual dignity are driving our decision-making and the design of our business strategies.

# Safety and health in Genomma Lab



**[LA7] [LA8]**

By assuming in our mission the commitment to improve and preserve the health and well-being of people, we do it under a comprehensive vision that is not only directed to the people, but to all our stakeholders, and by being the human capital one of our important pillars, we set up health and safety measures, enabling them to work in good conditions and without risk to their physical integrity.

Because of our type of operation, at the Distribution Center where we have an increased risk of accidents, we done a meticulous monitoring to related indicators. During 2013 there was 11 occupational accidents, which accounted for the loss of 0.28% of days worked; none of these accidents were fatal.

| Rate of occupational accidents | Women | Men   |
|--------------------------------|-------|-------|
| No. accidents*                 | 4     | 7     |
| Loss days per accident         | 213   | 269   |
| Loss days index                | 0.39% | 0.23% |

\* Included

Although the number of accidents is higher in men (63%), the recovery time for women is 72% higher than men. In the same way, the absenteeism is higher in women, although our percentage of total absenteeism is very low (1.6%).

| Absenteeism          | Women | Men   |
|----------------------|-------|-------|
| No. days Absenteeism | 1877  | 833   |
| Absenteeism index    | 0.34% | 0.08% |

In what refers to occupational diseases, we did not have any case report during the year 2013.

Genomma Lab assigns resources to integrate the brigades of health and safety at work seeking to ensure the necessary conditions which make the company a safe place to work, by involving collaborators in control and advice, while we provide them the tools and information they need to take care and prevention measures for his person and his coworkers.

At our Corporate offices, health and safety strategy is focused on prevention, quality and safety management, for which has formed a team of brigades composed of 25 people, an average of 1 for every 17 collaborators, whom receive constant theoretical and practical training to be up to date on security issues, focused on appropriate responses in cases of earthquakes, evacuation, fire, and first aid, aligned to the civil protection plan. In Mexico, the structure of the group is divided according to the distribution of the building, and the integration of multidisciplinary Brigade is governed by a dynamics of multifunctional operation on three axes:

- 1 Fire-fighting brigades
- 2 Earthquakes brigades
- 3 First aid brigades

The multi-functional brigades in the Distribution Center will be formed during 2014.

In both, national and international levels, training taught on security matter is focused on provision of first aid, evacuation facilities, fire, work ergonomics, and security to personnel, to be governed on the basis of the safety regulations and promoting the participation and involvement of all personnel. On this subject, Peru is in the process of implementing the Practical Recommendations on Recording and Notification of Occupational Accidents and Occupational Diseases, aligned to the recommendations of the International Labour Organization (ILO).

Genomma Lab's focusing on the prevention of accidents has shown commitment to the stability of the collaborator and permanence of their good mood, fostering productivity in the implementation of their activities. Among the programmes and initiatives of the international sites, in the year 2013 highlights the integration of the Joint Occupational Health Committee in Colombia and occupational medical testing for the entire workforce in Peru.

As part of our strategy of prevention of labor risks, Genomma Lab deals with practices and programs of education, training, prevention and control of risks to health focused on prevention of addictions, smoking, alcoholism, and obesity; sexual transmission diseases, breast cancer, cervical cancer, and HIV. Genomma Lab promotes permanent communication on health recommendations and initiatives, of the above topics, mainly during the so-called Week of Health, through the delivery of talks to personnel and graphics published on intranet.

# Our Communities

To Genomma Lab, the support we can give to the marginalized communities is through contributing in the creation of opportunities for their development.



# Value for our communities

Our values and corporate objectives are the basis of our vision in relation to the sustainability of the Organization and serve as guidelines for actions undertaken to contribute with the communities of Mexico.

## The QG5 Community

In 2007 we signed an agreement of collaboration with the Universidad Veracruzana (UV) in order to incorporate the municipalities of Zozocolco de Hidalgo and Atzacatlan, both communities located in the State of Veracruz with high degree of marginalization, as exclusive suppliers of guava leaf, from which is obtained the active ingredient, Quercetin, for our phytomedicament QG5, which is used for the treatment of colitis. Thanks to the signing of the agreement, in 2008 we achieved the first production and since then, we have maintained that relationship and have supported several growth initiatives pertaining to the business model and the development of communities.

Regarding the production of guava leaf, guava tree plantations were established with an organic production process, and significantly increased its production and marketing:

| Years | Tonnes produced | Income (MXN)    |
|-------|-----------------|-----------------|
| 2013  | 20.0            | \$ 2,520,000.00 |
| 2012  | 3.0             | \$ 315,000.00   |
| 2011  | 8.5             | \$ 850,000.00   |
| 2010  | 3.5             | \$ 350,000.00   |
| 2009  | 26.5            | \$ 2,650,000.00 |
| 2008  | 6.0             | \$ 600,000.00   |

In addition, was strengthened the community business model of the region, which led to the creation of 11 positions in the above-mentioned regions, and 2,500 direct jobs. The obtained economic benefits were 80% higher than that generated by the coffee in the same year.

The bond we have with these communities is an important factor to promote care for the environment through good agricultural practices and implementation of soil conservation works.

# Support to communities



To Genomma Lab, the support we can give to the marginalized communities is through contributing in the creation of opportunities for their development, as has happened with the project of QG5, however we recognize that in Mexico we have shortcomings that impair that certain groups can take advantage of these opportunities, and these shortcomings are what motivate us to give support to various causes through organizations of civil society (OCSs), non governmental organizations (NGO), and official institutions.

Our values and corporate objectives are the basis of our vision in relation to the sustainability of the Organization and serve as guidelines for actions undertaken to contribute with the communities of Mexico.

# Support in natural disasters



On September 2013 our country was affected by meteorological phenomena Ingrid and Manuel; States such as Guerrero, Oaxaca and Veracruz were severely affected. Faced with this situation, we chose 24 of our main products and we donated total sales of September 25 to the Mexican Red Cross, which reached \$4,527,875.00. Additionally, we made a donation of \$5,472,125.00, totaling \$10,000,000.00 donated, which were used to distribute pantries, kitchen kits and mattresses to the municipalities of Tlachistlahuaca and Acapulco in Guerrero; as well as in communities of Veracruz and Tamaulipas, mainly.

In addition to the donation in cash, our collaborators joined in this effort by donating food and cleaning and personal hygiene products, which were canalized to the States of Guerrero and Veracruz, through the Mexican Red Cross, the Ministry of Social Development of the State of Veracruz, and Fundación Origen, Fostering for the Wellbeing of Everyone.

# Support to civil society organizations



This year we contributed with focused social initiatives to improve the quality of life of certain marginalized groups through donations to various organizations of civil society such as Fundación Teleton México, Un Kilo de Ayuda, and Asociación Mexicana contra el Cáncer de Mama, which together totaled more than \$6,000,000.00 Mexican pesos.

Also, through sponsorships we support the Day Family's day Race, organized every year by el Consejo de la Comunicación, in order to generate greater awareness in society to highlight the importance of the family, and the Kardias Race, organized by Fundación Kardias with the aim of raising funds to support the treatment of children with congenital heart problems.

Additionally, by being a company with a large presence in mass media, we also support the Consejo de la Comunicación to contribute to its mission "To be the voice of the companies at the service of the great causes of Mexico", actively participating in the campaign, "The Challenge is to Read More" to promote the habit of reading among collaborators and their families. During the 2013 Genomma Lab not only participated in the challenge, but we created our own campaign which we called "Rola tu Libro (Pass your Book)", where, in addition to promote reading, we promote the borrowing of books between collaborators.

Genomma Lab and Genomma Lab Foundation, donated more than 42,000 medicines and more than 29,000 pieces of personal care products to institutions such as Fundación Azteca, Banco de alimentos y Enseres Unidos para Ayudar, Fundación México Unido, Fundación Kardias, Fundación Unido Rotario, Fundación para la Dignificación de la Mujer and Ayuda Social Devlyn.

## Volunteering



For the second consecutive year, last December we carry out the internal campaign "Alegra un Corazón (Gladden a Heart)"; which had the aim to collect new toys donated by the staff, which to be delivered to Fundación Unidos por Ellos, to give it to children in affected communities in Guerrero because of natural disasters in our country.

# 09 Our Planet

We are a company that has low direct environmental impact. We not only focus on working together with our manufacturers and suppliers, but also towards our distributors.



In Genomma Lab, the care and preservation of the environment are key aspects to consider in each of the activities that we carry out. Because of the nature of our operation, we are a company that has low direct environmental impact; however we recognize that within our business model, our suppliers and manufacturers have the greatest environmental impact. Nevertheless, in addition to maintain direct control of our environmental impact and to create awareness on the staff, we include our suppliers and manufacturers with the environmental commitment through agreements and activities.

## Responsible actions



**[EN28]**

During 2013 we communicate our environmental commitment to our suppliers and we worked with them through the Environmental Leadership Program for Competitiveness, organized by the Federal Office for Environmental Protection (PROFEPA) which has as objective the development of capabilities in companies belonging to supply chains of large companies, in a way that themselves define projects that generate economic savings, through the reduction in the use of raw materials, electric energy, and water, among others. Through this program, we coordinate 9 working sessions and we trained and provided the space and necessary equipment so that 15 of our suppliers initiate their projects (for more details, read the Responsible Value Chain section). Thanks to the commitment of our suppliers, within this program the following results were achieved:

| Category        | Result   | Equivalent to                                |
|-----------------|--|--|
| Water           | Saving of 5.2 m <sup>3</sup> /year                 | Supply 19 people in one day                  |
| Energy          | Savings of 523,519.95 kWh/year                     | Supply 2,165 homes in 1 month                |
| Fuels           | Savings of 44,010 liters/year                      | 89 compact cars                              |
| CO <sub>2</sub> | 455.4 t CO <sub>2</sub> /year of emissions avoided |  |
| Waste           | 37.24 t/year of waste avoided                      | The solid waste generated by 1,241 habitants |

This means not only a reduction in the environmental impact of the Genomma Lab's value chain, but also a greater efficiency in the operation of our suppliers.

By continuing with our efforts to reduce our environmental impact, we encourage our suppliers to get certificates of Good Manufacturing Practices (GMP) to ensure that the conditions of manufacturing, equipment, personnel, and processes involved, as well as the quality of our products, are aligned to global standards.

In additions to watch over our environmental impact and that of our suppliers, as part of our responsibility to conserve the environment, we demonstrate our attachment to laws and environmental regulations by the fact we had no sanction, or administrative or judicial penalty for the year 2013.

We not only focus on working together with our manufacturers and suppliers, but also towards our distributors. In 2013, we participate in the sustainability Forum "Together for a better world", supporting the exchange on issues of best practices in energy efficiency, proper handling of water, comprehensive waste management, and competitiveness, mainly. Where were involved several companies invited by Walmart, who shared, through conferences and round tables, their experiences and practices in the field of sustainability.

# Energy and climate change



**[EN3] [EN4] [EN16] [EN17]**

By the second year we show our report of greenhouse gas emissions; it must however emphasize that we decided to change the methodology used, the life cycle analysis (LCA) tool, to GHG (Greenhouse Gas) Protocol, which is the most widely used international methodology, and provides globally the recording framework with greater compliance to all standards and programs related to understanding, quantification, and management of greenhouse gas emissions. Our report of emissions includes the scopes 1 and 2, concerning the direct and indirect emissions by energy; for this reason, the way in which our carbon footprint report is presented is not comparable with our previous report.

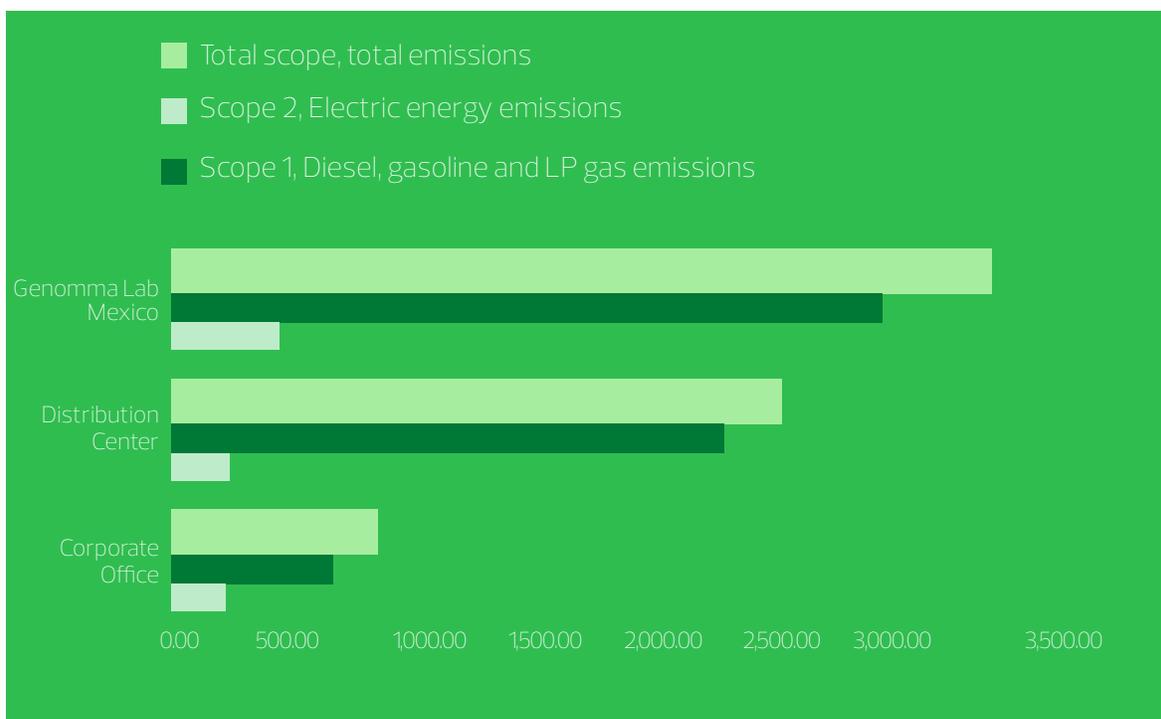
Our carbon footprint report is issued under the principles of the Intergovernmental Panel on Climate Change (IPCC), currently used by agencies such as the Ministry of Environment and Natural Resources (SEMARNAT, acronym in Spanish) and GEI Mexico.

| Total CO <sub>2</sub> emissions by facility in 2013 (tons CO <sub>2</sub> ) |                                       |                           |                 |
|---|---------------------------------------|---------------------------|-----------------|
| Type of scope   | Scope 1                               | Scope 2                   | Total scope     |
| Emission source   | Diesel, gasoline and LP gas emissions | Electric energy emissions | Total emissions |
| Corporate offices   | 173.64                                | 568.87                    | 742.51          |
| Distribution center   | 210.56                                | 1,943.02                  | 2,153.58        |
| Genomma Lab Mexico  | 384.20                                | 2,511.90                  | 2,896.10        |

| Percentage of total CO <sub>2</sub> emissions by scope in Genomma Lab Mexico, 2013 |                   |                     |                       |
|--|-------------------|---------------------|-----------------------|
| Type of scope  | Emission source   |                     | Total CO <sub>2</sub> |
|  | Corporate offices | Distribution center |                       |
| Scope 1, Diesel, gasoline and LP gas emissions                                     | 45.2%             | 54.8%               | 13.3%                 |
| Scope 2, Electric energy emissions   | 22.6%             | 77.4%               | 86.7%                 |
| Scope 1 and 2  | 25.6%             | 74.4%               | 100%                  |

In addition to the GHG Protocol records, we identified that during that year we emitted 194 tons of CO<sub>2</sub> due to refrigerant gas used in the air conditioning of the distribution center.

CO<sub>2</sub>-eq emissions of Genomma Lab Intl. in Mexico, by facility and by scope (tons of CO<sub>2</sub>)



Most of our emissions are generated in the distribution center and are due to the consumption of electric energy. Our consumption of electricity in 2013 is shown below.

| Consumption of electric energy in 2013 |                   |                     |
|--|-------------------|---------------------|
| Electric energy (MWh)                  | Corporate offices | Distribution center |
| Total estimated                        | 1,236.32          | 3,835.44            |

Respect to hydrocarbons consumption, most is due to movable sources, relating to transport of staff.

| Hydrocarbons consumption in Genomma Lab Mexico, 2013 |                   |                 |
|--|-------------------|-----------------|
| Movable sources                                      | Gasoline [Liters] | Diesel [Liters] |
| Corporate offices                                    | 56,919.86         | 9,000.00        |
| Distribution center                                  | 15,004.29         | 45,968.36       |
| <b>Total movable sources</b>                         | 71,924.15         | 54,968.36       |

| Fixed sources              |                 |                 |
|----------------------------|-----------------|-----------------|
| Emission source            | Gas LP [Liters] | Diesel [Liters] |
| Corporate offices          | 0.00            | 7,956.90        |
| Distribution center        | 27,323.97       | 2,512.80        |
| <b>Total fixed sources</b> | 27,323.97       | 10,469.70       |

For Genomma Lab, monitoring and measurement of the carbon footprint is an important issue that allows us to identify and monitor the sources of emissions that are under our control. As well as to follow up on the impact of the actions that we implemented, due to which we defined monitoring of our emissions per employee in each workplace.

| Emissions by collaborator and by facility in Mexico, 2013 |                 |                   |                     |
|---|-----------------|-------------------|---------------------|
| Emissions, in tons of CO <sub>2</sub> e                   | By collaborator | Corporate offices | Distribution center |
| Total GEI emissions                                       | 2.79            | 1.53              | 3.58                |
| Direct GEI emissions                                      | 0.37            | 0.36              | 0.38                |
| Indirect GEI emissions                                    | 2.42            | 1.18              | 3.50                |

In the line of the reduction of the carbon footprint, despite the constraints that exist to locate our corporate headquarters inside a building in which, resource management is not under our control, we have internal programs to raise awareness and promote energy saving within our community, such as use of lighting and air conditioning schedules.

In addition to these strategies, in our Data Center we have lighting that does not generate heat to optimize the use of precision air-conditioning and was carried-out the virtualization of the 106 servers with 4 physical equipments, which has contributed to the saving in electricity consumption.

Finally, as part of the actions undertaken regarding the care and reduction of carbon footprint, in addition to keeping the company vehicles with the checks established by law, we have maintained our program of collective transport for collaborators with which we seek to reduce the use of private cars. During the 2013, an average of 495 collaborators used this benefit daily.

## Materials and waste



### Materials used

In terms of materials we use for our direct operations, paper is the input with greater recurrence, so that by purchasing and using this material, we take care to comply with our policy of reducing use of paper, where is indicated imperatively the purchase of recycled paper, and printer configuration for to use only the amount of ink and paper truly needed. During 2013 we used approximately 3.37 tonnes of paper, as shown in the policy, elaborated from recycled fiber.

### Cleaning supplies

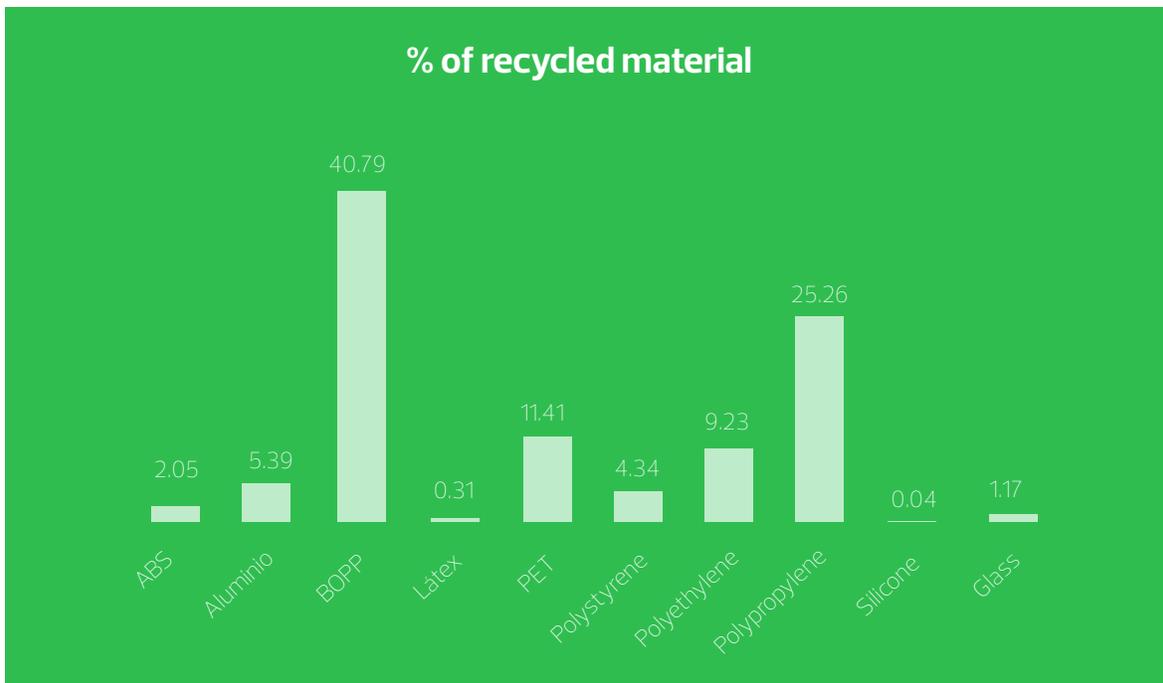
For the activities of our office cleaners we have hired a specialized supplier who uses biodegradable materials for this activity.

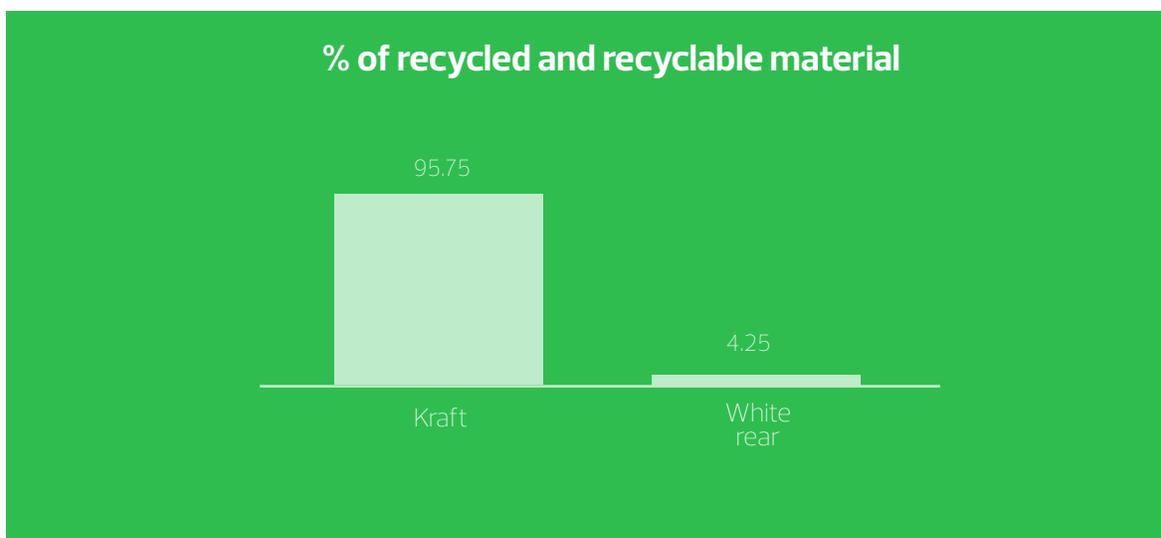
### Packaging

As mentioned previously, in Genomma Lab we take total responsibility for the products that we sell, and although we do not perform the direct purchase of our product packaging materials, we look for more suitable suppliers which could guarantee the quality and standardization for our manufacturers.

This responsibility has led us to seek that some packaging materials have the least possible environmental impact, always complying with the aim of preserving the product in the optimal state for use by the consumer.

The classification below shows materials that have the above characteristics:





More than 250 million pieces of packaging used in our products have been manufactured from recovered materials and can be recycled again.

In addition, we seek for suppliers whose products have a low environmental impact, as it is the case of the Givaudan fragrances, which in addition to perform the extraction of fragrances without damage to the environment, have to contributed to the economic growth of the regions from which the raw materials are extracted.

For Genomma Lab, monitoring and measurement of the carbon footprint is an important issue that allows us to identify and monitor the sources of emissions that are under our control.

## Waste management

In Genomma Lab we care because our daily activities generate the least possible impact, so we continue with our program "Care for your World 3R: Reduce, Reuse and Recycle" through which we manage separation and handling of waste inside our offices. Additionally, in Corporate offices we have a program of waste separation within the building we are located; also we launched the internal campaign "Collection and Recycling of Batteries".

For the third consecutive year, the collaboration agreement with the Foundation San Ignacio de Loyola (FSIL) was renewed for the integral management of waste of the company. Thanks to that agreement, Genomma Lab donated 2,734 kg of recyclable waste collected from Corporate offices, and 54,290 Kg of recyclable waste from the distribution center, which allowed the Foundation procure \$148,212.40 Mexican pesos, which were destined, after operating expenses, to help the clinic Santa Teresita to purchase new equipment for the facilities they have in the Sierra Tarahumara to take care of the children, where tuberculosis (whose treatment extends at least a year), pneumonia, and various diseases that attack the stomach are the most frequent diseases.

In addition, we have the responsibility of the proper destruction of products with expired due date, both medications and cosmetic products, as well as the proper handling of packaging materials, taking a strict control of responsible providers of these activities by verifying that they have the required permits, which establishes the applicable regulations in each case.

| Origin                          | Residue                     | Type of waste       | Quantity (tons) | Type of elimination           |
|---------------------------------|-----------------------------|---------------------|-----------------|-------------------------------|
| Distribution Center Genomma Lab | Expired health supplies     | Hazardous waste     | 182             | Incinerated (or used as fuel) |
| Distribution Center Genomma Lab | Expired cosmetics           | Non hazardous waste | 1466            | Incinerated (or used as fuel) |
| Distribution Center Genomma Lab | Plastic film                | Non-hazardous waste | 31.3            | Recycling                     |
| Distribution Center Genomma Lab | Wood                        | Non-hazardous waste | 29.8            | Recovery                      |
| Distribution Center Genomma Lab | Cardboard                   | Non-hazardous waste | 45.6            | Recycling                     |
| Distribution Center Genomma Lab | Store waste                 | Non-hazardous waste | 612 m3          | Other                         |
| Distribution Center Genomma Lab | Grinding of wastage of lots | Non-hazardous waste | 570 m3          | Other                         |

Within the Quality Assurance procedures, we have defined the Procedure for product Removal from the Market, through which we establish activities to be executed in the case be required to remove a product from the market, either because is deemed could pose a risk for health of the consumer or the batch does not complies appropriate standards. This procedure applies for personal care products and medicines.

In **Genomma Lab** we care because our daily activities generate the least possible impact.

10

# Corporate Governance

We strongly believe in the importance of transparency, communication and collegiate decisions.



**[4.2][4.3][4.4][4.6]**

# Governance

By being a public company, we are governed by the Mexican Law of the Stock Market; we strongly believe in the importance of transparency, communication, collegiate decisions, prevention of conflicts of interests, as well as the report and evaluation of our performance, among other aspects.

Legal representation and management of Genomma Lab falls on the Management Board, empowered to authorize and execute any action that is not reserved expressly to the Shareholder Board. Our Management Board consists of 11 members, of whom 8 are independent, and is chaired by our Chief Executive Officer Rodrigo Alonso Herrera Aspra. Our Corporate By laws state that the Management Board must be assisted by an Executive Committee, an Audit Committee and a Committee of Corporate Practices.

| Board of Directors               |                                    |
|----------------------------------|------------------------------------|
| Rodrigo Alonso Herrera Aspra     | Chairman                           |
| Sabrina Lucila Herrera Aspra     | Propietary Director                |
| Arturo José Saval Pérez          | Independent Director               |
| Luis Alberto Harvey MacKissack   | Independent Director               |
| Gerardo de Nicolás Gutiérrez     | Independent Director               |
| Juan Alonso                      | Independent Director               |
| Marco Francisco Forastieri Muñoz | Secretary, non member of the Board |
| Luis Ernesto Maccise Uribe       | Independent Director               |
| José Manuel Sainz González       | Independent Director               |
| José Luis Fernández Fernández    | Independent Director               |
| Andrés Conesa Labastida          | Independent Director               |

**\*\*\* The semblance of every one of our advisors, assigned retribution, as well as the purpose, functions and membership of each Committee are detailed in our annual report <http://www.genommalab.com/Inversionistas/Pages/BoardandCommittees.aspx>**

In Genomma Lab, we respect above all the integrity and freedom of the collaborator

Our statutes dictate that the superior Governing Body will meet at least four times a year and the Shareholder Meeting at least once a year. Performance Evaluation of the organization by the superior Governing Body is carried out both in Ordinary Board Meetings and the Annual Meeting of Stockholders. The remuneration of the members of the superior Governing Body, as well as the supervision of the financial performance is measured according to the results guide which is annually given to the market.

We seek to avoid conflicts of interest in superior Governing Body through established procedures, so, Directors have the responsibility to communicate to the Chairman and the other members of the Management Board, any situation in which there is, or may lead to a conflict of interest. Also, the Chief Executive Officer and high level officials abstain participate in deliberation for (i) designate or remove the Chief Executive Officer and high level officials, (ii) the evaluation and compensation of the Chief Executive Officer and high level officials, and (iii) determine compensations by separation of the Chief Executive Officer and high level officials, in order to prevent a possible conflict of interest.

## Corporate ethics

[S03][S06]

We start from the assumption that ethics found and direct a straight conscience and true on the human elements that make up our company; in addition, it supports also the general labor policies focused towards the generation of a culture of sustainability. It is why the ethical conception is for us the fundamental basis of our corporate spirit and the strength of our mission and realization of our vision.

In this line, in Genomma Lab we have internal policies, procedures and a code of conduct that represents the self-regulation frame to maintain and develop relations of trust, honesty and respect to all the people with whom we engaged a professional or commercial relationship. Our code of conduct is shown to all of our collaborators at the start of the employment relationship. The subjects covered in the code are: commercial practices, gifts, and extraordinary payments; confidentiality, intellectual property, legality, work ethics, and any kind of discrimination; as well as psychological, economic, or sexual harassment, and power misuse; corporal punishment, mental, and physical coercion, and verbal abuse; also on cultural diversity, and human rights.

We have internal policies, procedures and a code of conduct that represents the self-regulation frame.

# Anti-corruption measures and the code of conduct

Measures through which we mitigate risks relating to behavior, attitudes and corrupt practices both collaborators and stakeholders of Genomma Lab, are on constant strengthening: during the 2013 was defined the anti-corruption policy, which was communicated to all collaborators prior to its implementation. During 2014 we will continue the training process to permeate this policy in our organizational culture and to prevent possible incidents of corruption. Additionally during 2013 we have worked on the elaboration of the code of conduct of suppliers.

We are convinced that corruption poses a risk for our business and our reputation; so, we adhere to Good Business Practices based on principles of integrity and good governance practices.

Our level of commitment to transparency extends to the political level, so we declare no contributions subsidiary to political parties in the year 2013.

# Human rights



**[HR7] [HR4] [HR6]**

The main topics we address on human rights include equality and non-discrimination, prevent child exploitation, elimination of forced labour in all its forms as we specified in our code of conduct. In addition, we promote in our chain of value the respect for human rights, through clauses embodied in contracts with our manufacturers and suppliers, by means of which undertake to respect human rights in their operations.

As aforementioned, we have adhered to the Global Compact, so that we align our strategies and operations to ten universally accepted principles in the field of human rights, labour standards, environment and anti-corruption.

In Genomma Lab, we respect above all the integrity and freedom of the collaborator, so it has not been identified any risk of forced or compulsory labour, or child labour practices.



Our commitment with the respect for human rights and labour inclusion extends to national and international level, so we don't have any recorded incident of discrimination in the organization. By being a company that prevents discrimination in all its forms, we are recognized by the National Council for Prevention of Discrimination (CONAPRED), we have implemented mechanisms to ensure equality of rights, equity of treatment and plurality of opportunities to our collaborators, regardless of their sex, ethnic origin, age, pregnancy, disability, opinion, religion, sexual preference, appearance, or any other condition, according to the embodied in our code of conduct.



The commitment that we establish with the inclusion creates a work environment where trust, credibility, and respect, encourage the participation, efficiency, productivity and quality in our corporate practices. For this reason, we have been distinguished by the Ministry of Labour and Social Welfare (STPS) as an inclusive company committed with the implementation of best practices to vulnerable groups, such as persons with disabilities, elders and people with HIV.

In addition to be publicly recognized with the aforementioned emblems, we promote the participation of the staff in courses of diversity, inclusion and non-discrimination, which as we declare, have the general objective to *promote a process of acceptance and use of the differences and similarities in Genomma Lab as potential to create added value to the company, through a communicative management based on values and a future vision.*

Genomma Lab we ensure respect for human rights through the creation of the following committees.

### Committees for respect to human rights

| Committee                       | General objective   |
|---------------------------------|---|
| Gender Equity Committee         | Promoting the gender equity through actions that ensure equal opportunities in access to employment between men and women, fostering a healthy environment an of respect, that prevent abuse or harassment, discrimination or any kind of misconduct among its members. |
| Ethics Committee                | Ensuring and monitor proper compliance with the code of conduct and internal policies in all the collaborators of the company.  |
| Social responsibility Committee | Undertaking initiatives that contribute to the sustainability of the company through the integration of ethical, social and environmental aspects in their daily activities.  |

# Index of Indicators GRI

[3.12]

| Indicator GRI                          | Description   | Section  | Page       |
|--|---|--|------------|
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| <b>Organization profile</b>            |   |  |            |
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| 2.6                                    | Nature of the property/way of administration  | Generating economic value  | 21         |
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| 2.8                                    | Extent/dimensions of the organization (no. of employees, total sales, total capitalization, products and services supplied, total assets, and owner). | Our products and operations, Generating economic value, Our people | 10, 21, 39 |
| 2.9                                    | Significant changes inside the organization (structure, openings, closes, expansions, among others).  | About this report  | 6          |
| 2.10                                   | Awards and distinctions received.   | Acknowledgments and certifications                                 | 13         |
| <b>Characteristics of this memoirs</b> |   |  |            |
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| 3.2                                    | Date of the last memoir   | About this report  | 6          |
| 3.3                                    | Cycle of presentation of the memoirs (yearly, every two years, among others).   | About this report  | 6          |
| 3.4                                    | Data for contact on issues related to this memoir.  | Contact  | 81         |

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| 3.5                                  | Definition process for content of the memoir (materiality, priority of aspects included, identification of stakeholders, associated principles).  | Sustainable business management               | 15  |
| 3.6                                  | Coverage of the memoir (countries, divisions, affiliates, leaseholds, business, suppliers).   | About this report                             | 6   |
| 3.7                                  | Limitations to the scope of the memoirs   | About this report                             | 6   |
| 3.8                                  | Basis for including information in the case of joint business, affiliates, third party activities).   | Do not apply                                  | N/A |
| 3.10                                 | Reformulations/re-expression respect to previous memoirs  | No re-exposions were made                     | N/A |
| 3.11                                 | Significant changes on the scope of the memoir  | About this report                             | 6   |
| Index of the content of GRI          |   |   |     |
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| Verification                         |   |   |     |
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| 4.13                                 | Associations which company is adhered or which supports   | Participation in initiatives and associations | 20  |

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| EN2                            | Percentage of used materials which are valorized materials  | Materials and waste       | 65 |
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| EN4                            | Indirect energy consumption detailed by primary sources   | Energy and climate change | 62 |
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|                             |   |                           |     |
|-----------------------------|---|---------------------------|-----|
| EN22                        | Total weight of managed residues, by type and treatment method (discerning among dangerous and not dangerous waste).  | Materials and waste       | 65  |
| EN23                        | Total number and volume of more significant accidental spills.  | No spills presented       | N/A |
| EN25                        | Identification of the biodiversity of hydrologic resources and related habitats, significantly affected by the release of waste water and surface draining of the organization. | No habitats affected      | N/A |
| <b>Normative compliance</b> |   |                           |     |
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| EN29                        | Significant environmental impact due transport of the products, other kind of goods, and materials used for the activities of the organization, and transport for the staff.    | Energy and climate change | N/A |
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| LA2                         | The total number of employees and mean turnover of them, with the breakdown by age, gender and region.  | Value for our people      | 40  |
| LA3                         | Social benefits for employees of full time not given to temporal/transient employees or partial time employees, with the breakdown by main activity.                            | Value for our people      | 40  |
| LA4                         | Percentage of employees covered by collective agreement.  | No Collective Agreement   | N/A |
| LA5                         | Minimum Period(s) for notice regarding to operational changes, including whether it is specified in collective agreements.  | No Collective Agreement   | N/A |
| LA7                         | Rates of absenteeism, occupational diseases, lost days and number of fatalities related to work by region.  | Health and safety         | 50  |
| LA8                         | Programmes of education, training, counseling, prevention and control of risks that apply to workers, their families, or members of the community, regarding serious diseases.  | Health and safety         | 50  |
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|                               |   |                           |    |
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| HR6                           | Identified activities that carry a potential risk of incidents of child exploitation, and measures taken to contribute to its elimination.  | Human rights              | 73 |
| HR7                           | Operations identified as significant risk, which could be origin of episodes of work forced or not consented, and measures taken to contribute to its elimination.                                  | Human rights              | 73 |
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| PR2                           | Total number of incidents resulting from a breach of legal regulations and voluntary codes, relating to the impacts of products and services in the health and safety, during their life cycle.     | Incidents                 | 35 |
| PR3                           | Types of information about the products and services that are required by the procedures in force and regulations, and percentage of product and services subject to such information requirements. | Information to consumer   | 31 |

|     |   |   |        |
|-----|---|---|--------|
| PR4 | The total number of breaches of the regulation and voluntary codes, relating to the information and labelling of products and services.   | Incidents   | 35     |
| PR5 | Practices with respect to the customer satisfaction, including results of studies of customer satisfaction.   | Customer satisfaction<br>Quality in Genomma Lab   | 24, 37 |
| PR6 | Programs about compliance with the laws or adherence to standards and voluntary codes, mentioned in marketing communications, including advertising, promotional events and sponsorships                          | Quality in Genomma Lab<br>Information to consumer | 24, 31 |
| PR7 | Total number of incidents resulting from non-compliance with the regulations relating to marketing communications, including advertising, promotion and sponsorship, distributed depending on the type of result. | Incidents   | 35     |
| PR8 | Total number of complaints duly informed in relation to respect for privacy and the leakage of personal data of customers.  | Incidents   | 35     |
| PR9 | Cost of those significant fines as a result of non-compliance with the regulations in relation to the provision and use of products and services of the organization.   | Incidents   | 35     |

# Contact

[2.4][3.4]

If you need additional information or want to send comments or suggestions related to the content of the report, you can contact the following e-mail address: [sustentabilidad@genommalab.com](mailto:sustentabilidad@genommalab.com) or by phone to **(5255) 50810000, Ext. 4411**

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