

The graphic features a central image of a hand holding a globe with a stylized 'G' logo. Surrounding the hand are various sustainability icons: a brain, a recycling symbol, a leaf, a CO2 molecule, a wind turbine, and a bio symbol. The background is a dark blue gradient with a network of white dots and lines. The title 'Sustainability Report 2015' is written in large, bold, white letters on the right side.

# Sustainability Report 2015

**Genomma Lab Internacional**  
Socially Responsible Company  
committed to Sustainability



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### 74 Contact



# Letter from the CEO

(G4-1) (G4-2)

We present with great pride our fifth Sustainability Report, in fulfillment of our objectives that go hand in hand with our commitment with the transparent disclosure of information and the strengthening of corporate policies and procedures that are characterized by high demands with strict supervision aimed to achieve the strategy for the future.

This report reveals the main challenges, achievements and impacts of Genomma Lab Internacional in economic, environmental and social issues throughout 2015, in which we have experienced major transformations. With a sustainable approach, in the third quarter of the year, we announced the strategy of our operations, focused on the diversification of our geographical presence, a sustainable approach in our “core” brands, the restructuring of operations and the establishment of mechanisms to achieve long-term profitability.

Two of the strategic imperatives associated with this process are the creation of value for our shareholders and a sustainable business model with stronger brands. The transformation process that we look forward to consolidating at the end of 2016, implies an inventory adjustment resulting in the strengthening of our business model, the secured positioning of our brands and the increase of our penetration in international markets, which generate greater value for our shareholders.

With the acquisition of Grupo Marzam in 2014, we improved the distribution service within the pharmaceutical industry, achieved increased growth of net sales and higher profitability. However, in line with our strategy, we announced in 2015 a definitive agreement to sell the majority stake of our distribution company, this with the aim of improving our capital structure and increase shareholder value.

Transparency, equity, accountability and adherence to laws and regulations are part of our culture and the actions we undertake to generate value and our permanence in the long term. Our corporate governance framework is essential for achieving proper risk management, performance assessment, transparent communication, collective decisions and for the prevention of conflicts of interest in the performance of our operations. Therefore, we promote an ethical and professional conduct among all those with whom we have a professional or business relationship. This year our Ethics Committee launched the program “EGE” - The Genomma Team Listens - to receive and follow up on any matter relating to the improvement and compliance with our Code of Conduct and Ethics.

We endorse our commitment to the development and strengthening of the industry and the national economy through our involvement in major chambers and agencies at national and international level. Our impact on the ethical, economic, environmental and social spheres is reflected in the commitments we have with them and with other key stakeholders to our business.

Our new Steering Group is currently integrated by executives of high technical expertise and advanced skills that define them as leaders in their area of specialty. As part of our strategy focused on efficiency, the incorporation of highly specialized staff and the development of advanced capabilities, we made changes in our workforce which is currently composed of 878 collaborators.

Our commitment to the development of our staff resulted in the migration to a new performance-based culture and the drive to develop of our human capital, which has been strengthened by the formalization of growth plans to establish professional goals. We continue adding achievements in the field of sustainability and social responsibility, since Genomma Lab Internacional maintains its recognition as a Socially Responsible Company, the certification of the Gender Equity Model, the distinction as Inclusive Company and Family Responsible Company and our commitment to the Global Compact; also joining the initiative of the Global Compact Call to action: Anti-corruption, to prevent or avoid the practice of corruption in all its forms, including extortion and bribery.

After entering the Sustainable Index of Prices and Quotations (IPC, for its acronym in Spanish) of the Mexican Stock Exchange (BMV, or its acronym in Spanish) in 2013, we made a commitment, which we endorse each year, to seek to strengthen our sustainable performance throughout the value chain.

At Genomma Lab Internacional, we are committed to our value chain, integrated by suppliers, partners, customers and consumers; each of which we consider to be an essential link to run our business model effectively and successfully.

Therefore, we continue identifying and promoting sustainable practices in our supply chain. In each one of the sections of this report, we detail the contribution that our suppliers have in matters of health and safety, ethics, quality, volunteering, water management and emissions management, among other aspects, that reflect the sustainability commitment of our supply chain.

The quality of our products is our main thread, so the positioning of our brands is the result of a process focused on quality, productivity, delivery, safety, cost, and ethics. In view of this, we seek to encourage the spirit of innovation in our employees and promote a culture of continuous improvement, evaluating the legal compliance of our products through the programs of pharmacovigilance and

technovigilance. Thus focusing, on the compliance with local and international standards that allow us to increase the quality, safety and efficacy of our products by means of an increased investment in research and development, at internal level and through our supply chain.

To achieve a key position and the preference of the consumers for our products, we adhere to guidelines that ensure our responsibility in the development, handling, labeling, sale and promotion of our products.

We maintain our commitment to protection programs for vulnerable groups, support to social causes aimed at health and empowerment of people, in marginalized areas, to develop productive projects. In addition, our commitment to environmental protection is reflected by our responsible waste management, measuring our carbon footprint and the measures we implement year after year to mitigate the negative impact of our operations.

Each one of the areas that integrate Genomma Lab Internacional drives significantly, from its area of expertise, the development of the company, allowing us to walk in synergy toward the achievement of our objectives with a sustainable approach and long term vision.

**Máximo Juda**

*CEO of Genomma Lab Internacional, S.A.B. DE C.V*

# Genomma Lab Internacional Sustainability Report

(G4-5, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33)

Our fifth Sustainability Report reveals the commitment we have with the clear and transparent disclosure of the main challenges, achievements and impacts of Genomma Lab Internacional in economic, environmental and social matters. The determination of the content of this report is based on the principles of materiality, completeness, stakeholder participation and context of sustainability, which are essential to ensure transparency in the information disclosed.

Through the first three principles, we disclose information on the aspects of our Organization that reflect significant economic, environmental and social effects, and, on those that are substantially influencing the decisions and assessments of our stakeholders, informing our performance and, communicating issues that respond to their expectations and reasonable interests.

Also, through the context principle of sustainability, we present our vision and sustainable performance regarding the conditions of our environment, business strategy, risks and long-term opportunities that we have identified, communicating the extent of our impact and our contribution in the relevant geographical contexts in which we operate.

This exercise is the product of a strategic transformation that responds in an innovative way to the changing environment in which we operate. In addition to the information that we present year after year, we reveal the importance of each of the internal areas that integrate our Organization, and under an external perspective, we emphasize the practices of our supply chain, aimed at promoting sustainable development and driving social responsibility in our value chain.

The present report provides information on the period between 1 January and 31 December 2015, and in some cases, a comparison of our performance in relation to the year 2014. The information presented here shows the performance of our operations in Mexico and incorporates relevant data on our international operation in cases where so stated. The countries in which we operate at international level, are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, United States of America, Guatemala, Honduras, Nicaragua, Panama, Peru, Paraguay, Dominican Republic and Uruguay.

Aligned to the demands of the agencies that set the guidelines for the disclosure of sustainability reports, we continue developing our report under the guidelines of the Global Reporting Initiative (GRI). For the second time we report under the version of the GRI G4 Guide under the essential compliance option, remembering that our reporting processes remain aligned to the principles of inclusiveness, relevance and response capability defined by AccountAbility AA1000APS (2008). Likewise, we endorse for the ninth consecutive year our adherence to the Global Compact initiative of the United Nations, reaffirming our commitment to responsible practices that strengthen the observance and protection of human rights, care of the environment and working permanently with the principles of anti-corruption.



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# Profile of Genomma Lab Internacional

(G4-DMA, G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-13)

## About Genomma Lab Internacional

We are one of the leading companies in OTC pharmaceuticals and Personal Care products', dedicated to the development, sale and promotion of a wide variety of products that are successfully positioned as leaders in sales and market share in their various categories.

We are an organization with a growing international presence and a strong position in Latin America. Our business model has changed and our focus on continuous innovation is centered on the development and marketing of products of high quality, efficacy and safety.

Our growth strategy is oriented to the consumers' health, their personal satisfaction and the well-being that our brands provide. Our products' positioning is achieved through an extensive distribution network and an operational model of supply chain highly committed to sustainability in their operations, which are based on quality, growth and expansion of our operations.

### QUALITY



### GROWTH



### EXPANSION



### SATISFACTION



### DEVELOPMENT



### SAFETY



Source: page Genomma Lab Internacional:  
<http://www.genommalab.com/es/index.html>

We are permanently committed to scientific research for the enhancement of the consumer satisfaction with our brands, their further development and safety.



## Sustainable Strategy

With a sustainable approach we announced the strategy for the turnaround process of our operations in Mexico, focused on the diversification of our geographical presence, a central focus on our “core” brands, the restructuring of operations and the establishment of mechanisms to achieve profitability in the long term.

### Stages of the *turnaround* process<sup>1</sup>



#### Strategic Imperatives

- Creation of value for our shareholders
- Sustainable business model and stronger brands
- International **expansion**
- **Less dependence** on Mexico



#### Pillars of the new strategy

- Brands: Focus on “core brands”. Strengthening the value and **sustainability** of brands
- Mexico: **inventory adjustment** in the channel
- Geographical presence: International growth and margin expansion - diversification outside Mexico
- **Efficiency**: leverage overhead costs - Sales, Marketing and Administration
- **New management team** to implement the new strategy and to lead the **value creation** in this new phase



#### Stronger policies and disclosure of information

- The stronger **corporate policies** and procedures resulted in non-recurring items that do not require cash flow for the fourth quarter and full year 2015. Stricter policies and procedures with additional supervision to support **future strategy**

### The strategy focuses on:

1. The creation and use of the value of our “core” brands.
2. The implementation of efficiencies and improvements in the margin, as well as a significant inventory adjustment in the channel in Mexico, which will result in an improvement of the cash conversion cycle and in free cash flow generation.
3. The momentum of international growth and margin expansion, particularly in the US where we quickly became a major player in the market, strengthening our presence at points of sale in Walgreens, Walmart, CVS, Target, Rite Aid and Kroger, which has allowed us to become an important growth engine for the Hispanic market share in these stores.

<sup>1</sup> Source: Results of the 4Q and full year 2015 <http://www.genommalab.com/Inversionistas/Upload/Documents/2/Genomma%20Lab%20Internacional%204Q%202015%20v5.pdf>



Genomma Lab Internacional, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Profit and Loss and Other Comprehensive Income

For the years ended December 31, 2015, 2014 and 2013  
(Thousands of Mexican pesos, except earnings per share information expressed in pesos)

The accompanying notes are an integral part of these consolidated financial statements.

Tabla  
Fuente: estados de situación financiera trimestre 04,2015.

	2015	2014	2013
Net revenue	\$ 11,042,452	\$ 11,540,998	\$ 11,360,689
Cost of goods sold	<u>3,777,058</u>	<u>3,538,831</u>	<u>3,416,363</u>
Gross profit	7,265,394	8,002,167	7,944,326
Selling, general and administrative expense	7,334,154	5,569,258	5,017,153
Other expenses (income), net	<u>906,462</u>	<u>(12,187)</u>	<u>(9,719)</u>
	8,240,616	5,557,071	5,007,434
Operating (loss) income	(975,222)	2,445,096	2,936,892
Interest expense	(392,562)	(360,003)	(298,469)
Interest income	20,586	11,827	12,847
Exchange (loss) gain, net	(119,512)	32,525	(56,921)
Equity in income (loss) of associated	<u>12,024</u>	<u>(11,684)</u>	<u>11,244</u>
(Loss) income before income taxes from discontinued operations	(1,454,686)	2,117,761	2,605,593
Income taxes	<u>(373,895)</u>	<u>623,598</u>	<u>794,983</u>
Consolidated net (loss) income from continuing operations	(1,080,791)	1,494,163	1,810,610
Income for the year from discontinued operations, net	<u>68,154</u>	<u>12,943</u>	<u>-</u>
Consolidated net (loss) income	(1,012,637)	1,507,106	1,810,610
Other comprehensive income for the year: Items which will be reversed to results in the future: Exchange differences on translating foreign operations	<u>262,741</u>	<u>160,330</u>	<u>9,885</u>
Consolidated comprehensive (loss) income	(749,896)	1,667,436	1,820,495
Net (loss) income attributable to:			
Controlling interest	(1,068,519)	1,444,558	1,752,468
Non - controlling interest	<u>55,882</u>	<u>62,548</u>	<u>58,142</u>
	(1,012,637)	1,507,106	1,810,610
Consolidated comprehensive (loss) income attributable to:			
Controlling interest	(800,330)	1,581,285	1,760,607
Non - controlling interest	<u>50,434</u>	<u>86,151</u>	<u>59,888</u>
	(749,896)	1,667,436	1,820,495
Basic and diluted (loss) income per ordinary share:			
From continuing operations	<u>(1.11)</u>	<u>1.37</u>	<u>1.67</u>
From discontinued operations	<u>0.07</u>	<u>0.01</u>	<u>0.00</u>
Basic and diluted (loss) income per share	(1.04)	1.38	1.67
Weighted average shares outstanding (thousands of shares)	<u>1,031,553</u>	<u>1,048,255</u>	<u>1,048,733</u>



Milestones in our history: Genomma Lab Internacional

**1996:** In 1996 Genomma Lab was constituted as a direct to consumer advertising company with internal production capacity of TV infomercials.

**1997:** We restructured our operations in order to concentrate our activities on beauty products, starting to develop our own products.

**1999:** We began to develop a platform for product development and advertising thereof, establishing

a network of distributors and wholesalers in order to place our products in strategic points of sale. In our product categories we included over the counter (OTC) pharmaceuticals.

**2003:** We started selling our products to pharmaceutical wholesalers.

**2006:** We modified our organizational structure, hiring staff with extensive experience in pharmaceutical and personal care products.

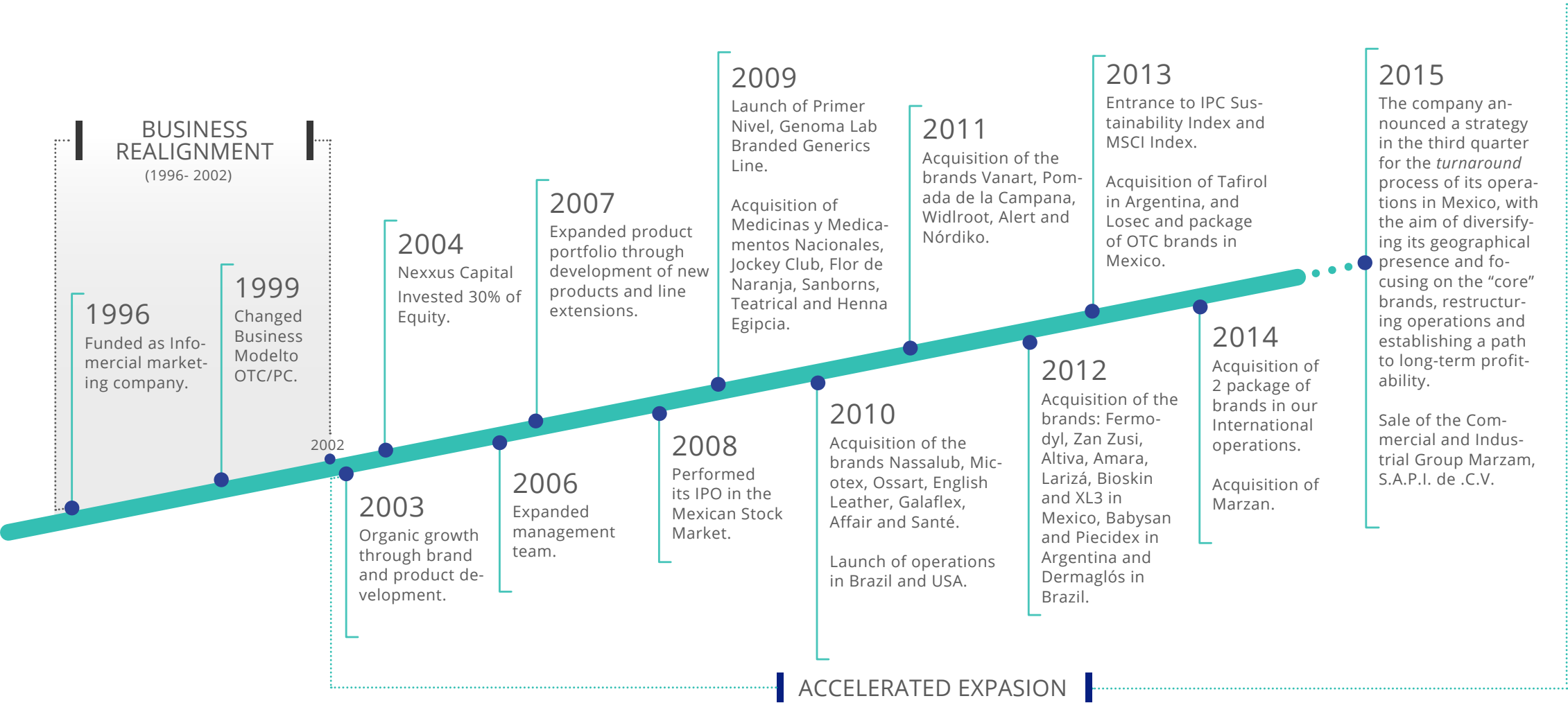
**2007:** We acquired new brands and expanded our portfolio to new areas considered as strategic opportunities.

**2008:** We adopted the regime of publicly traded Stock Corporation so the corporate name of the Company is, currently, Genomma Lab Internacional, S.A.B. de C.V.

**2013:** Entry to the sustainable IPC of the Mexican Stock Exchange (BMV).

**2015:** We innovated our business strategy based on the turnaround process under the strategic imperatives of creating shareholder value, a sustainable business model and stronger brands, international expansion and reduced dependence on Mexico . Sale of the Commercial and Industrial Group Marzam, S.A.P.I. de .C.V.

<sup>1</sup> <https://www.bmv.com.mx/docs-pub/prospect/00120080626121850.pdf>



Sale of Grupo Marzam

In 2014, we acquired the Commercial and Industrial Group, S.A.P.I. Marzam de C.V. ("Group Marzam"), to expand our access to the traditional channel and improve the cash conversion cycle of pharmaceutical and personal care products, with a total investment of the purchase price of \$1,857.2 million pesos. In June 2015, we announced that we had entered into a definitive agreement to sell the majority stake in this distribution company to Netherlands-based private equity firm Moench Coöperatief U.A. Based on the valuation of Grupo Marzam in this transaction, the total equity value was \$ 2,700.00 million pesos. In line with our strategy, of improving our capital structure and enhancing shareholder value, the initial proceeds were used for the prepayment of bank debt and repurchase of shares.

## Our Products and Operations

(G4-9, G4-4)

Genomma Lab Internacional offers more than 648 products in different categories with a high market share. In 2015 we launched 31 line extensions and two products under new brands. Our products are categorized into pharmaceutical (Pharma), dermatological (Derma) and well-being brands. Major brands include:

In the following web sites, we present each of our brands and products according to their classification.

Pharma: <http://www.genommalab.mx/farma>

Derma: <http://www.genommalab.mx/derma>

Well-being: <http://www.genommalab.mx/bienestar>

### ➤ X RAY AVA

X Ray, the leading brand in the treatment of osteoarthritis launches new X Ray Ava, an advanced formula that contains a unique combination of micronutrients (glucosamine, chondroitin, vitamin C and manganese) that provides a threefold effect: relieves pain, swelling, and limitation of movement. X Ray Ava is positioned for young people suffering from constant joint pain resulting from their active lifestyle, overweight and exercise.

### ➤ TUKOL-D

The brand of cough relief solutions with the fastest growth in the category, achieving the 2nd place in units' market share at the end of 2015. In the fourth quarter of 2015, Tukol's business was diversified to reach new consumers with different needs, with the line extensions Tukol for children and Tukol 0% sugar.

### ➤ CICATRICURE

The #1 brand for Genomma Lab, continues building on its innovation pillar to offer a complete line of dermo-cosmetic products with the most advanced formulas in skin regeneration. In 2015, Cicatricure Intervención Nocturna (Night Intervention) was launched, a facial night cream that complements the Crema Rosita to create the Essential Anti-wrinkle System. Its formula contains QAcetyl10® a powerful molecule composed of active ingredients that help restore the skin, toning and smoothing wrinkles, plus three powerful peptides that stimulate six essential elements for the regeneration of the skin damaged by UV radiation, it helps improve tone and elasticity.

### ➤ INTIMO BY LOMECAN

#### Clarifying and Firming Shampoo

Brand's line extensions. These shampoos for daily use keep the intimate area fresh and free of odors up to 24 hours, covering the needs of modern women.

**Clarifying shampoo:** Its formula with *Naturalclarant* technology, clarifies the intimate area naturally.

**Firming shampoo:** Exclusive formula with *Collagenfirm* helps restore the firmness of the intimate area.

### ➤ FERMODYL BIO EFFECTIVE

The expert brand in hair treatment launches a new complete line of shampoos, conditioners and innovative specialized treatments for daily care, understanding the needs of every hair type. Each variant acts from the root providing a specific benefit: Restoration, Hydration and Perfect Straight Hair.

### ➤ TEATRICAL

Is undoubtedly one of the biggest success stories for Genomma Lab Internacional. In 2014, the brand was relaunched under the concept of stem cells, achieving the No. 3 position in Mexico's facial creams. In 2015, following the mega brand strategy and complementing its portfolio to be positioned as the expert brand in skincare, Teatrical Stem Cells body cream was launched with 6 different variants for 6 specific needs of our consumers.





Our major brands’ categories include:

Genomma Lab Categories

Analgesics	Anti-varicose	Soaps
Anti-acne	Cardiovascular	Makeup
Anti-hair loss	Cellulite	Hair stylers
Antidepressants	Creams	Multivitamins
Flu treatments	Hair removers	Nasal
Antihaemorrhoidals	Dermatological	Obesity
Antimycotics	Deodorants	Ophthalmic
Anti-rheumatic	Antiparasitics	Sexual health
Antitussives	Gastrointestinals	Sedative
	Sleep inhibitors	Shampoo
		Hair Treatment

➤ The products we offer are manufactured with the highest quality standards, backed by our business strategy focused on strengthening our brands.

## Corporate Profile of Genomma Lab Internacional

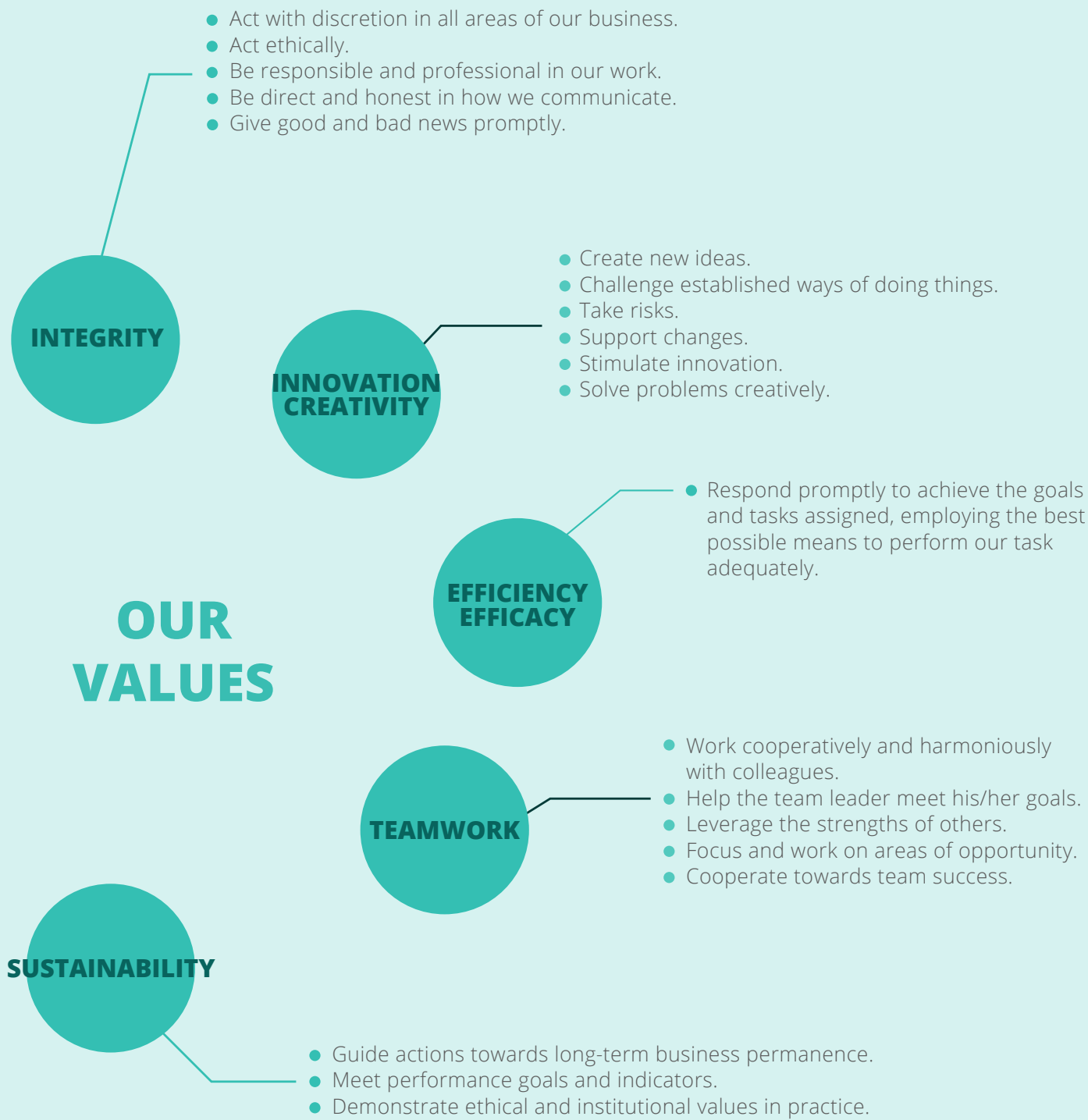
*We are a flexible and innovative Mexican company with international presence, edgy, young and dynamic; we are busy and concerned with finding solutions to improve the health and quality of life of all those who benefit from the proper use of our products.* We are committed to health, social welfare and environmental protection, so our approach includes the creation of value for our customers and the generation of the highest possible performance levels for our investors, seeking to permanently position ourselves as the leader in OTC medicines and personal care products, and differentiate ourselves as an organization that considers the expectations and needs of our key stakeholders.

### MISSION

Our Mission is to improve people´s health and wellness by offering safe, innovative and effective products, while providing development opportunities to our employees and profitability to our shareholders as we positively impact the community and the enviroment.

### VISION

Our Vision is to be the leading company in the OTC medication and personal care categories, and to be recognized for our positive impact on the health and wellness of individuals, communities and the enviroment.





## Materiality and Stakeholders

(DMA, G4-17, G4-18, G4-19, G4-20, G4-21, G4-22, G4-23, G4-24, G4-25, G4-26, G4-27)

The materiality analysis we do is focused on the entities that comprise Genomma Lab Internacional, which are contained in our financial statements, that we collectively call Genomma Lab Internacional.

### Genomma Lab Internacional S.A.B. de C.V. and subsidiaries

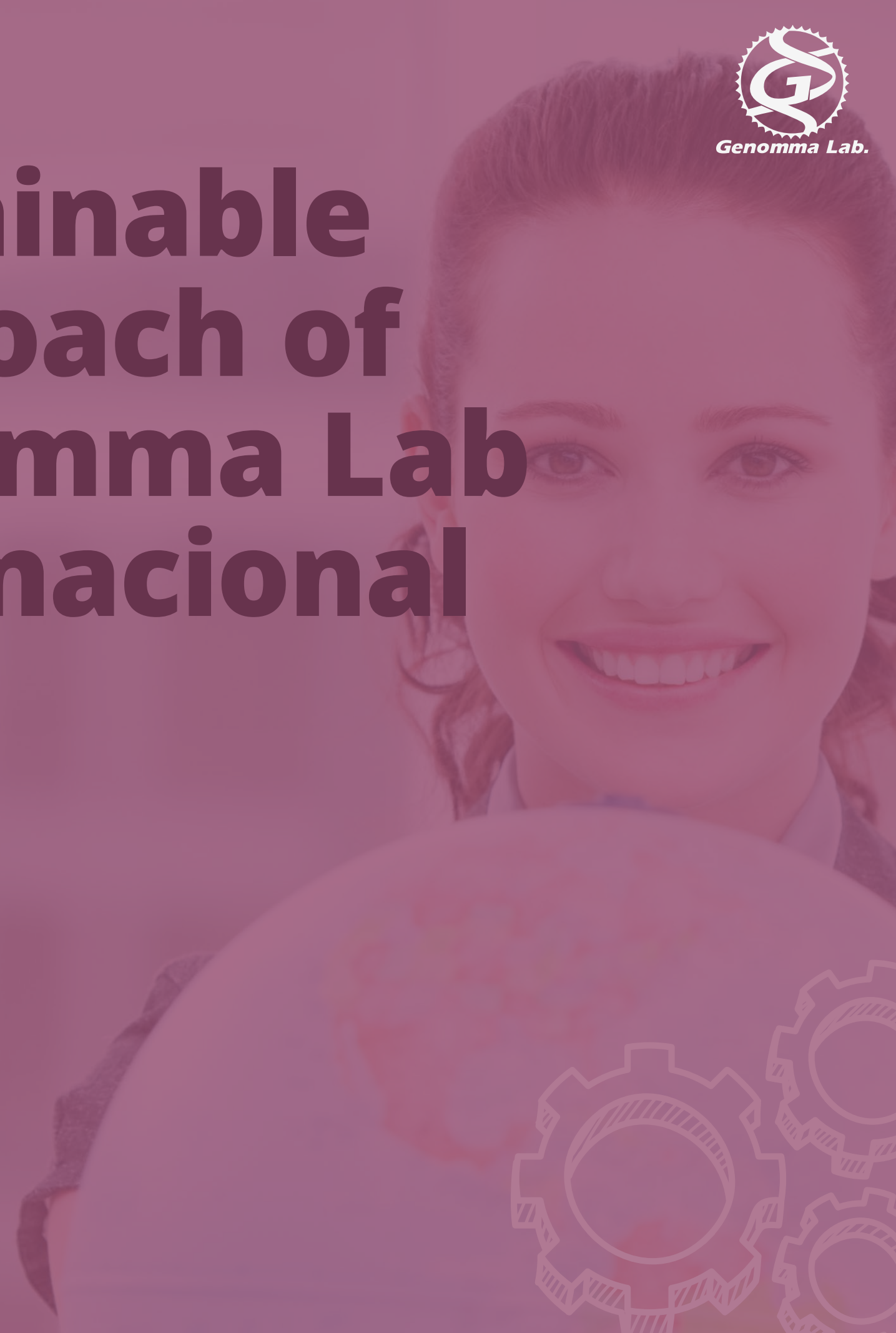
- Genomma Laboratories México, S.A. de C.V.
- Grupo Comercial e Industrial Marzam, S.A. de C.V. and Subsidiaries
- Television Products Retail, S.A. de C.V.
- Medicinas y Medicamentos Nacionales, S.A. de C.V.
- Iniciativas de Éxito, S.A. de C.V.
- Aero Lab, S.A. de C.V.
- Servicios Logísticos Genomma, S.A. de C.V.
- Gibart, S.A. de C.V.
- Genomma Lab USA, Inc.
- Lab Brands International, LLC
- Genomma Lab Centroamérica, S. A.
- Genomma Lab Perú, S.A.
- Genomma Lab Chile, S.A.
- Genomma Lab Ecuador, S.A.
- Genomma Laboratories Argentina, S.A.
- Genomma Lab Colombia, LTDA
- Genomma Laboratories do Brasil, LTDA y Subsidiarias
- Genomma Lab Dominicana, S.R.L.

2

# Sustainable Approach of Genomma Lab Internacional

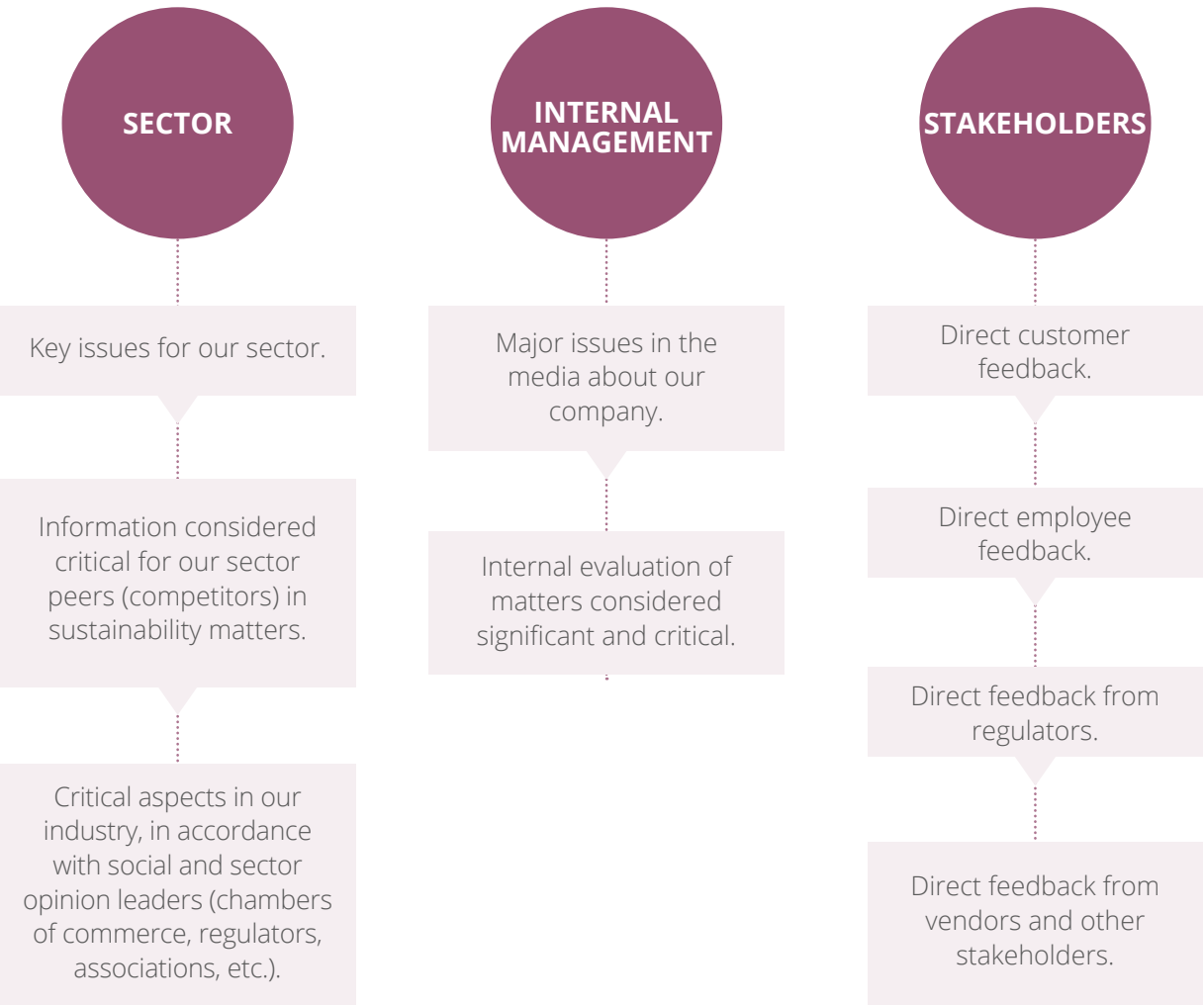


Genomma Lab.



Our strategy of corporate social responsibility is aligned to the new business strategy of Genomma Lab Internacional, so that our efforts, initiatives and priorities will focus on the corporate imperatives and relevant issues identified in our materiality analysis. The priorities of each of the entities forming Genomma Lab Internacional, both at national and international level, and major topics for our key stakeholders are considered for the management and disclosure of information in this report.

The objectivity and integrity of the results of our materiality study consider numerous sources of information that are analyzed, compared and evaluated to detect the critical, relevant and material issues for Genomma Lab Internacional. The sources considered for our analysis include:



The results of our materiality study are underpinned by a methodology that considers the technical analysis of detected issues from international standards. Our materiality matrix reflects the identified issues in two large groups: risk and maturity.

**Risk:** Indicates the level of potential impact of the identified issues. It should be understood as all that aspect, action or event that is relevant to our various stakeholders and whose inclusion in our action plans should be considered.

**Maturity:** indicates the level of attention that the companies in our sector lend to a particular sustainability topic. These issues represent an impact for organizations and therefore serve to provide a response from within the organization and toward its stakeholders through public media.

These variables allow us to identify emerging, widespread, urgent and necessary issues that we must address, allowing us to design the approach that the Company may take against them. Through ratings, calculations and weights, the relevant criteria are defined for consistent, clear and relevant results in our study that aims to:

- The identification, management and disclosure of issues that will enable us to determine our future strategic actions, investments, press releases and results' evaluation.
- The definition of our content index, determining the scope and coverage of our relevant topics to inform in the sustainability reports.



Our analysis, focused on companies in the personal care and pharmaceutical sector, detected all issues that have a high degree of maturity in the industry, i.e., that are developed and disclosed by the evaluated organizations. The four topics with a high level of disclosure are:

- Management of sustainable development.
- Environmental policy/Environmental Management System (EMS).
- Relations with government/public policy.
- Waste management.

The most relevant subjects for Genomma Lab Internacional, because they represent a high degree of development in the sector, and at the same time a high risk, are:

**Management of sustainable development, relations with government/public policy, financial issues, operations, access to health, management of water resources, attracting and retaining talent, ethics and integrity, corporate governance, corruption, bribery and transparency.**

With the purpose of comparing ourselves with other companies in the sector, that are considered leaders in sustainability, we analyzed the degree of development in all topics classified as *widespread*, and we defined specific action plans and strategies for Genomma Lab Internacional in those topics which correspond to environmental issues, employees satisfaction and issues related to human rights.

## Key Stakeholder of Genomma Lab Internacional

Our main stakeholders are the entities or organizations with which we have commercial and/or social transactions that impact or are impacted significantly by our operations.

Employees	We develop practices to boost the personal and professional development of our employees, guaranteeing a healthy, safe and inclusive working environment. The commitment and work of our employees enables us to reach the company´s results and achievements.
Customers and Cosumers	The products we market in coordination with our customers provide wellness, health, beauty and happiness to meet the expectations and needs of our customers.
Vendors and Manufacturers	Through our supply chain we ensure the implementation of best practices to comply with strict quality controls and adherence to socially and enviromentally responsible conditions. We considerer our manufacturers and vendors strategic partners of our business, maintaining trusting and cooperative relationships with each of them.
Community	Through Genomma Lab International and the Genomma Lab Foundation, we undertake actions that contribute to the healthcare and wellness of our community.
Shareholders	We create wealth and employment in our surroundings, as well creating value for our shareholders, as we constantly undertake to strengthen our capacity to continue growing profitability in the future.

# Communication with Stakeholders

The formal and informal communication procedures with our stakeholders are implemented through various mechanisms and established channels, among which are the following:

Stakeholder	Channel Communication Mechanism	Frequency	Expectations
Consumer	<div><div>· Market studies</div><div>· Satisfaction Surveys</div><div>· Comments Mailboxes</div></div>	Ongoing / Annual	<div><div>· Assortment</div><div>· Prices</div><div>· Product Quality</div><div>· Quality of Service</div><div>· Environmental care</div></div>
Employees	<div><div>· Permanent contact</div><div>· Work Climate Survey</div><div>· Compensation Survey</div></div>	Ongoing / Annual	<div><div>· Training</div><div>· Programs and benefits for employees and their families</div><div>· Acknowledgment systems</div><div>· Environmental care</div></div>
Vendors and Manufacturers	<div><div>· Contact Permanent</div></div>	Ongoing	<div><div>· Development of the value chain</div><div>· Fair trade</div><div>· Long-term relationships</div></div>
Authorities and Regulatory Agencies	<div><div>· Contact Permanent</div></div>	Ongoing	<div><div>· Compliance with laws and regulations</div><div>· Active participation in key industry issues</div><div>· Environmental care</div></div>
Financial Institutions	<div><div>· Contact Permanent</div></div>	Ongoing / weekly	<div><div>· Transparency</div><div>· Timely and accurate information</div><div>· Compliance with laws and regulations</div></div>
Communication Media	<div><div>· Contact Permanent</div></div>	Ongoing	<div><div>· Constant communication</div><div>· Timely and accurate information</div></div>
Communicators/ Opinion Leaders	<div><div>· Contact Permanent</div></div>	Ongoing	<div><div>· Constant communication</div><div>· Timely and accurate information</div></div>
Society	<div><div>· Community Perception Studies</div></div>	Annual	<div><div>· Community support</div><div>· Information of activities</div><div>· Access to medicines</div></div>
Shareholders, Investors and Analysts	<div><div>· Meetings</div><div>· Teleconferences</div><div>· Internet</div><div>· Permanent Contact</div></div>	Continuous / monthly / quarterly/ annual	<div><div>· Generation of economic and social value</div><div>· Environmental care</div><div>· Transparency</div><div>· Fair treatment</div><div>· Timely and accurate information</div><div>· Constant communication</div></div>
Civil Society Organizations	<div><div>· Meetings</div></div>	Half-Yearly	<div><div>· Support</div><div>· Synergy</div><div>· Environmental care</div></div>
Chambers	<div><div>· Meetings</div></div>	Monthly	<div><div>· Support</div><div>· Sharing Best Practices</div><div>· Experiences</div><div>· Driving the sector's agenda</div></div>



## Participation in Initiatives and Associations

(G4-16)

Our interaction with chambers and agencies both national and international, enables us to recognize and contribute with the best practices for development, procurement and marketing of products. We endorse our commitment to the development and strengthening of the industry and the national economy through our involvement in major chambers and agencies at national and international level.

### COUNTRY

### ASSOCIATION OR INITIATIVE

#### Mexico

- National Chamber of the Pharmaceutical Industry (CANIFARMA)
- Mexican Center for Philanthropy (CEMEFI)
- Mexican Society of Cosmetic Chemists, A.C.
- Communication Council, A.C.
- Association for the Better, A.C.

#### Peru

- Lima Chamber of Commerce

#### Colombia

- Bogota Chamber of Commerce
- Blue Point Program

#### Ecuador

- Ecuadorian Association of Cosmetics Production and Merchandising Companies (PROCOSMETICOS)

#### Argentina

- Industrial Chamber of Pharmaceutical Laboratories (CILFA)
- Argentine Chamber of Over-The-Counter Medications (CAPEMVEL)
- Credit Directors of the Pharmaceutical Industry (DICRINFA)
- Argentine Association Pharmacy of Industrial Biochemistry (SA FYBI)

#### Brazil

- Sindicato da Indústria de Produtos Farmacêuticos no Estado de SP [Syndicate of Pharmaceutical Products in the State of SP] (SINDUSFARMA)
- Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos [Brazilian Association of Toiletries, Perfumes and Cosmetics] (ABIHPEC)
- Trade Union of Drug Wholesalers, Manufacturers, Related, Perfumery, Cosmetics and Toiletries of São Paulo (SINCAMESP)
- Associação Brasileira da Indústria de Medicamentos Isentos de Prescrição [Brazilian Non-Prescription Medicine Industry Association] (ABIMIP)

Acknowledgments and Certifications

(G4-15)

COUNTRY	ACKNOWLEDGMENT	INSTITUTION	
Mexico	<div><div><div>· “Gilberto Rincón Gallardo” Inclusive Company”</div><div>· Socially Responsible Company</div><div>· Family Responsible Company</div><div>· Global Compact Membership Renewal</div><div>· Constituent of the Sustainable IPC Index of the Mexican Stock Exchange</div><div>· Member of the “Call to Action: Anti-corruption” Initiative</div><div>· Inclusion Committed Institution</div></div></div>	<div><div><div>· Ministry of Labor and Social Welfare (STPS)</div><div>· Mexican Center for Philanthropy (CEMEFI)</div><div>· Ministry of Labor and Social Welfare (STPS)</div><div>· United Nations Global Compact (UNGC)</div><div>· Mexican Stock Exchange (BMV)</div><div>· United Nations Global Compact (UNGC)</div><div>· National Council for Prevention of Discrimination (CONAPRED)</div></div></div>	<div><div>In Central America we undertook the initiative of logistics operators change with DHL with the objective to positively impact the transportation and storage costs improving our cost of regional sales.</div></div>
Argentina	<div><div><div>· SAMF OTC Launch of the Year Award for <i>Unesia</i></div></div></div>	<div><div><div>· Argentine Society for Pharmaceutical Marketing</div></div></div>	



## 3

# Corporate Governance

The strategy that we announced in the third quarter consists of the transformation of Genomma Lab Internacional based on a model of sustainable business aimed at creating value for our shareholders, driving international expansion and reducing dependence on the Mexican market.

The achievement of our objectives that go hand in hand with our commitment with the transparent **disclosure of information** and the **strengthening** of corporate **policies** and procedures that are characterized by high demands with strict supervision aimed to achieve the strategy for the future.

From 2015, we have focused our efforts on strengthening the value and sustainability of our “core” brands, adjustment of our inventories and achieving greater efficiency through the leverage of overheads, sales, marketing and administration.

Becoming a leader in our categories of (OTC) medicines and personal care products (PC) means to be recognized by positively impacting the health and well-being of individuals, community and environment; so through our corporate governance structure we established mechanisms, principles and standards that govern the design, integration and operation of the company's governing bodies.

Transparency, equity, accountability and adherence to laws and regulations are part of our culture and the actions we undertake to generate value and our permanence in the long term. Our corporate governance framework is essential for achieving proper risk management, performance assessment, transparent communication, collective decisions and for the prevention of conflicts of interest in the performance of our operations.

(G4-34, G4-35, G4-36, G4-37, G4-38, G4-39, G4-40, G4-41, G4-42, G4-43, G4-44, G4-45, G4-46, G4-47, G4-48, G4-49, G4-50, G4-51, G4-52, G4-53, G4-DMA)

Board of Directors

The legal representation and strategy management of Genomma Lab Internacional is the responsibility of the Board of Directors, which has the powers of authorization and implementation of all actions not expressly reserved to the Shareholders’ Assembly.

In 2015, significant changes occurred in both the Board of Directors and the Management Team. At our Annual Ordinary Shareholders’ General Meeting the changes to the Board of Directors and Committees of the Company were approved.

Our Board of Directors is composed of 11 members/advisors, 9 of which are independent (82%), a percentage that exceeds the requirements of the Securities Market Law. The Board of Directors is chaired by Rodrigo Alonso Herrera Aspra, the Company’s founder, who has more than 20 years’ experience in marketing and brand positioning strategies.

Board of Directors of Genomma Lab Internacional

Board Members	Experience Summary	Member Independent <sup>(3)(4)</sup>
<b>Rodrigo Alonso Herrera Aspra <sup>(1)(2)</sup></b>	Chairman of the Board. Has more than 20 years’ experience in marketing and brand positioning strategies His main functions include coordinating and overseeing all advertising material produced by the Company, and the market development of products and advertising campaigns. He studied engineering and administration at Universidad Anáhuac, and graduated with a Master’s in Senior Management from Colegio de Graduados en Alta Dirección.	President
<b>Scott R. Emerson</b>	Founder and Chairman of The Emerson Group and its subsidiaries Emerson Healthcare and Emerson Marketing. He has more than 30 years’ management experience in brand management, new business development, sales transactions and field sales for companies listed in the Fortune 500, including Johnson & Johnson, Unilever and Novartis Consumer Health. He is Board Member of several organizations including Consumer Health Products Association, National Association of Chain Drug Stores, and Efficient Collaborative Retail Marketing, among others. He holds a Master’s in Accounting from the University of Texas.	Independent Director
<b>Leandro Martín Sigman Gold</b>	CEO of Chemo Corporation. He has extensive management knowledge in Marketing & Sales, Business Intelligence & Development, and Strategic Planning. He worked as Executive Director of Laboratorios Elea, and as Director of Marketing at Parke-Davis Argentina. He holds a Bachelor’s Degree in Economics, and a Bachelor’s Degree in Journalism, as well as a Master’s (MBA) from the Institute of Senior Business Studies (IAE), Universidad Austral de Buenos Aires, Argentina and Chairs the Argentinian Chamber of Commerce in Spain.	Independent Director
<b>Roberto Simón Sauma</b>	Holds a Master’s Degree in medicine from Universidad Nacional Autónoma de México. Administrative Director at the Hospital Ángeles del Pedregal from 1986 to 1994. Managing Director at the Hospital Ángeles del Pedregal from 1995 to 1997. Executive Corporate Director at Grupo Empresarial Ángeles, S.A. de C.V. from 1998 to 1999. Executive Health Director at Grupo Empresarial Ángeles, S.A. de C.V. from 1999 to 2000. CEO of Grupo Ángeles Servicios de Salud, S.A. de C.V. de 2000 to date.	Independent Director
<b>Arturo José Saval Pérez <sup>(2)</sup></b>	Has more than 30 years’ experience in risk capital, investment banking and commercial banking. Managing Partner of Nexxus Capital since 1998, and co-founder of the private capital funds managed by Nexxus Capital. He has held several senior positions in companies such as Santander Financial Group (Mexico), GBM Atlántico Financial Group, Interacciones and Serfin Financial Group. He is Board Member of several companies including Nexxus Capital, Grupo Sports World, Crédito Real, Harmon Hall, Genomma Lab Internacional, Diamex, Grupo Hotelero Santa Fe, Taco Holding, Moda Holding and BOMI de México, among others. He graduated from Universidad Iberoamericana with a Bachelor’s degree in Industrial Engineering, and studied for a Graduate Certificate in Financial Analysis at the University of Michigan, and a Diploma from Instituto Tecnológico de Estudios Superiores de Monterrey.	Independent Director
<b>Luis Alberto Harvey MacKissack <sup>(2)</sup></b>	Partner of Nexxus Capital and co-founder of the private capital funds managed by Nexxus Capital. He has approximately 25 years’ experience in investment banking and risk capital and has held several positions at Grupo Bursátil Mexicano, Fonlyser, Operadora de Bolsa and Servicios Industriales Peñoles. His experience includes several private capital and public company operations, including initial opening offerings on the Stock Exchange for several Mexican companies, and in several international markets. Mr. Harvey is a Board Member of Nexxus Capital, Homex, Grupo Sports World, Crédito Real, Harmon Hall, Genomma Lab Internacional, Diamex, Grupo Hotelero Santa Fe, Taco Holding and Moda Holding. He graduated from	Independent Director

**(1)** Rodrigo Alonso Herrera Aspra, Sabrina Lucila Herrera Aspra and Renata Virginia Herrera Aspra, are siblings.

**(2)** Renata Virginia Herrera Aspra is the Alternate Director of Rodrigo Alonso Herrera Aspra and Sabrina Lucila Herrera Aspra. Alejandro Diazayas Oliver is the Alternate Director of Arturo José Saval Pérez and Luis Alberto Harvey MacKissack.

**(3)** At the Ordinary Shareholders’ General Meeting, held on April 14, 2015, the following resignations were submitted: Mr. Gerardo de Nicolás Gutiérrez resigned his positions as owner member of the Board of Directors, member of the Committee of Corporate Practices and President of the Committee of Risks of Genomma Lab Internacional; and Mr. Julio Everardo Sotelo Morales resigned his positions as an owner member of the Board of Directors and member of the Committee of Risks of Genomma Lab.

**(4)** On September 28, 2015 Dr. Andrés Conesa Labastida, until then independent member of the Board of Directors of Genomma Lab Internacional, submitted his resignation to the charge given his new responsibilities assumed in IATA. On the basis of the provisions of Article 24 of the Securities Market Law, the Board of Directors of the company appointed on this same date, given its wide experience **Mr. Héctor Carrillo González** as independent interim Director of the Company, appointment that in this case may be ratified by the next general meeting of shareholders of Genomma Lab Internacional.

Board Members	Experience Summary	Member Independent <sup>(3)(4)</sup>
	Instituto Tecnológico Autónomo de México and studied a Master’s in Business Management majoring in Finance at the University of Texas at Austin.	
José Luis Fernández Fernández	Degree in Public Accounting from Universidad Iberoamericana. Provided professional services at law firm Prieto, Castillo y Asociados, S.C. for two years. Subsequently worked in the Tax and Auditing Departments for Ruiz, Urquiza y Cía., S.C., representative in Mexico of Arthur Andersen & Co. He joined Chevez, Rioz, Zamarripa y CIA., S.C. in 1981, where he was later promoted to the position of Associate. He became a partner since 1989. He is a member of the Mexican College of Public Accountants, the Mexican Institute of Public Accountants and the Mexican Institute of Financial Executives. Chaired the Tax Committee of the Mexican Institute of Public Accountants during the period 1993-1995, and the Tax Committee of the Mexico City Group of the Mexican Institute of Financial Executives in the period 1995-1996, and was Chairman of the Tax Committee of the Mexican National Institute of Financial Executives during the period 2003-2004. He is a member of the Tax Committee for Mexico City of the Mexican Institute of Financial Executives since 1996. He was a member of the Tax Assessment Board of the Ministry of Finance and Public Credit from 1995 to 1996. He participated in the “Directors’ Development Program” organized by the Center of Excellence in Corporate Governance and the Mexican Stock Exchange. He serves as Director and Audit Committee member for several companies including Grupo Televisa, Mexichem, Banco Bx+, Grupo Financiero Bx+, Sport City Universidad, Club de Golf Los Encinos, Grupo Pochteca, Global Assurance Brokers Agente de Seguros y de Fianzas, and Arca Continental.	Independent Director
Jorge Ricardo Gutiérrez Muñoz	Public Account and graduate of Instituto Politécnico Nacional, with a Master’s in Finance from Universidad La Salle, he has been a member of the Board of Directors of: Mexichem S.A.B. de C.V., Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., Grupo Pochteca, S.A.B. de C.V. and Bolsa Mexicana de Valores, S.A.B. de C.V. He has also served as CEO of Mexichem S.A.B. de C.V., CEO and Board Member of Grupo Industrial Camesa and Industrias Synkro, Vice-President of Corporate Development at Empresas Lanzagorta, and Director of Finance at Indetel/Alcatel.	Independent Director
Juan Alonso	CEO of ZAO Future Technologies, one of the largest luxury homes construction companies in Russia. In Russia, the brand is known as SUN CITY Developments. In March 2007, he entered into a partnering agreement with BSG Investments, an Israeli real estate development company operating in Russia and the Commonwealth of Independent States to develop around one million square meters of commercial and residential real estate in Russia. He is also a majority shareholder of ZAO SILVER Nizhny Novgorod, Nestlé’s national water bottling firm in Russia. He was previously chairman of Domino’s Pizza Jalisco, a master franchiser of Domino’s Pizza in Central Mexico, and majority shareholder of Baskin Robbins D.F.	Independent Director
Sabrina Lucila Herrera Aspra <sup>(1)(2)</sup>	Worked in Public Relations, and Administration and Finance for several companies over 15 years, including Posadas de México. Joined Genomma Lab Internacional in 1998 to manage international sales. In 2004, then serving as Director of International Operations, she led the opening up of Latin American markets She holds a Bachelor’s Degree in IT Studies from Universidad Anáhuac, and has a Master’s in Senior Management from Colegio de Graduados en Alta Dirección.	Related Proprietary Director



Our corporate governance framework is aimed at a transparent, clear and timely management and communication of the information we disclose to the market, integrated by analysts, potential investors and shareholders. Our Investor Relations area is committed to communicating information to provide timely response to the requirements of the shareholders and stakeholders relevant to the organization.

At Genomma Lab Internacional we comply with all obligations provided for in the Securities Market Law. All information provided to the National Banking and Securities Commission (CNBV, for its acronym in Spanish) and to the Mexican Stock Exchange (BMV, for its acronym in Spanish) is also published on the Investors' Relations website: <http://www.genommalab.com/Inversionistas/>

### Steering Group of Genomma Lab Internacional

Our Steering Group is integrated by executives of high technical expertise and advanced skills that define them as leaders in their area of specialty. In December 2015 Mr. Oscar Villalobos Torres left the position of Executive Vice President, Director of Administration and Finance, to focus on new projects not related with Genomma Lab Internacional or its subsidiaries. At that time, we announced the addition of Mr. Antonio Zamora Galland as the new Executive Vice President, Director of Administration and Finance, assuming overall responsibility for the operations of Finance, Information Technology and Investor Relations. With the addition of the Mr. Antonio Zamora Galland and other key members of the team, our Steering Group is integrated as follows:

<sup>3</sup> <http://www.reuters.com/finance/stocks/companyOfficers?symbol=LABB.MX>

MANAGEMENT	JOB TITLE	EXPERIENCE <sup>3</sup>
Máximo Juda	CEO	Mr. Juda is CEO since July 2015; previously he served as Executive Vice President of Operations since December 2014, and prior to that he served as the Vice President of International Operations from March 2013 where he consolidated the international area as one of the fundamental pillars of the company's growth. Mr. Juda joined Genomma Lab Internacional in October 2002 as Director of Sales, then he was promoted to the position of Director of Commercial Operations being responsible for the areas of Purchasing, Sales and Operations. In 2006 he served as Vice President of Strategic Development and then was Founder and President of operations in Argentina, Brazil and the United States, which quickly became the largest company operations outside of Mexico. Prior to joining Genomma Lab Internacional he was Sales Manager for half of the branches of Casa Saba and played an advisory role for Sanborns in the Carso Group. Before arriving in Mexico, he earned a Bachelor's degree in Business Administration from the University of San Andrés in Argentina, and founded Farmaciaonline.com, the first portal in Latin America for the sale of medicines and cosmetics online.
Ramón Neme Sastre	Executive Vice President of Institutional Relations	Mr. Ramon Neme is Executive Vice President of Institutional Relations since the year 2012. Before joining the Company, Mr. Neme held various positions both in the public sector and private initiative. In the private sector, Mr. Neme held the position of Vice President of Corporate Relations of Empresas ICA, S.A.B. de C.V., Consultant and Project Developer of Enron Corp., and General Manager of Corporativo de Asesoría y Promoción Jurídica, S.C. In the public sector, Mr. Neme has held the position of General Manager of pharmacies and pharmaceutical distributors of the Institute for Security and Social Services for State Workers, Assistant Managing Director of the Secretariat of Energy and Brands Director of Secretariat of Education. Mr. Neme is a member of the Mexican Bar Association of Lawyers and the Mexican Institute of Copyright. He has been a delegate of Mexico at various conferences related to the protection of intellectual property rights. Mr. Neme holds a degree in law from the National Autonomous University of Mexico, has completed various programs at Harvard University and has a certificate from the World Intellectual Property Organization in Geneva, Switzerland.

As part of our focus on excellence, we have integrated experienced executives to our team holding leading positions by specialty at regional level, who strengthen the key areas of the company through their maximum performance.

MANAGEMENT	JOB TITLE	EXPERIENCE <sup>3</sup>
Antonio Zamora Galland	Executive Vice President, Director of Administration and Finance	Mr. Zamora Galland joins Genomma Lab Internacional after having served as Corporate General Director in Cydsa. His professional career spans 25 years of experience in Consumer Products, Strategic Consulting, Financial Services and Capital Markets. Mr. Zamora Galland held for five years the position of CFO at Grupo Lala, where he coordinated its IPO (Initial Public Offering). Previously, he was Director of Financial and Strategic Planning of PepsiCo (Mexico and Central America) for five years. He also has an extensive experience in Strategic Consulting at McKinsey & Co. and EuroPraxis, as well as Corporate and Investment Banking in Bancomer and Banamex. He is an Industrial Engineer from the Universidad Panamericana and holds an MBA from Stanford University.
Marco Sparvieri	Commercial Executive Vice President	Mr. Marco Sparvieri is an Industrial Engineer from the University of Buenos Aires. He is the former Commercial Director of Procter & Gamble in Mexico, has over 20 years of experience in consumer companies, holding leadership roles in commercial areas. He also has international experience, since he has led businesses in six different countries, including the United States, Puerto Rico and the Caribbean, Venezuela, Argentina, Chile and Mexico. The years of experience have given him a deep knowledge of the market dynamics in different channels and an understanding of how to design the architecture of a successful business plan of promotion and marketing at the point of sale.
Alejandro Bastón Patiño	Vice President of Business and International Development	Mr. Alejandro Bastón is Vice President of Business and International Development since 2015, previously he served as Vice President of Commercial Expansion and Human Capital. Mr. Bastón joined the company in October 2008 as Vice President of Business Strategy. He previously served as General Manager of Depilité from October 2007 to October 2008. From 1999 to 2007 he served as Commercial Director of OCESA, where he was responsible of sponsorships and government sales, as well as the operation, promotion and structure of the reopening plan for the Hipódromo de las Américas. He has held various marketing and sales positions in companies such as Hotel Inter-Continental (Mexico DF), Hotel Stouffer Presidente (Ixtapa, Gro.) Hotel Las Brisas (Acapulco, Gro.) Camino Real Hotels and Westin Hotels. Mr. Bastón has a Diploma in Business Management from the Instituto Tecnológico de Estudios Superiores de Monterrey, two courses in business and marketing from Cornell University in the US, and a course in marketing from the University of California at Berkeley, as well as several training and formation seminars taught by leading companies in the hospitality industry.

Committees

(G4-34, G4-37, G4-48)

Our by-laws provide that the Board of Directors must be assisted by an Operating Committee, an Auditing Committee and a Corporate Practices Committee. Also, pursuant to the governance structure of our organization, the following committees are responsible for analyzing and making suggestions to the Board of Directors in order to make decisions on economic, environmental and social matters:

- Operating Committee.
- Auditing Committee.
- Corporate Practices Committee.
- Mergers & Acquisitions Committee<sup>4</sup>.

The Committees receive feedback from the Steering Group to propose issues for approval to the Board of Directors. On a quarterly basis, the committees meet and the President of each one of them presents their recommendations and suggestions to the Board. The Board is informed of the management and performance of the company’s directors and executives, as well as positions with responsibility in economic, environmental and social matters, who are directly accountable to the Chairman of the Board, who is in turn accountable to the Board of Directors.

Currently, the Committees are composed of the following members.

Members of the Committees	Job Title	Experience	Time at the Company	Shareholder Information	Another Committee/ Board in which
Rodrigo Alonso Herrera Aspra <sup>5</sup>	Chairman of the Board of Directors	Founder of the company. More than 20 years’ experience in marketing and brand positioning strategies.	8 years	29.9% of the company's shares	Chairman of the Board of Directors
Leandro Martín Sigman Gold	Member of the Corporate Practices Committee.	CEO of Chemo Corporation. With extensive management knowledge in Marketing & Sales, Business Intelligence & Development, and Strategic Planning.	1 year	Confidential Information	Board of Directors
Roberto Simón Sauma	Member of the Corporate Practices Committee.	Holds a Master's Degree in medicine from the Universidad Nacional Autónoma de México CEO of Grupo Ángeles Servicios de Salud, S.A. de C.V. de 2000 to date.	1 year	Confidential Information	Board of Directors
Juan Alonso	Member of the Auditing Committee	Mr. Alonso is currently CEO of ZAO Future Technologies, one of the largest luxury homes construction companies in Russia.	8 years	Confidential	Board of Directors
Arturo José Saval Pérez	Chairman of the Corporate Practices Committee.	More than 30 years’ experience in risk capital, investment banking and commercial banking.	8 years	Confidential	Board of Directors
Jorge Ricardo Gutiérrez Muñoz	Member of the Auditing Committee	He has served as CEO and member of the Board of Directors of different recognized companies.	3 years	Confidential	Board of Directors
José Luis Fernández Fernández	Chairman of the Auditing Committee	More than 30 years of public accounting experience.	4 years	Confidential	Board of Directors

<sup>4</sup> The Mergers & Acquisitions Committee is considered as a body that assists the Board of Directors in matters in which it specializes, in view of the materiality of these activities for the company.  
<sup>5</sup> The Chairman of the Board of Directors does not occupy an executive position in the Company (G4-39).



The initiatives we undertake, both local and international, consider our commitments to sustainability in different areas, so we measure our sustainability performance and reported it transparently to our stakeholders. As a result of the commitments and achievements in sustainable development, we are part of the companies listed on the Sustainable IPC of the Mexican Stock Exchange, which commits and encourages us to channel our efforts to report on the most relevant topics to our stakeholders. For this reason, our sustainability report is produced every year, and reviewed and approved by our Senior Managers, Chief Executive Officer and Vice Presidents of the company.

## Appointment Processes and Functions of the Supreme Governance Body and Senior Management

(G4-40, G4-41, G4-42, G4-43, G4-44, G4-45, G4-46, G4-47, G4-51, G4-52, G4-53)

**Appointment and selection of Directors:** As part of our processes for appointing and selecting members of the Board of Directors and corresponding Committees, the Shareholders’ Assembly accepts or rejects each member of these bodies. Names are proposed and the curriculum of each candidate is shared with the different Board members and respective Committees, in order to receive their feedback and approval. The diversity of profiles is taken into account so that all areas of the company are represented, independence, in compliance with the Securities Market Law, as well as technical plurality in various areas of opportunity and risk to the organization are also considered.

**Remuneration of Directors and the Leadership Team** Matters of remuneration are approved by the Shareholders’ Assembly through an analysis drawing comparisons with other companies of similar size and activities, observing at all times the applicable legislation. Each member of the Board is remunerated with a gross fee of US\$7,500 for each session they attend, while the Chairmen of the Auditing, Corporate Practices, Mergers & Acquisitions and Risks Committees will be awarded a gross fee of US\$10,000 for each session of these Committees they attend.

Members of the Board, who are owners do not receive remuneration, such is the case of the Board Chairman, Rodrigo Herrera Aspra, and Sabrina Herrera Aspra, Proprietary Director.

The performance management in critical matters and issues of materiality for the business is carried out by the Board of Directors, supported by the various Committees for technical aspects, who by identifying economic, environmental and social key issues establish objectives and define any potential associated risks.

**Report to the Board of Directors:** Our Chief Executive Officer submits the quarterly (or annual, if appropriate) results in relation to operations, strategies and future plans to the Board of Directors after hearing the recommendations and suggestions of the Chairmen of each Committee. This information is disclosed by Senior Management based on the information and reports submitted by the relevant Managers of the Company.

Each quarter, the Board of Directors is informed of the company's management and performance through reports developed by the company's Management. This report underlines all critical aspects, achievements and potential challenges facing strategic objectives and potential risks, as well as any obstacles to achieving these objectives.

The Board of Directors analyzes, evaluates and makes decisions in relation to these reports. In these quarterly meetings, the company's actions and results are evaluated, decisions are made and the company's projects and strategies are approved or rejected. Additionally, there is an electronic suggestion mailbox and an Ethics Committee through which the important concerns may be transferred to the supreme governance body.

**Management of conflict of interests:** At Genomma Lab Internacional we strictly adhere to the provisions of the Securities Market Law in relation to the management of conflicts of interest. In such a case, the member will abstain from commenting/voting on the specific matters under discussion. Additionally, our Internal Auditing and Ethics Committee implements mechanisms to prevent that no conflicts of interest exist within the company, and where such a conflict does exist, it is analyzed and the relevant actions are taken.

Our Independent Directors have been selected both for their capacity and their compliance with independence; so it is relevant to them to disclose any concerns about their status as independent and in that case, after notification, refrain from commenting and voting on the specific point in discussion.

**Board Evaluation and Efficiency** Our supreme governance body plays a fundamental role in the Company's strategy, as it constantly defines and revisits the purposes and values of the organization. Therefore, its efficiency and focus are essential to our organization and its permanence in the long-term. In this regard, the Board of Directors is evaluated by the company's shareholders, given that at the Annual Shareholders' Assembly, the Board Members are ratified or approved.

In 2013, a project was set in motion that has enabled us to identify key issues for the organization in the field of sustainability, economic, environmental and social matters. These have been analyzed from the perspective of reputational, compliance, regulatory and operational risks. It allowed us to redefine our sustainability strategy with an economic, environmental and social approach, which enabled us to strengthen the actions of Genomma Lab Internacional in all its internal and external operations, through its value chain.

**Management of economic, environmental and social impacts, risks and opportunities:** Our Chief Executive Officer submits the results of operations, strategies and future plans to the Board of Directors after taking into consideration the recommendations and suggestions of the Chairmen of each Committee. The Board of Directors analyzes, assesses the actions and results of the company with the objective of carrying out an adequate decision-making and approve or reject projects and strategies of the company.

All these issues - which are considered as potential business risks for the organization- are categorized, and if deemed relevant, are shared with our Board of Directors for their knowledge and decision making in the circumstances.

More detailed technical information is available publically from the websites of the Mexican Stock Exchange: <http://www.bmv.com.mx/> and Investors' Relations of the Genomma Lab Internacional <http://www.genommalab.com/Inversionistas/>

## Corporate Ethics

(G4-56, G4-57, G4-58, G4-LA16, G4-SO3, G4-SO4, G4-SO5, G4-SO7, G4-SO8)

The guidelines that direct the conduct of the members of our company are based on ethical principles. Due to the importance of establishing guidelines which lead the corporate and individual behavior of the stakeholders of Genomma Lab Internacional, we strengthened the Code of Conduct and Ethics, thus establishing a framework of principles that will help to drive the good judgment and personal integrity of those who start an employment or business relationship with us.

The Code of Conduct and Ethics represents a self-regulatory framework for developing and maintaining relationships of trust, honesty and respect with all individuals with whom we engage in a professional and/or business relationship, both inside and outside the company. We convey the Code to all our employees, suppliers, partners and affiliates at the beginning of each labor relationship, through the Responsible Communication GLI, website, which functions as a platform to consult the Sustainability Reports of 2011 to the present, as well as communicate the Code of Conduct and Ethics, the Anti-Corruption Policy, Environment Policy and articles related to topics of Social Responsibility and Sustainability of the Company. The matters covered by the Code of Conduct and Ethics are:

- Legal Affairs
- Work environment
- Use of Resources
- Environment and Social Responsibility
- Business Practices
- Anti-corruption
- Special payments
- Gifts and entertainment activities
- Confidentiality
- Intellectual property
- Conflicts of interest
- Privileged Information



## Ethics Committee

The Ethics Committee is the body responsible for coordinating and ensuring compliance with the guidelines set forth in the Code of Conduct and Ethics of Genomma Lab Internacional. Its vision states that the Committee is the body that regulates and promotes a healthy working environment in which the basic rights of all individuals associated with the Company are respected in the workplace through compliance with the Code of Conduct and Ethics. The mission of the Committee is to promote, regulate and oversee the proper compliance of the Code and the internal policies by all individuals associated with the company to promote the development of each one of them.

Our Ethics Committee is formed by Holders (7), Vocals (7), Secretary and Ombudsperson.

**Holders**

- Corporate Legal Director
- Internal Auditing Director
- Chairman Representative
- Purchasing Director
- Human Capital Director
- Director of Supply Chain (Distribution)
- Business Operations Director
- Director of Global Regulatory Affairs
- IT Director

**Vocals**

- Corporate Lawyer
- Internal Auditing Manager
- Assistant to the President
- Deputy Director of Demand Planning
- Social Responsibility Manager
- Management and Customer Care Manager Divisional Trade Marketing Manager
- International Regulatory Affairs Manager
- Processes Coordinator

**Secretary**

- Social Responsibility Manager

**Ombudsperson<sup>6</sup>**

- CEO- Research and Training Center for Development

<sup>6</sup> Figure with the capacity and independence necessary to meet confidential and impartial complaints concerning human rights of employees.



Participants will ensure compliance with the objectives set by the Ethics Committee of Genomma Lab Internacional, which are:

- Ensure the correct application of the Code of Conduct and Ethics.
- Clarify any doubts or queries about the applicability of the Code.
- Receive, respond to and resolve complaints of cases and situations which are beyond the desired behavior of the Code.

To fulfill these objectives, the Ethics Committee meets once every three months or when there is an urgent case to be met, in order to plan and carry out work sessions that will enrich its operation.

## Update of the Code of Conduct and Ethics

(G4-LA16, G4-HR2, G4-SO8)

This year we made amendments to the Code of Conduct and Ethics, so our Ethics Committee in conjunction with Human Capital launched the program **“EGE” The Genomma Team Listens**, in order to publicize the procedure of attention to complaints about breaches of the Code of Conduct and Ethics, thus promoting ethical and professional conduct among all those with whom we have a professional or business relationship.

We have taken internal measures to disseminate information to employees and stakeholders on the new changes made to the Code. We implemented strategies to inform the different areas about these changes both physically and digitally, so that the information was made known in a practical and timely manner. All employees signed the Code of Conduct and Ethics, and the letter of conflict of interest reporting if there were any. These documents must be signed every year by the employees and made known to our business partners. As a complement, we seek to increase the Committee’s members training on the tools that can enrich the process and improve the processing efficiency of complaints. We identified the importance of providing training to the members of the Committee on Human Rights issues.

During the month of April, we carried out a thorough review of the procedure’s structure of "attention to denunciations" on breaches of the Code of Conduct and Ethics, in order to include all areas that could enrich the process on issues of legality, work environment, business practices, use of resources, corruption, confidentiality, social responsibility and environment.

In order to give continuity to the dissemination of this program, an induction course for new employees is taught, in which our policies and the Code of Conduct and Ethics of Genomma Lab Internacional, are covered in greater depth.

We include clauses for the compliance with the principles of Human Rights in all agreements with our manufacturing and raw materials vendors. Our code of Conduct and Ethics is communicated to all those with whom we have a professional or business relationship through the Responsible Communication GLI website, and are thus informed about how to report a breach of the Code of Conduct and Ethics, knowing that the mechanisms for receiving complaints are either in writing or by electronic means.

Once a week, complaints and suggestions are collected from the mailboxes at the Distribution Center (CEDIS, for its acronym in Spanish) and the Corporate by an assigned member of the Ethics Committee, to be selected and sent to the heads of the corresponding committees for their follow-up.

At the Auditing Committee meetings the submitted complaints are reported. During 2015, only one complaint was filed in Central America, which was handled in timely manner. In Ecuador, Chile, Colombia, Brazil and Mexico no complaints were filed to the Code of Conduct. And in relation to working practices no significant complaint was filed.

### Anticorruption measures and protection of Human Rights

(G4-HR1, G4-HR3, G4-HR7, G4-SO6, G4-SO11)

For the ninth consecutive year, we signed our adhesion to the Global Compact, reaffirming our commitment to the issues of Human Rights, labor standards, environment and anti-corruption. In the same way, we committed ourselves to support the objectives of Sustainable Development as defined by the United Nations in September 2015.

In order to strengthen the transparency, once again we support the Global Compact with the initiative "*Call to action: Anti-corruption*", by which we strengthened the commitment to prevent and avoid acts of corruption and influence peddling by employees and/or third parties related to Genomma Lab Internacional.

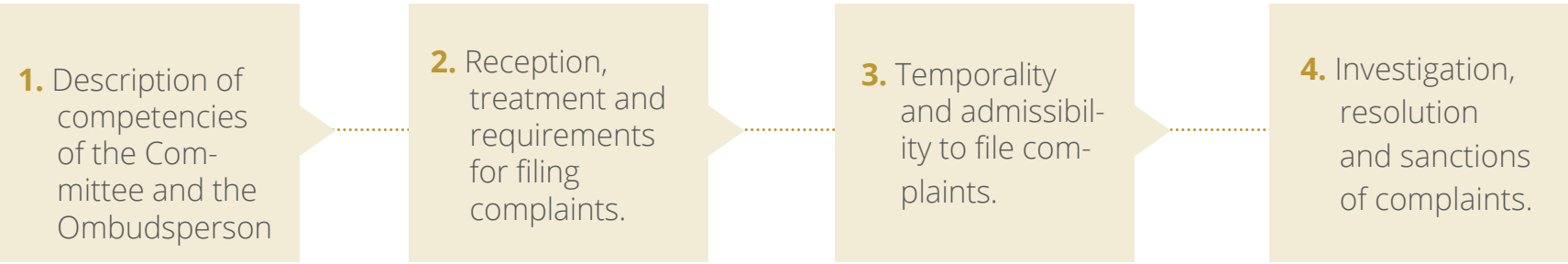
Through the Code of Conduct and Ethics of Genomma Lab Internacional, we reject any practice of corruption within and outside of the company. It is our obligation to prevent acts of corruption and influence peddling, for this reason, our employees must commit not to seek or accept any incentive from a third party that compromises their work performance. They must also report any offer, act of corruption or traffic of influences that may exist related to Genomma Lab Internacional, via email **comitedeetica@genommalab.com** and/or in the mailboxes of complaints and suggestions installed in our work centers.

It is forbidden for any employee to establish a relationship by him-/herself or through an intermediary to perform any of the following behaviors:

- Promise, offer or give an incentive to a third party.
- Make use of personal, commercial and/or institutional relations.
- Exercise any kind of economic or political power.

The practices disapproved by performing any of the activities mentioned herein may constitute an offense and shall be punished by the authorities as appropriate.

At Genomma Lab Internacional, we have established a procedure where such acts can be reported. To ensure the confidentiality of the process in a formal and impartial manner, we present the procedure sections, which include responsibilities, conditions and steps to be followed to perform the corresponding complaint.



## Ethics in Our Supply Chain

**Responsibility of our vendor of professional, technical and scientific services for the efficacy analysis of our cosmetics, and our hair and anti-acne products.**

The provider that performs the efficacy studies for us, is a world-class company of professional technical and scientific services, committed to providing highly specialized laboratory services for the cosmetics’ industry and trade. Its methodologies, procedures, equipment and high-level staff are subject to local and international standards.

In addition to having a quality system in compliance with the NMX-EC-17025-IMNC-2006 (ISO / IEC 17025) standard, that outlines the general requirements for the competence of testing and calibration laboratories, this supplier is approved by the Ministry of Health as an Authorized Third Party Testing Laboratory; thus, it is recognized as a reliable supplier by major companies in the commercial, industrial and service sector.

Our supplier has a code of ethics which goal is to provide moral guarantees of solvency and establish the rules of professional conduct of the company and its members, aimed to comply with the society, serving it with loyalty, diligence and respect.

Our supplier has also issued a Declaration of Independence of Technical Judgment to provide guarantees of judgment and establish professional performance standards of the company, respecting their customers’ information and decision-making.

Our supplier performs its operations based on privacy and quality policies characterized by the following commitments.



## Privacy Policy

Protecting confidential customer information and proprietary rights thereof, including those stored and transmitted electronically.

Treatment of personal, commercial and tax data requested to any person, either in person, by email or web site, in accordance with the Law on Protection of Personal Data held by individuals and its regulations.

Access to data only to adequately provide the services for which it is hired.

Avoid transfer of personal, commercial, and fiscal data to third parties.

Communication of the purposes for which data are collected, these are:

- Provision of required products and services.
- Information about changes to products or services.
- Information about changes in the provision of the required service.
- Purposes of collection or payment.
- Communication, promotion or dissemination of products and services.
- Compliance with the obligations arising from the commercial and legal relationship.

## Quality Policy

Avoid involvement in activities that may diminish confidence in the competence, impartiality, judgment and operational integrity.

Compliance with the NMX-EC-17025-IMNC-2006 regulations in legal and health matters, and international standards such as the Declaration of Helsinki of the World Medical Association, through which recommendations are issued to guide physicians in biomedical research in people.

Running tests in accordance with the methods and requirements established by our customers.

Compliance with professional practices and the quality of the trials.

Data protection.

Exact, precise, reproducible and reliable analytical determinations.

Commitment of the staff to familiarize themselves with the quality documentation and implementation of policies and procedures in their work.

Supervision of the quality system to ensure compliance and continuous improvement.

Studies made by our supplier are conducted with informed consent by the volunteers who participate in them. As part of the requirements specified by the Ethics Committee, our supplier will clearly inform to the volunteer, the purpose of his/her participation and what it is expected of it. At all times our supplier guarantees independence and technical judgment to the volunteers.

## 4

## Generation of value in our workforce

(G4-LA1, G4-10, G4-LA4, G4-EC6, G4-DMA)

Our workforce is comprised of employees who thrive in an environment of constant innovation, personal growth and professional development with future-oriented vision, who focus their performance in generating value for the company and our stakeholders.

Throughout the year 2015 we transformed our steering group headed by our CEO Maximum Juda. One of the most important changes was the incorporation of Mr. Antonio Zamora Galland as Executive Vice President, Director of Administration and Finance, who has a proven professional career in public and private enterprises in Mexico, Europe and Latin America. His experience and leadership in business transformation processes are aligned with our strategy and sustainable high growth in a changing market environment with many opportunities.

In addition, senior executives occupy management positions in the departments of Marketing and Development, Information Technology, Regulatory Affairs, Human Capital, Quality and Image, Supply Chain and Packaging. A constant in all directors is the purpose of infusing our strategic imperative in the human capital of Genomma Lab Internacional that is the sustainability of our long-term business model, together with the permanent practice of boosting the global competencies of the company.

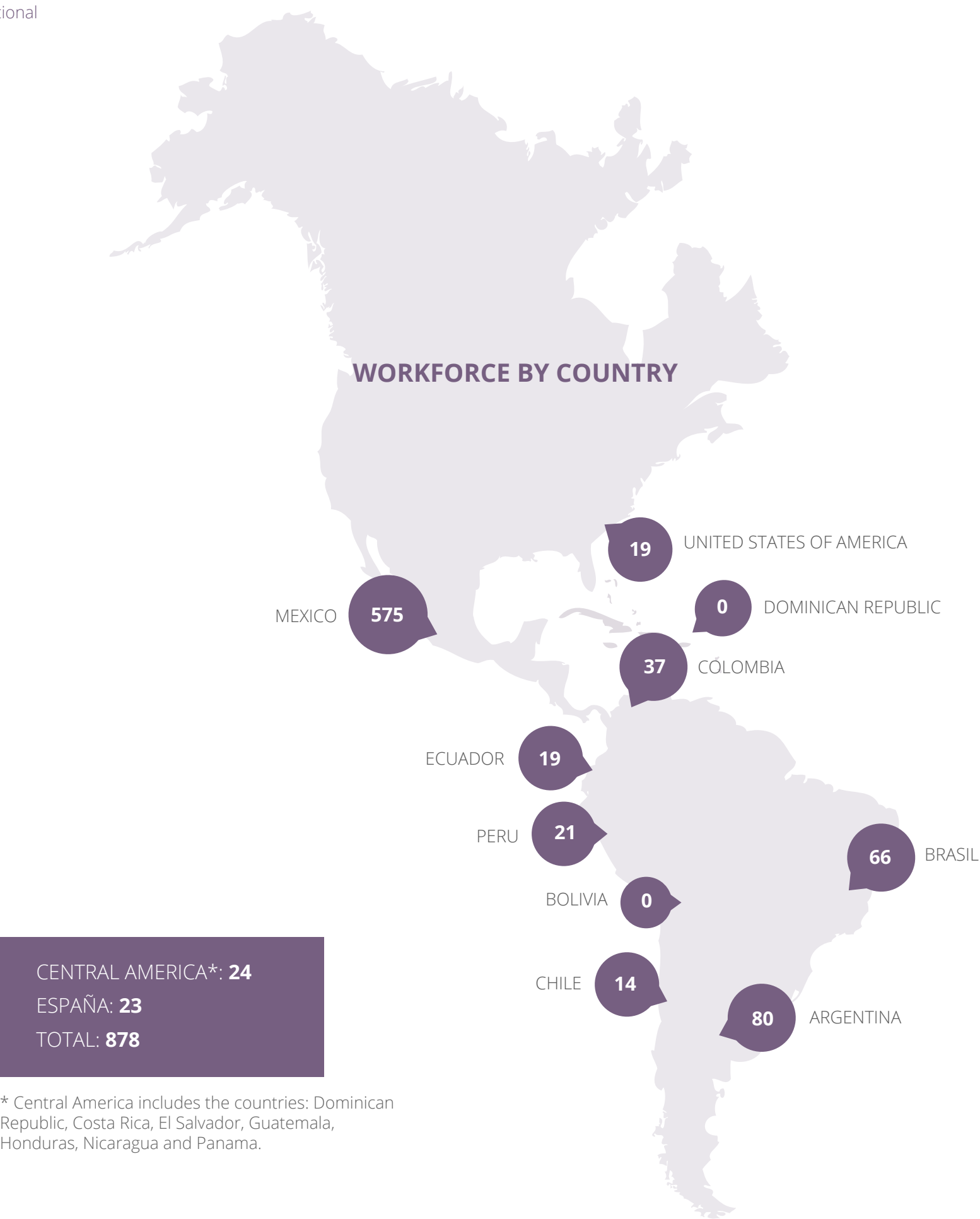
Our strength lies in the performance that each business area provides by itself and in the sum of efforts of all areas working in synergy, leveraging the cognitive, practical and geographical advantages that characterize each one. Through the area of Human Capital, our focus is on the person and the professional commitment to develop their activities; to fulfill their goals, reaching the company's objectives and interacting effectively with their environment, family, colleagues and customers.

# Workforce of Genomma Lab Internacional



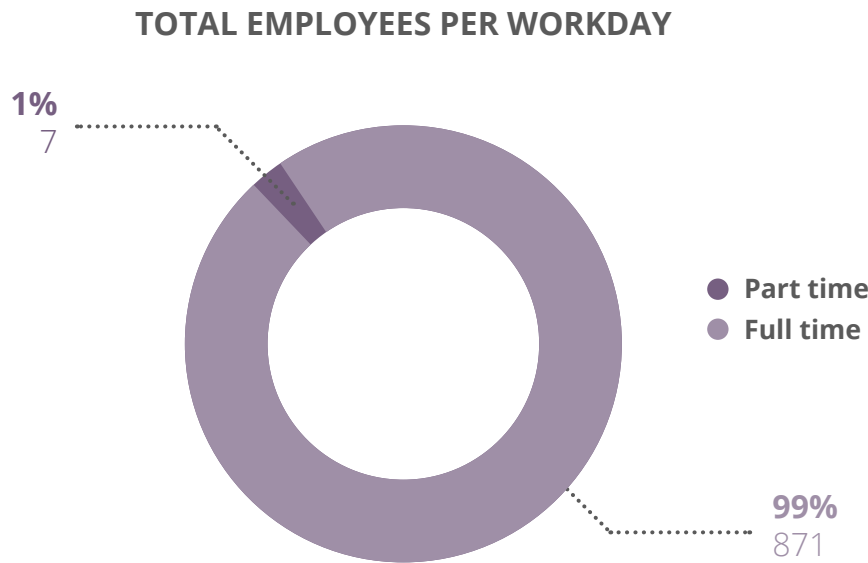
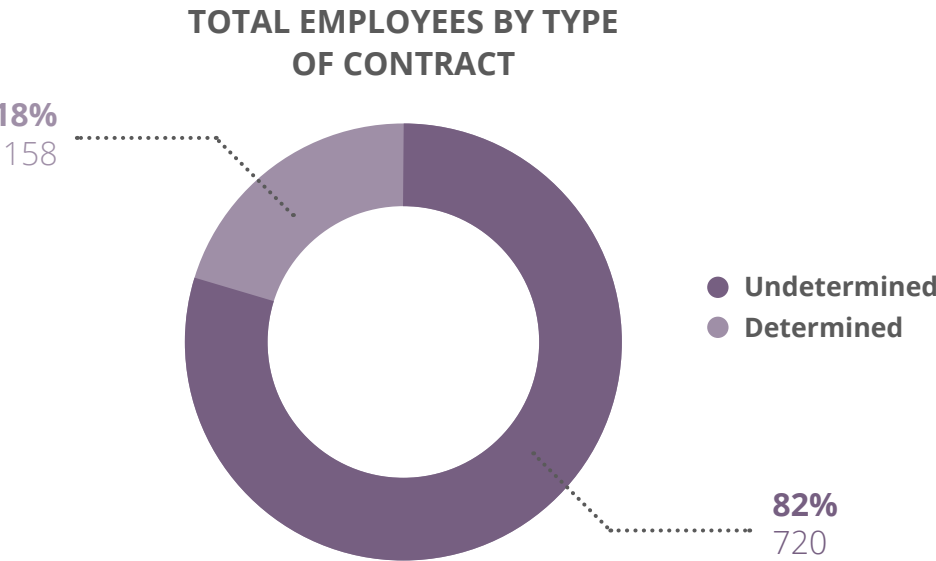
## Integration of our workforce

During the year 2015 new talents joined the company, bringing knowledge, skills, experience and momentum to innovate in all areas of the company. Our team is comprised by 878 collaborators, who form a mosaic of diversity, talent and innovation that promote leadership, strategic thinking, team work and development of capabilities. With respect to the previous year, 2015 was characterized by a reduction of staff in Mexico and an increase in our international workforce, which was due to the strategic approach based on efficiencies, which seeks to include in our workforce the best human capital to achieve and exceed the activities and objectives of the company.

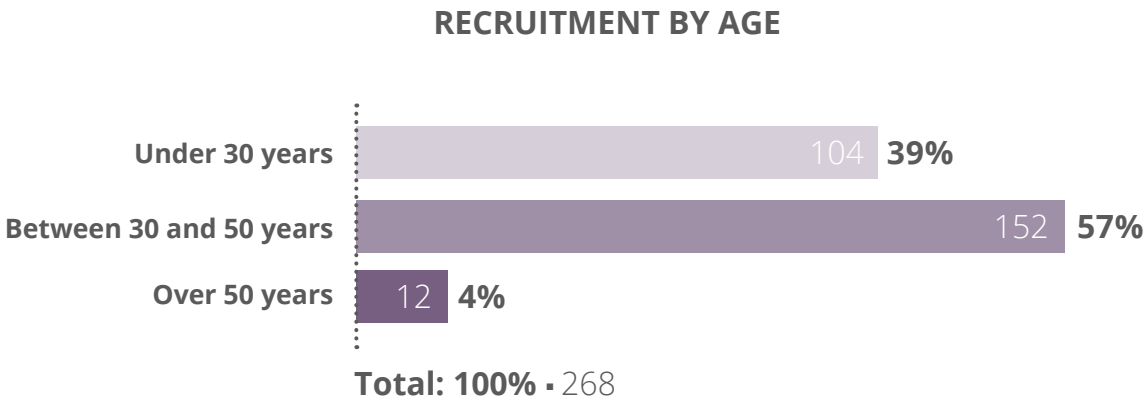




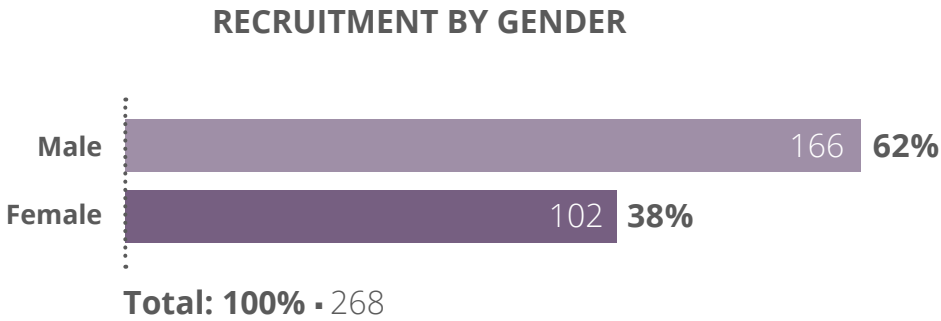
The labor relationship we have with our employees is defined by their performance and by the market conditions that frame our operations, so we establish employment contracts for a specified or indefinite time. 82% of our employees have an indefinite contract and 99% are working full time.



The year 2015 was marked by a renewal of the workforce, which contributed to an organizational structure characterized by the talent, innovation and experience. In total, 244 new collaborators joined the company.



Most of the hiring is focused on people between 30 to 50 years, characterized by being leaders in their area of expertise and their knowledge of best practices. As for the gender distribution in new hires, 62% is composed of men and 38% women.



We renew the organizational structure of the Company with the objective of improving and strengthening our operations in the national and international markets. At the same time, we strengthened the mechanisms to attract and retain talent, as well as developing our own people over time. It is noteworthy that internationally there are countries with a high number of managers of local origin, which means they have the nationality of the country where the company maintains operations. The case of Argentina stands out, where 100% of the managers are of local origin. In the case of Central America and Colombia, these constitute 70 per cent and 75 per cent of the total, respectively.

In total, 268 people were hired and 461 left the organization, of which, 60% were men and 40% women. Taken into account the number of dismissals of the organization versus the total number of employees at the end of 2015, the turnover rate in Mexico was 68.52%, while internationally the average turnover rate was 18.36% in the same period.

Before any decision-making involving significant changes in the operation that could impact our employees, they are informed in advance. On average, the time for these notifications is one month, although in some countries this becomes two weeks because the procedures may be different. It is important to note that, in any organizational change with positive or negative impact, we remain committed to improving our corporate performance concerning the management of our talent.

## Diversity and Inclusion

In Genomma Lab Internacional we avoid discrimination in all its forms, so we have implemented mechanisms to ensure equal rights, equity and plurality of opportunities to our employees, by adhering to the provisions of our Code of Conduct and Ethics. In the year 2015 we strengthened our internal communication strategies to sensitize our employees in the areas of prevention of workplace violence, discrimination and harassment in all its forms and manifestations; using digital media to disseminate messages promoting social equity.

The promotion of gender equity in Genomma Lab Internacional is one of the fundamental pillars to establish ourselves as a world-class company. We recognize that equal leadership opportunities for both women and men translates clearly in benefits to the company performance. We are also aware that there must be robust mechanisms to end all forms of discrimination and / or workplace violence. For this reason, in addition to our Code of Conduct and Ethics which endorses our commitment in the area of gender equity, we count with a protocol of attention to complaints about any breach of the Code of Conduct and Ethics, as well as a series of Internal Policies on Gender Equity.

## Gender equity

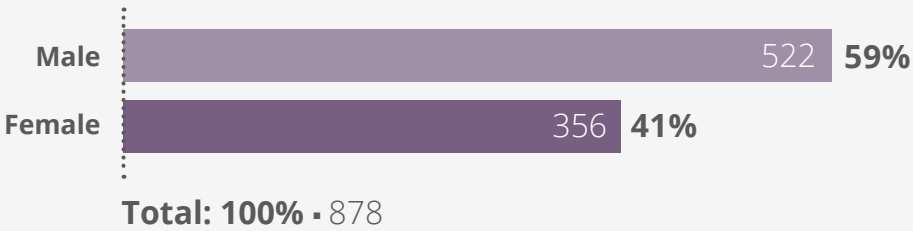
We aspire to continue with the equity commitments for which we have been recognized, so we continue participating in initiatives committed to equity such as the Gender Equity Model (MEG, for its acronym in Spanish). The MEG is a management system with a gender perspective, which provides tools to businesses, public institutions and social organizations to make a commitment to equality between women and men. The objective of the Model of Gender Equity is to "develop, encourage and promote gender equity in the organizations. Thus, it seeks to institutionalize the gender equity policies and to promote equal opportunity between men and women in access to employment, working conditions, as well as professional development, training and participation in decision-making processes."<sup>7</sup>

Our actions in the field of gender equity were rewarded when in July 2015 Genomma Lab Internacional received again the MEG certification, which we obtained after an external audit conducted by the Directorate of the Model of Gender Equity of the National Institute of Women (INMUJERES), in which we were assigned a score of 92% to compliance with the evaluated aspects. This percentage is an indicator that we continue working to promote equitable employment opportunities, at the same time we promote a healthy and respectful environment, demonstrating our commitment through policies and procedures that generate actions of value for our employees and the company.

In Genomma Lab Internacional we have received this certification for seven consecutive years, assuming the commitment to incorporate a gender perspective in our activities, which establishes equity in the working conditions of men and women. We seek to provide the necessary tools to ensure equity, which is manifested through policies, practices and mechanisms that are constantly updated and are applicable in the process of recruitment, selection, training and development of human capital.

<sup>7</sup> MEG:2003 <http://www.cofemer.gob.mx/MEG.pdf>

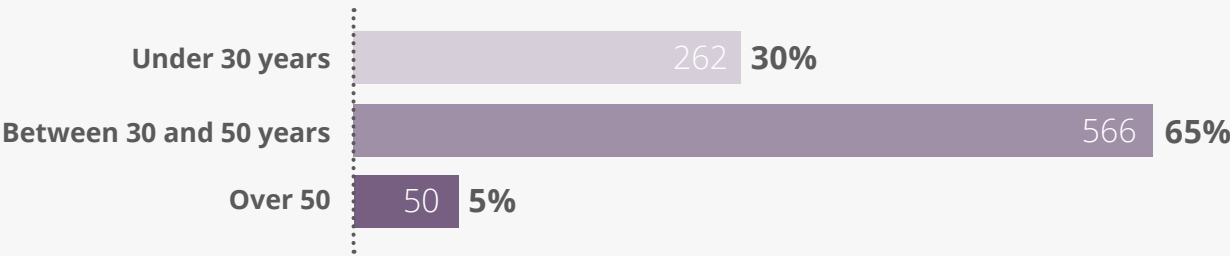
DISTRIBUTION OF THE WORKFORCE BY GENDER



In relation to our commitment to gender equity, the number of men and women who make up the workforce in 2015 was comprised of 41% women and 59% men.

Most of our employees (65%) are in the age range between 30 and 50 years, while 262 of them are under the age of 30 and 50 over 50 years.

DISTRIBUTION OF THE WORKFORCE BY AGET





## Equity in our supply chain

### Social impact of our manufacturer of creams, shampoos and powders.

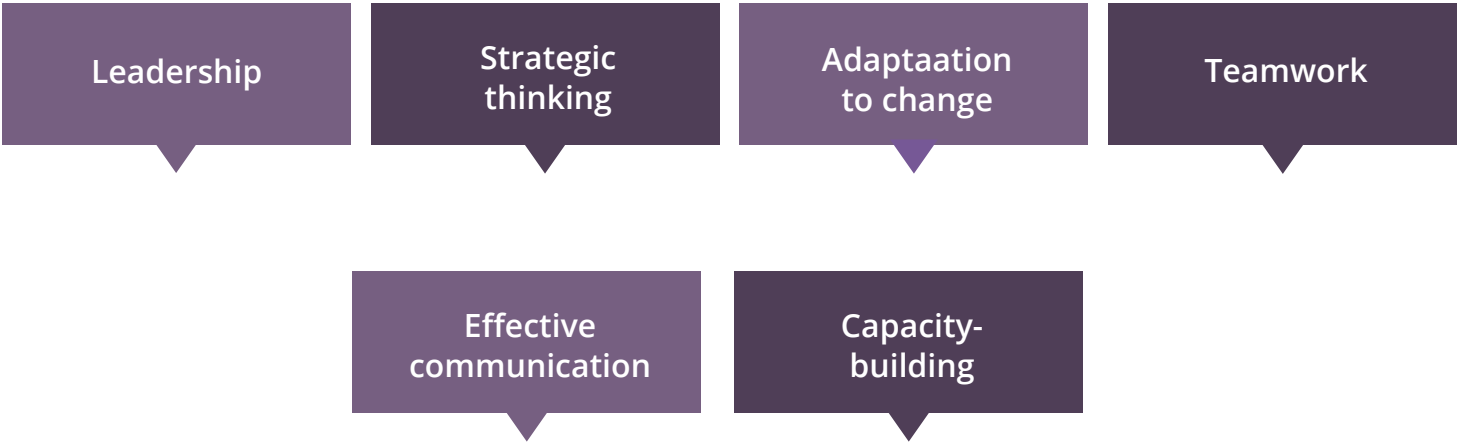
To Genomma Lab Internacional it is very important that our suppliers walk with us either side by side or go a step forward in promoting gender equity. Such is the case of our manufacturer of our brands Ma Evans, Jockey Club, Tío Nacho, Silka Medic and Asepxia, who demonstrates a high commitment to equity in its workforce, with a total of 51% women. For this key link in our supply chain, it is crucial to provide their workers better working conditions than those dictated by the law; providing medical care, one hour for breastfeeding during the first six months after childbirth, either when they start or finish their workday, childcare agreements with IMSS (Mexican Institute of Social Security, for its acronym in Spanish) and permissions of justified paid absence to attend school meetings or when their children suffer some disease.

## Talent management and professional development

(G4-HR2, G4-LA9, G4-LA10, G4-LA11)

In 2015, we established new mechanisms of talent management, migrating to a new performance based culture and the implementation of career and compensation plans. The drive to the development of our human capital has been strengthened by formalizing growth plans that establish professional goals by which the professional performance of each member of our team will be evaluated.

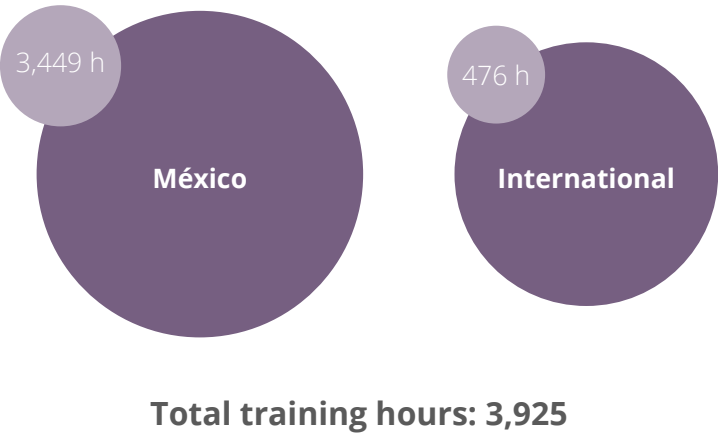
New mechanisms were developed for talent retention. An example of the foregoing is the recognition of the best talent of the company through the nominations to the CEO AWARDS 2015, which are awarded to employees who demonstrate in their work the Global Competencies of Genomma Lab Internacional: leadership, strategic thinking, adaptation to change, effective communication, capacity-building and teamwork.



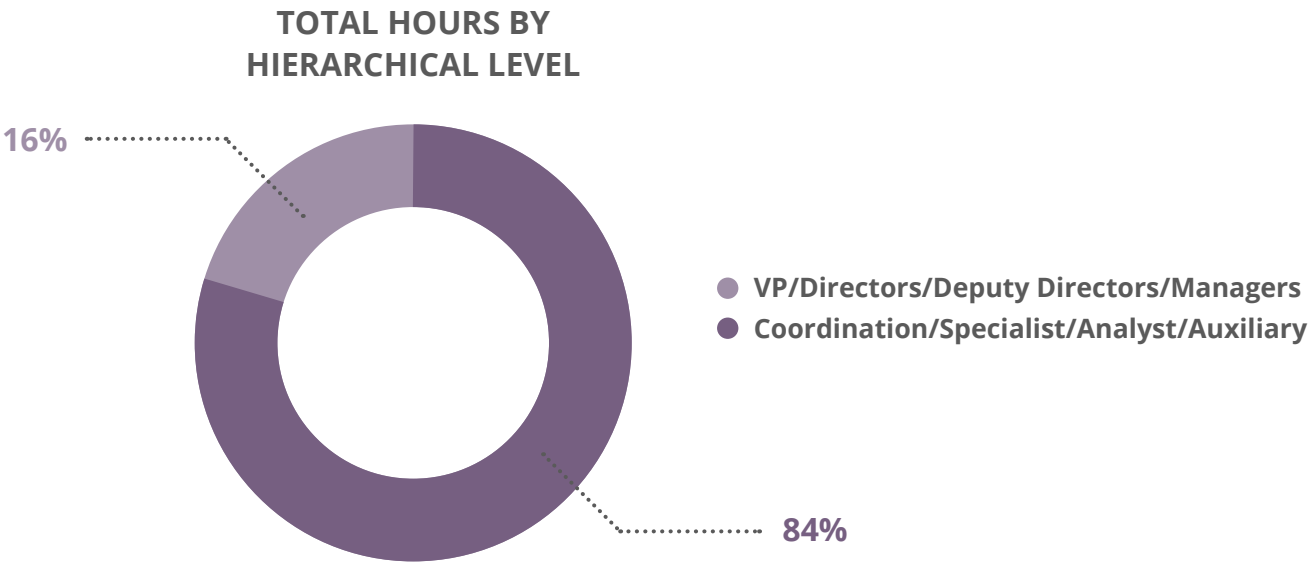
This new competencies-based strategy is focused on enhancing our workforce's talent in alignment with the successful achievement of our company objectives. On the other hand, we have implemented a new tool that allows the development of short-, medium- and long-term career plans for our employees, based on specific goals and action routes to achieve them.

## Training

Talent development is aligned to continuous learning, which provides our employees the knowledge, skills and abilities to optimally develop their activities. During 2015 we taught 3,925 training hours to 685 active employees.



The training was conducted at different hierarchical levels within the company. Regarding the percentage of training hours provided per level, 16% corresponded to vice presidency and directors and 84% to the levels of coordination, specialist, analyst and auxiliary.



The training of managerial levels is of utmost importance to ensure the transmission and implementation of the company's strategy and values in all areas within it.

Collaborators from different countries where we have presence participate in our training programs; in addition, we encourage the staff to make visits to different countries in the region to enrich their knowledge both culturally and professionally.

In Central America and the Caribbean, the Country Manager provides *Staff Coaching* in order to increase their capabilities in the roles performed within the organization. In the case of Ecuador, the programs focus on improving the employees' capabilities through economic support that allows them to attend seminars, diploma courses, professional training courses and postgraduate courses, as well as training in areas such as health and safety at work to promote a culture of self-care in their work and personal life.

To determine our employees' training needs, an assessment of their skills, performance and career plan is carried out. According to the results, they are incorporated into various technical and specialized courses related to their area of business, thus increasing their proficiency in different specialties to meet the challenges of the operation. The benefits of this training program are not only useful for the challenges they face on a daily basis, but provide useful knowledge and experience for their future professional life. Toward 2016, the above mentioned competencies will be shaped according to specific business areas and they will integrate leaders by competency in each country (teams with competencies), who will be responsible of transmitting knowledge by example to their co-workers, in the most relevant aspects of each competence.

## Employee benefits

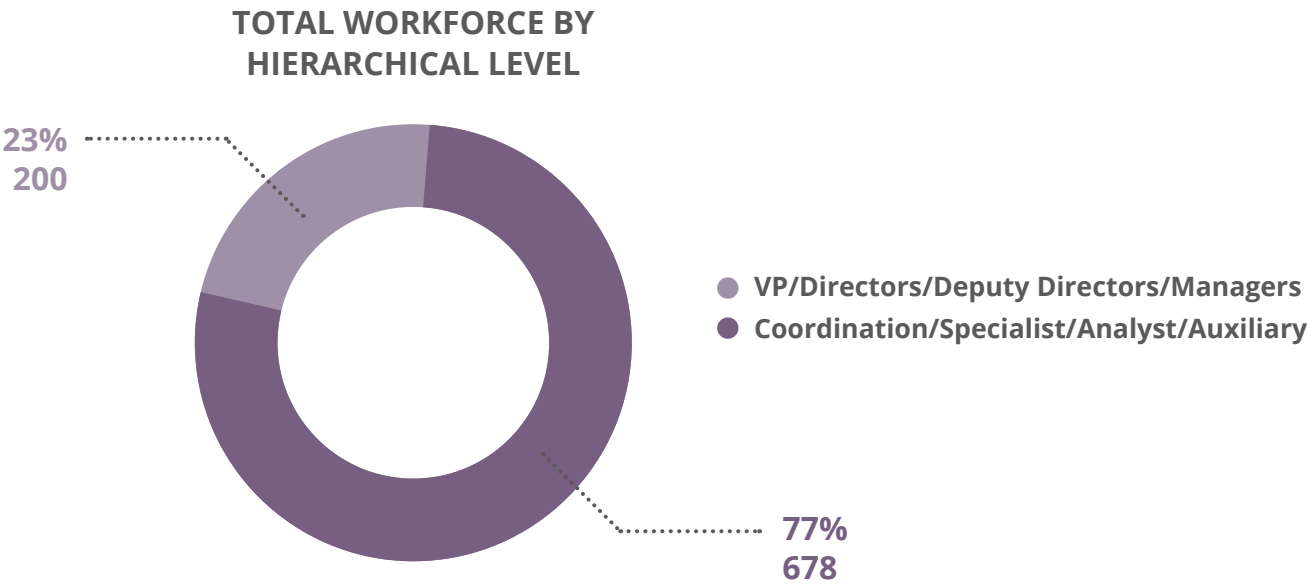
(G4-EC3, G4-EC5, G4-LA3, G4-LA12, G4-LA13)

In the same way that training is core for talent management, the benefits that we give to our employees for their personal wellness are essential so they can achieve Genomma Lab Internacional business goals. In this regard, we seek to offer competitive salaries, plus compensatory mechanisms which consider gender equity and non-discrimination. In addition, we also provide additional benefits to those established by law to Genomma Lab Internacional employees, which may vary between countries, such as cafeteria card, educational assistance and child daycare.

We also offer various corporate bonuses to our employees, both with indeterminate and determinate contract according to the company's policies in each country.

In addition to the labor and compensation benefits, we support the personal economy of our employees by obtaining discounts with outside vendors, such as clothing stores, restaurants, fitness centers, among others. We seek therewith that our staff has a good quality of life outside the working environment.

Genomma Lab Internacional has a coverage of worker-employer social obligations arising from their benefit plan, which usually varies between countries according to local regulations. All our employees receive the benefits established in the regulation, such as Christmas bonus, vacations, saving fund for retirement and vacation bonus. In addition, we provide superior benefits to those required by law. The organizational structure of Genomma Lab Internacional is designed to promote professional growth of our employees, which consists of various hierarchical levels. Approximately 25% of our workforce corresponds to directorship and management levels and the other 75% is held by coordinator, specialist, analyst and assistant positions.



In the case of Argentina, the governance bodies of Genomma Lab Internacional present as a feature having a higher percentage of women. In total, 40% of these bodies are composed of men and **60% of women**, a higher amount than the previous year, where the percentage of women was 50%. This percentage may vary considerably between countries.



Recognizing that our success is linked to successful processes in recruitment, training, development and retention of the very best talent, we have strengthened our policies that help us improve the management of our invaluable human capital

➤ **Policy for training, development and performance management:** commitment to foster professional development based on knowledge, skills, experience and career.

➤ **Policy for talent attraction:** commitment to allow access to employment respecting human dignity, human rights and determining our inalienable obligations, complying with the legal and social security framework.

➤ **Policy for compensation and benefits:** commitment to guarantee benefits, agreements and additional compensations to those required by law, to enable our employee to enjoy a better quality of personal and family life.

➤ **Policy for apprentices and trainees:** commitment to promote the recruitment and development of the best talent, focused on the interaction between the company and the participant to achieve objectives in a responsible, inclusive and sustainable manner.

➤ **Policy for job severance:** commitment to give the corresponding and additional bonuses to the employee who is being separated from the company.

In Genomma Lab Internacional, we annually create innovative projects that positively impact the development and quality of life of our employees and stakeholders.



We renew our public commitment to sustainability in environmental, social and economic matters, by receiving for the ninth consecutive year the **Acknowledgment of Socially Responsible Company**. This after an annual review of our management and social, ethical, environmental and labor practices and corporate governance. The distinction is awarded by the Mexican Center for Philanthropy (CEMEFI, for its acronym in Spanish) and AliaRSE in recognition of our voluntary and public commitment to socially responsible management in the areas of: quality of life in the company, community liaison, corporate ethics, and environmental protection and preservation.

Our commitment to the personal wellness of our workforce is reinforced through our Life Balance policy, where we establish guidelines for our employees to find a balance between their work life and their family and personal lives, enabling them to work in a healthy, productive environment.

We are convinced that our commitment is to generate a climate of trust, credibility and respect, thus provoking participation and efficiency in our corporate practices.

In the month of January of 2015 we received for the fourth consecutive year the **Acknowledgment of Family-Responsible Company**, which is granted by the Ministry of Labor and Social Welfare (STPS, for its acronym in Spanish) to the public or private companies that focus their efforts on implementing good labor practices for the benefit of its employees in issues such as reconciliation of work and family, equal opportunities and combating domestic violence. "A family-responsible company is one that proves to be a promoter of good labor practices in the areas of gender equity, the prevention and combating of workplace violence and sexual harassment, as well as actions and policies to help workers meet their family responsibilities."<sup>8</sup>.



In Genomma Lab Internacional, we maintain a very important commitment to working mothers, who are professionals forming part of our workforce. For this reason we have various benefits for them, which may vary by country or region.

Likewise, we encourage those employees, who during 2015 enjoyed their maternity and paternity leave, and joined the workforce of Genomma Lab Internacional, ensuring that the conditions for reinstatement were optimal for their permanence in the company. Faced with this situation, in 2015 100 per cent of the men and 92 per cent of women who requested their maternity or paternity leave, returned to the company. In the same way, 100% of the collaborators retained their work twelve months after their reinstatement.

Rates of reinstatement and retention	Men	Women
Rate of reinstatement	100%	92%
Employee retention rate	80%	100%

Through our social responsibility and human capital development programs, we seek to improve the environment in which our employees thrive.

<sup>8</sup> Ministry of Labor and Social Welfare (STPS) Secretaría del Trabajo y Previsión Social [http://www.stps.gob.mx/EMPRESA\\_FR/002%20%20Manual%20de%20Aplicacion%20EFR%20\(PDF\).pdf](http://www.stps.gob.mx/EMPRESA_FR/002%20%20Manual%20de%20Aplicacion%20EFR%20(PDF).pdf)

## Pillar of culture

As part of Genomma Lab Internacional actions towards our employees, in August, 2015 we spread the 'Pillar of culture' initiative, in order to publicize the strategy whose main goals lie in strengthening the culture, talent development, corporate communications and training within the company to promote productivity and achievement of objectives.

Also, in December 2015, we responded to our concern to support the education of the children of our employees, launching for the first time the Program of Academic Excellence, where those attending elementary school or junior high school with an average higher than 9.0, will be recognized and will receive support to continue with their studies. Our initiative was undertaken with the conviction that we will encourage these children and young people to continue preparing themselves to forge a future with opportunities for academic and professional development.

From the perspective of cultural enrichment, it is a priority for Genomma Lab Internacional that our talent evolves in different cultural aspects that will enable them to enrich their personal development from different perspectives of life. To this end, in conjunction with the Communication Council, we implemented the program **"Rola tu libro"** [Pass your book around] since 2013 to date, which is aimed to foster the habit of reading among our employees and their families, to achieve this goal we provide a library for lending books to collaborators. Since the beginning of our program to date more than 200 employees have taken part, who have read a total of 32,544 hours, which is equivalent to 1,356 laps of our planet.

In the Distribution Center (CEDIS, for its acronym in Spanish) we promote cultural programs that strengthen our traditions and narrow ties between employees of Genomma Lab Internacional. Such is the case of the internal football tournament, the contest of oblations and Christmas celebrations to which the families of our employees are invited.

We also celebrated different contests, in which our workforce can demonstrate their creative talents and be recognized for them. In 2015, we conducted a piñata contest in which we had a high participation and involvement demonstrated through various proposals of our employees and their families.



In addition, we handle annual vaccination campaigns, dining service at no cost and if the working time of our employees extends, we provide an additional box lunch and a safe cab home, depending on their departure time.



# A look inside Genomma Lab Internacional:

## Human Capital

Our employees are the backbone of our company, so their personal and professional development is essential for us to continue growing. The main function of the Department of Human Capital is the management of internal talent at the national and international level, in accordance with the mission and vision of Genomma Lab Internacional. During the year 2015 we have implemented a new organizational culture based on global competencies, as well as the introduction of career and compensation plans. The main challenge we faced consisted in achieving synergy between the culture prevailing in the company and the new organizational culture, which implies a process that we will seek to satisfactorily fulfill during 2016.

Furthermore, an internal communication campaign was developed through our monthly magazine *GenommaNews*, which aims to maintain a permanent and direct communication with our employees. This contains, on its front page, a message from our CEO, evaluating the results of the month and plans for the next, a section with news about events that somehow positively or negatively affect the organization, a message from the Committee of the Organization, a page called "Genomma World" in which we talk about the events held in each country where we operate and a section called "Did you know that" where interesting information is provided in relation to the products we commercialize.

For the year 2016, innovative solutions in terms of organizational culture will be implemented: the global competencies will be adapted by specific area, and competence leaders will be designated in each country, so that they effectively transmit knowledge to all employees. At Human Capital we are convinced that **“with every small positive change we bring, we all grow and the company is transformed”**.

## Occupational Health and Safety

(G4-LA5, G4-LA6)

For Genomma Lab Internacional health and safety of our employees is a priority, because their physical integrity is essential to perform the tasks aimed at achieving our goals and to develop a high quality of life. Under this, we are committed to providing and maintaining a safe, risk-free and healthy working environment by offering programs that encourage a culture of self-care, and at the same time, motivate our employees to give their best, with an attitude of innovation, teamwork and development of their capabilities.

We know that the health of our employees has a definite impact on their work performance and consequently our performance as a company. In light of the foregoing, we organized in conjunction with the Ministry of Health, the vaccination campaign against influenza, as conducted annually.

We are aware that each of our employees has a particular condition in their state of health, so we address every aspect in this area with comprehensive measures of prevention and correction. Internationally, we promote a safe working environment by creating committees to design, implement, oversee and guide safety programs at work to identify and address the issues, risks of diseases or conditions that harm the well-being of our staff.

In the particular case of Colombia, there is a Joint Committee on Safety and Health at Work (COPASST), the Coexistence Committee, and Emergency Brigade. Similarly, in Ecuador there is Joint Committee on Health and Safety, complying with the local occupational health and safety regulations.



## Accidents and injuries

At the national level, we recorded the following number of accident injuries and lost days at our facilities. Given the greater exposure of health and safety risks at work in our Distribution Center (CEDIS, for its acronym in Spanish), we provide the data on health and safety of the CEDIS as a measure to endorse our commitment to monitoring and follow-up to accidents in the workplace.

Region <sup>i</sup>	Mexico		CEDIS	
Injuries, diseases, lost days, and fatalities	Men	Women	Men	Women
Number of accidents with injuries	2	3	6	1
Number of lost days	82	25	69	23
Absenteeism rate <sup>ii</sup>	0%	0%	0%	0%
Fatalities	0	0	0	0

<sup>i</sup> At international level, no accidents or illnesses were reported.

## Health and safety in our supply chain

### Social impact of our manufacturer of Tío Nacho, Cicatricure and Suerox

As a result of our commitment to the mitigation and prevention of the risk of occupational accidents, we have created specific policies and guidelines on safety, hygiene and occupational health. In addition, we have implemented in our evaluations to suppliers considerations to contemplate in their operations in order to ensure a healthy and safe workplace environment for their employees, eliminating and minimizing risks to personnel, infrastructure and environmental damage.

Our caps’ manufacturer for the brands Tío Nacho, Cicatricure and Suerox has implemented advanced health and safety programs within their facilities.

At least twice a year, the health week takes place, with lectures and workshops on hygiene practices in the workplace, measures for the prevention of influenza, medical analyses (blood, vision and nutrition), dental care, and birth control, among others. Also, every year the safety week takes place, with workshops and conferences to strengthen knowledge about personal safety, safety at work, civil protection and drills, where security is contemplated from both an internal and external approach, providing information ranging from the use of fire extinguishers to measures of protection against robberies and assaults.

At global level, an awards’ system takes place each year, among the different categories the following stand out business development, health and safety and profitability and innovation. This year, Mexico’s plant won the *Environmental Health and Safety* award for its advanced management of health and safety practices among the 26 plants that make up the organization around the world. In addition to counting with certified quality processes under the ISO 9001: 2008, our supplier is also certified under the PASS 220 standard focused on controlling food safety hazards in food manufacturing processes, based on specific food safety requirements for the participating organizations in the chain.

5

In Genomma Lab Internacional we are aware that every link in our value chain, consisting of suppliers, partners, customers and consumers, is an essential gear for the machinery of our business model to work properly. We act in conjunction with our suppliers and customers to generate value and, consequently, seek to strengthen the confidence of consumers, for whom we work passionately. Our commitment is to be recognized as a world-class company by the quality of our products and the efficiency of our operation.

One of our objectives is to position our brands in the minds of the consumer, being recognized as products that meet the highest standards of innovation and quality. Therefore, we develop innovative formulas whose ultimate goal is the satisfaction of our consumers' needs. This development is performed internally and in conjunction with specialists in the field to, subsequently, manufacture these products through third parties.

The impact of our operations lies in the hands of our employees and our suppliers, therefore both must comply with the specific legal conditions to market a product. To achieve this, we participate hand in hand with government agencies and suppliers who perform laboratory and compliance studies. Through the purchase of inputs, maquila and services, we ensure our products' supply and, in some cases, we turn to their international marketing through service providers in the customs sector and tax specialists.

We ensure that our products meet the highest standards of quality and conditioning through our manufacturers, who perform control and vigilance processes. We have an internal department, as well as an independent vendor, which ensure a strict control of our purchasing and invoicing processes. On the other hand, we have suppliers of assembly, storage and inventory management responsible for the collection, management and control of the product.

# Value Chain of Genomma Lab Internacional

(G4-12, G4-DMA)



Genomma Lab.



Particularly, the cosmetic products we manufacture are subjected to studies of efficiency and efficacy through a third party authorized by the Ministry of Health and the COFEPRIS (Federal Commission for the Protection from Sanitary Risks). The research is conducted according to a Protocol approved by an independent Ethics Committee, which makes suggestions and recommendations on human rights and ethical principles.

The distribution chain of our customers consists mainly of wholesale channels and supermarkets. Similarly, we have an internal department of marketing specialists and related suppliers who are responsible for managing the communication strategies in advertising media, as well as the encoding of commercials which ensure the transmission of our products' information to consumers. Internally, we ensure personalized attention to our clients at all stages of our products' purchase.

## Sustainable Supply Chain

(G4-EC7, G4-EC8, EG-EC9, G4-LA12, G4-LA14, G4-LA15, G4-EN32, G4-EN33)

In Genomma Lab Internacional we work hand in hand with our suppliers to create synergies and thus achieve increased efficiency and optimization of the productive processes. We believe that it is along our value chain where we have the big areas of opportunity for the development of projects with a positive impact for our stakeholders in the economic, social and environmental fields. Our ultimate goal is to achieve the sustainable development of our companies, working in a coordinated manner.

In 2015, the portfolio of suppliers of Genomma Lab Internacional was formed by 4,152 companies, both nationally and internationally, of which 167 are part of the supply chain of our products. In synergy, we ensure the sustainability of our business model, as well as the quality and excellence of our products, in their processes and services of maquila, inputs, regulatory, storage, transport, import, purchasing, distribution and marketing, among others. In Genomma Lab Internacional we seek, as far as possible, that the products we market internationally are locally sourced, since in this way we support the communities of the region and, at the same time, we reduce transportation costs. In the United States, for example, 100% of our products come from local suppliers. In the case of Argentina, 95% its products are obtained from local supply. In the rest of the countries where we operate, the majority of the products marketed come from Mexico.

## Vendor Selection

(G4-EC8, G4-LA14, G4-LA15, G4-HR4, G4-HR5, G4-HR6, G4-HR9, G4-HR10, G4-HR11, G4-SO9, G4-SO10, G4-EN32, G4-EN33)

We are aware that Genomma Lab Internacional products have a life cycle, whose impact occurs at earlier stages, during and after the development and manufacture of the product we have in our hands. For that reason, we are committed to achieving greater interference through our operational areas to ensure that the product that we sell, complies at its stage of development and manufacturing with high environmental, social and ethical standards.

In Mexico, all suppliers responsible for manufacturing or producing medical products, medical devices, products and inputs, are evaluated by means of audits that verify the points listed below. Such audits consider the records and documentation related to the manufacture of medicines, the quality management system (manuals, risk assessment, control of change, technology transfer, among others), qualified personnel, facilities and equipment (areas of production and storage); manufacturing system (control of inputs, sampling, reception and supply), control of the products' conditioning, distribution control, final waste disposal, pharmacovigilance, contractors and returns.



Basic aspects evaluated in audits for the selection of vendors

➤ Product quality and responsibility	➤ Labor considerations	➤ Pharmacovigilance and Technovigilance
<div>Regulatory framework, applicable certificates and licenses</div> <div>Quality management system</div> <div>Analytical and testing methods</div> <div>Product handling, transportation and storage</div> <div>Safety and hygiene controls</div> <div>Purchase of raw materials and packaging</div> <div>Management of subcontracted input, process and activities vendors</div> <div>Control of input handling, distribution and storage</div> <div>Input analysis certification</div> <div>Risk management</div> <div>Technology transfer systems</div> <div>Control of manufacturing operations</div> <div>Product checks</div> <div>Release of finished product</div> <div>Complaint management</div> <div>Non-compliant product handling</div> <div>Product returns and market withdrawal</div>	<div>Organizational structure</div> <div>Education and experience</div> <div>Health, safety and hygiene</div> <div>Health responsibility</div> <div>Training and capacity-building</div> <div>Premises, equipment and maintenance</div> <div>Staff services areas</div> <div>Workplace violence prevention mechanisms</div>	<div>Training</div> <div>Suspicion reports</div> <div>Adverse reactions or adverse incidents</div> <div>Safety reports</div>



➤ Environmental concerns

- Ecological and health legislation
- Waste management, storage and disposal
- Precautions for preventing product contamination
- Water systems
- Safety and hygiene guidelines
- Greenhouse gas emissions (GEI, for its acronym in Spanish)

➤ Social Responsibility (RS, for its acronym in Spanish)

- Code of ethics and/or conduct
- Working conditions (remuneration and hours)
- Respect of human rights (principles of equality, non-discrimination, non-forced labor, non-child labor, freedom of association and collective bargaining, rights of the indigenous population, etc.)
- Equity and inclusion
- Actual or potential impact on communities
- Measures against corruption and unfair practices
- Acknowledgment of third-party SR

Only in Central America, 100% of our vendors were evaluated based on their impact on human rights. At national and international level, we have not detected that neither of our vendors of the operating centers, presents any conditions of child labor, forced labor nor other practices in violation of human rights.

## 6

# Genomma Lab Internacional Quality



We are aware that our products must comply with the ethical, environmental and social guidelines determined by each country, so we are aimed at delivering products that meet the highest quality standards and that satisfy the needs of our customers.

It is of vital importance that our operations are recognized for their innovation, quality and efficiency, so we are focused on the implementation of processes that seek to avoid losses or waste at the same time generate value for the customer. To improve the quality of our products, we encourage those employees proposing continuous improvement processes in the areas of productivity, deliveries, safety, costs, quality, and ethics recognizing them with an award.

An example of the foregoing is the program **"Generators of ideas"**, through which we seek to promote the spirit of innovation in our employees and promote a culture of continuous improvement. This is achieved by integrating teams to which knowledge and experience on the generation and transfer of ideas for improvement is transmitted; such teams are formed by a leader, impellers and generators. The leader receives training on the model of continuous improvement and his responsibilities, which are: to assess the ideas generated, actively participate in the project and support the generation of ideas, among others. Subsequently, the leader is responsible for transmitting the information to the impellers or supervisors' team whose responsibility it is to know the continuous improvement philosophy and drive the generators of ideas. The idea generators, as its name suggests, are responsible for finding niches of opportunity in the process and proposing ideas to take advantage of them. Such team must work as a group to generate an idea for every three collaborators each month. The ideas are evaluated at the end of the month in a contest where the Best Idea, Best Leader, Best Impeller and the Best Generator are recognized.

It is important to note that the Distribution Center is highly focused on developing productive employees who are committed to the activities they carry out; for this reason, every month the most outstanding employees are encouraged, by granting them an award handed by the Senior Management and leadership team. This event culminates with a breakfast to recognize their effort and strengthen fellowship. A fundamental part to ensure that employees are highly productive, is the opportunity provided by the CEDIS to its staff to learn new roles, which are additional to those already established; this generates personal and professional growth, strengthening the sense of identity and belonging.

## Quality in the personal care products

To verify that the products we sell meet the quality standards required by the company, the area of Quality and Image conducts studies with the following objectives:

- **Qualification of suppliers** within a normative and ethical framework through audits with scheduled recurrence.
- **Analysis:** sensory, physicochemical, microbiological and attributes of raw materials, packaging materials and packaging; bulk and finished product. All this **before the release** of our products to the market.
- Adherence to Good Manufacturing Practices within the local and international framework.
- We promote a culture of Continuous Improvement within the organization.
- Having controlled and stable, but flexible processes, so that product availability is ensured.
- Comply with the regulatory framework and the applicable rules.
- Optimize internal operations.
- Mitigate and eliminate internal risks related to the operation.
- Configure an organizational structure according to the needs of the Organization.
- Document procedures and forms of work.

## Quality in Over-The-Counter Medications (OTC)

The guiding principle by which we ensure that our suppliers of OTC medicines, manufacture quality products are the Good Manufacturing Practices. We establish, moreover, that they maintain strict adherence to the applicable regulation, demanding that they have the appropriate formulation for each product.

## Regulatory Compliance

In the case of Mexico, our operations closely adhere to the guidelines of the Federal Commission for the Protection against Sanitary Risk (COFEPRIS), which establishes the regulation and control of the products we sell. At international level, we follow the rules and guidelines by which each country is governed (FDA, ANVISA, ANMAT, INVIMA, EMA, CENADIM, ARCSA, DNM, ISP, ARN, DRyCPFA), in both cases we seek that the quality of our products exceeds the standard presented by the regulation.

Two extremely valuable tools we have to monitor the quality of our products are the pharmacovigilance and technovigilance programs. The first, monitors the eventual adverse reactions that a consumer might present while using our products. In the second case, medical devices are monitored to determine whether they comply with the required quality and safety measures; all this is carried out through a *Call Center*, which is described later in the report. In relation to the cosmetic products, we carry out risk assessments, something not required by law but that is part of our culture of continuous improvement.

REGULATORY FRAMEWORK IN MEXICO

- **General Health Law**
- **Regulation of Health Supplies**
- **NOM-059-SSA1-2013:** Good manufacturing practices for medicinal products
- **NOM-072-SSA1-2012:** Labeling of medicines and herbal remedies
- **NOM-073-SSA1-2005:** Stability of drugs and medications
- **NOM-137-SSA1-2008:** Labeling of medical devices
- **(NOM-141-SSA1, SCFI-2012)** Labeling for prepackaged cosmetic products Health care and commercial labeling
- **NOM-177-SSA1-2013:** Procedures to demonstrate that a drug is interchangeable
- **NOM-220-SSA1-2012:** Installation and operation of pharmacovigilance
- **NOM-240-SSA1-2012:** Installation and operation of technovigilance
- **NOM-241-SSA1-2012:** Good manufacturing practices for establishments engaged in the manufacture of medical devices

INTERNATIONAL REGULATORY FRAMEWORK

- **RTCA 11.03.59:11 Pharmaceutical products.** Medicinal products for human use. Health Registration Requirements
- **RTCA 11.03.47:07 Pharmaceutical products.** Medicinal products for human use. Quality verification
- **RTCA 11.03.39:06 Pharmaceutical products.** Validation of analytical methods for the quality of medicines
- **RTCA 11.01.02:04 Pharmaceutical products.** Labeling of pharmaceutical products for human use
- **RTCA 11.01.04:10 Pharmaceutical products.** Stability studies of medicinal products for human use
- **Ministerial Resolution No. 0909** Manual for Health Registration
- **Decree Number 677 of 1995 (April 26)** which partially regulates the Regime of Registrations and Licenses, the Quality Control, as well as the Regime of Health Surveillance of Medicines, Cosmetics, Pharmaceutical Preparations based on Natural Resources, Toiletries, Hygiene and Cleaning and other products for domestic use and enacting other provisions on the subject.
- **Technical Standard No. 129** Guide for the completion and submission of stability studies of pharmaceutical products in Chile and its annex.
- **Decree 3** Regulation of the national system for the control of pharmaceutical products for human use.
- **Technical Standard No. 127** Good manufacturing practices, related with the Supreme Decree No. 3, 2010, of the Ministry of Health, by which the regulation of the National System was approved for the control of pharmaceuticals for human use.
- **Agreement No. 00000586** Substitute regulation for health registry for medicines in general.
- **Decree 246-06** Regulation of drugs
- **Law 1 of 10** January 2001 on medicines and other products for human health
- **Executive Decree No. 178** That regulates the Law 1 of 10 January 2001, on medicines and other products for human health.
- **Supreme Decree (S.D.) No. 002-2010-SA** Single Text of Administrative Procedures for registration and re-registration approved with S.D. 013-2009-SA modified by S.D. No. 002-2010-SA
- **CFR - Code of Federal Regulations Title 21**
- **Manual of Procedures for Registration of Specific Medicines ANVISA**
- **Provision 3554/2002 ANMAT**



## Pharmaceutical and Cosmetic Clinical Research

All our products have the endorsement of clinical research, tests are performed during their development to prove the efficacy and safety of our cosmetics and medicines.

During the year 2015, 47 clinical studies were conducted to our products. However for the first half of the year 2016 we have set the goal of carrying out 90 studies.

## Quality in our supply chain

The assurance of our products' quality is essential for the sustainability of our business model through time. In Genomma Lab Internacional, aware of its importance, we establish verification processes to ensure that they meet the quality standards at national and international levels, as well as the internalization of our principles and values. This year we continue the dialog with each of our suppliers to strengthen our relationship, as well as to encourage collaborative ties that are a win-win. We recognize their achievements in sustainability, which have also been a model of example and success for us. We have approached suppliers who have excelled for their actions towards sustainability. We want to encourage the other elements of our supply chain to become involved in these initiatives with innovative and strategic solutions so that together we accomplish a positive impact in the fields of economy, environment and society.

## A look inside Genomma Lab Internacional:

### Regulatory Affairs

The main function of the Department of Regulatory Affairs is to regulate the medicines and cosmetics of the company, since their registration until their marketing. Through this area, we ensure that all products comply with the regulations established by COFEPRIS, in the case of Mexico, or by local regulations according to the corresponding country. The Department of Quality and Regulatory Affairs work together in the mapping and implementation processes, while maintaining a constant communication with the Marketing Department.

Our Department of Regulatory Affairs has programs to monitor compliance with applicable regulations: pharmacovigilance and technovigilance, as described in the "Compliance" section of this report. In addition, we are implementing a program of cosmeticvigilance, focused on cosmetic products.

On the other hand, in addition to carrying out the compliance studies required by law, we develop risk assessments as a way of ensuring that the quality of our products, exceeds the requirements demanded by the applicable regulations.

The Department of Regulatory Affairs is convinced that **"All products of which Genomma Lab Internacional is holder of registration and distribution (drugs, devices and cosmetics) are marketed, complying with the standards of the current international regulations and their quality is checked with the highest scientific standards".**

## A look inside Genomma Lab Internacional:

Our pro-health initiatives and our commitment to equity and inclusion lead us to support institutions that promote a culture of support and empowerment in those with disabilities or special conditions. Internally, at the product reception stage at the CEDIS, we determine whether they comply with the quality objectives through the review of different samples of a product, taken at random from each batch. This is how it is possible to recognize the consistency and effectiveness of the performance of our products, as well as their traceability.

In addition, the commitment to the safety of our Distribution Center is reflected through various mechanisms of insurance to protect our facilities, furniture, machinery and products in case of accident, natural disasters or other conditions of vulnerability to which our valuable human capital may be exposed.

### CEDIS

All our products are concentrated in one place before being distributed to our customers and consumers subsequently: the Distribution Center of Genomma Lab (CEDIS). This area implemented throughout 2015 three strategies: continuously seek perfection, encourage active participation of employees and integrate the essential elements of the value chain.

In the CEDIS we have a laboratory for measuring our products' quality, where tests are performed to the development of new products and daily analysis of organoleptic aspects, physicochemical, viscosity, P. H., reagents and microbiological studies.

One of the actions to improve productivity in the work area is the introduction of the "5S" philosophy. This has its origins in Japan and aims to create work areas, which are more productive, safe, clean and visually organized. The principles are five: 1) Seiri: identify and remove those items that are not needed in the work area; (2) Seiton: arrange and sort the items in a specific place; (3) Seiso: eliminate all forms of pollution and make the daily cleaning; (4) Seiketsu: Prevent the emergence of dirt and disorder and (5) Shitsuke: Maintain discipline and keep improving continuously.

"In the CEDIS, Genomma Lab, we continually seek perfection to exceed the requirements of our customers, guaranteeing the correct flow of goods through a flexible, sustainable and efficient supply chain by the active participation of our employees".

Additionally, we have the "Godfathers" program, which consists of our employees acting as godparents to a brand and trying it for a previously established period. Once the trial period is finished, our staff shares their observations and perceptions of the product quality and packaging. On average, 150 employees per month participate as godfathers of 328 products. The results have been higher than expected, since during the operation time of this program, valuable feedback was obtained regarding the operation of the product and its effectiveness, which serves as the starting point for the process of continuous improvement.

## Knowledge and satisfaction of our consumers

The world is changing rapidly, the industry in which we move is constantly evolving and with it the consumers and the shopper. This speed impels us to evolve as quickly without losing sight of the search and understanding of the real reasons for consumption.

Consumers expect to have greater interaction with our brands and that is why our expectation is to build **engagement** (relations increasingly close and strong), where the satisfaction and loyalty are the axes by which they recommend our brands and are proud to use them

During 2015 the evolution of Genomma Lab Internacional in this context was characterized not only by answering research questions, but by transforming this research into insights that lead us to potentiate the building of brands with their own personalities and dynamics that humanize them and makes the consumer fall in love with them, positioning them as unique in their mind.

The challenge is attracting consumers toward our brands through their senses, desires and feelings transforming them into emotional relationships and keeping them alive for the building of **lovebrands** that result in high levels of loyalty.

Other key challenges we are reinforcing are: understanding the Shopper (real buyers) and the environment of the Retailer, who with the passage of time takes greater protagonism and represents an opportunity not only in sales, but also in the building of the positioning to which we want to bring our brands, in this context our goal is: **"Conquer the shopper as well as the consumer"**

# Responsibility for Our Products

(G4-DMA, G4-HR12, G4-SO11, G4-PR1, G4-PR2, G4-PR3, G4-PR4, G4-PR5, G4-PR6, G4-PR7, G4-PR8, G4-PR9)

In advertising themes and having challenge of maximizing the ROI, we added to our portfolio, methodologies for advertising evaluation with efficient times and budgets to evaluate strategies before launching them to PREDICT and OPTIMIZE their performance, generating efficient and memorable campaigns with which consumers feel identified.

It is important to mention that we also strengthen our digitization path, we are conducting online research, which today is one of the most advanced options through digital panels, which have become a reliable and key source of information about the market and consumers. This advanced technology allows us to perform not only local studies, but also in the main countries in which Genomma Lab has presence, with advantages in time and costs.



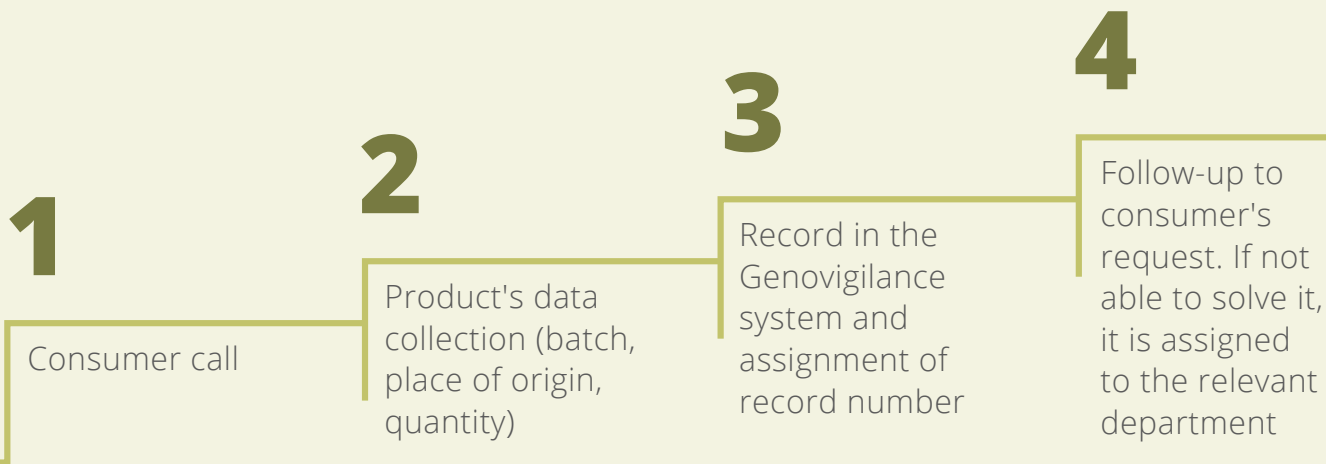
Genomma Lab.





Attention to our consumers

We have a global *Call Center* that aims to address any consumers' concerns or complaints. Calls are answered by trained advisors who provide general information or suggestions about the product use, which is supported with an internal management system that it is called *Genovigilance*. The following describes in general terms the customer care process.



When a complaint is filed, this is transferred to the Complaints' Department, which contacts the consumer directly. Subsequently, we conduct an internal investigation within the company and establish a plan of action to resolve the complaint. The average number of calls answered by the *Call Center* is 200 per month, of which only 5% have been linked with quality issues.

Information to the consumer

(PR3)

When operating at international level with presence in various regions, the marketing strategies of each product are structured on the basis of the trade laws of each market and are subject to the rules of fair competition in each country. Therefore, prior to any publication or broadcast, the suggested advertising material must be submitted for approval of the Internal Committee of Advertising.

We seek to strictly comply with the dictates of the body responsible for the regulation of the industry in which we operate, the Federal Commission for the Protection against Sanitary Risk (COFEPRIS). This body is decentralized from the Ministry of Health and has responsibility for the protection of health risks through regulation, control and health promotion as dictates the General Health Law.

Similarly, we are voluntarily adhering to the following guidelines in the sector:

- National Chamber of the Pharmaceutical Industry (CANIFARMA)
- Code of Advertising Ethics of the Association of the Over-the-Counter Medication Manufacturers (AFAMELA) relating to the dissemination of information about our products.
- National Council of Advertising Self-Regulation (CONAR).
- Code of Advertising Ethics of the Council of Advertising Self-Regulation and Ethics

Also, we are part of the program COFEPRIS Copy Advice, for advertising analysis under the Committee for Health Promotion (CFS, for its acronym in Spanish), which reviews the preliminary versions of the advertising before its submission to an advertising permit process. At international level it is fundamental for us to respect the legal frameworks and criteria for responsible advertising.



Labeling of products

(G4-PR3)

In Genomma Lab Internacional we are committed to the transmission of accurate, reliable and real information to our consumers through marketing strategies that consider ethics as part of their fundamental axes. Pursuant to the above, we have procedures for the dissemination of information subject to strict guidelines about the origin of the product, the form of safe use of the product, the method of disposal of the product and substances that might have a negative impact socially or on the environment and health; for which we consider the applicable regulations, among which the norm NOM-141-SSA1/SCFI-2012 stands out on the labeling for pre-packaged cosmetics. Health care and commercial labeling.

Advertising Communication

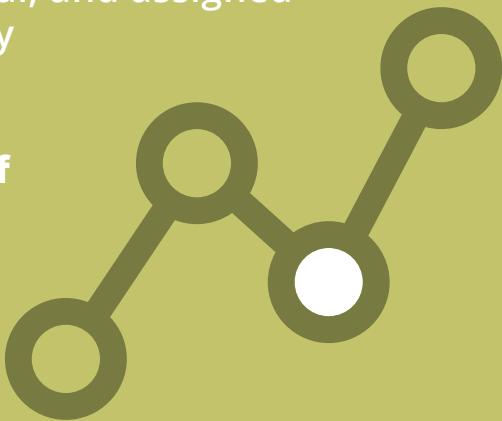
We know that our television commercials have the capacity to significantly influence the purchasing decisions of consumers, which is why we adhere to the Best Promotion Practices Code of CETIFARMA (National Chamber of the Pharmaceutical Industry), and comply with all internal policies in relation to promotion, commercial plans, regulatory and advertising compliance for the broadcasting of advertising *spots*.

We seek through the TV ads of OTC products, to follow the highest ethical principles to promote a responsible consumption. Through our web sites, we disseminate information about the ailments to which our products are focused (causes, effects, myths and realities, among other topics) and the additional measures that users should follow to improve their health both physical and emotional.

A look inside  
Genomma Lab Internacional:

Web Marketing (Digital Area)

Internet offers various ways to approach our stakeholders, know what they think of our products and convey relevant information. Therefore, during 2015 the Department of Web Marketing focused on transmitting consumer information with responsibility, with the purpose of improving their health and quality of life. Through this area we manage two major projects: the official Internet pages of Genomma Lab Internacional (genommalab.com, genommalab.mx and the individual pages of each brand) and social networks. Consumer comments are received through our various channels and follow-up given to their concerns. If questions regarding the points of sales are received, these are immediately answered; in the case of specific questions regarding the quality of a product or regarding a medicine, these are respectively channeled, to the internal relevant area of Genomma Lab Internacional, and assigned to a physician, who will responsibly deal with the issue. The phrase that encompasses our philosophy of the area is: **“The Digital Area of Genomma Lab is committed to the well-being of the consumer, for a good quality of life.”**



## Responsibility in our advertising

In Genomma Lab Internacional we seek that the information the user finds in our web pages is communicated in a responsible manner. Each product has electronic information through our web pages, where the following information can be found: consistency of use, the benefits it provides, and in a general manner it covers the responsibility subject. Starting this year, the information that is updated on the websites is previously analyzed, so there is a greater control over the communication strategies. Among the main products following this communication methodology on the web pages are:

- Condoms
- Íntimo by Lomecan
- Metaboltonics
- Zan Zusi
- Dalay

## Incidents

(G4-HR12, G4-SO2, G4-PR2, G4-PR4, G4-PR7, G4-PR8, G4-PR9)

At Genomma Lab Internacional we are committed to comply with the regulation of each country, as well as to respect the privacy of our customers' information. For that reason, we have stringent measures of data protection and establish controls to ensure that our employees perform to the highest standards of integrity in compliance with privacy measures.

During 2015 no breach of the rules relating to health and safety of products and services, information and product labeling, violation of privacy or customer data leak was reported, nor were any human rights complaints filed. Neither did we identify any failure by our supply chain, concerning the infringement of human rights or the affectation in any local community. In the same way, we did not receive any fine by COFEPRIS or PROFECO arising from the supply and use of our products.



An example of responsible communication is the website of the brand Dalay. In this space, in addition to publishing information on the products benefits to reduce stress and improve the sleep quality, we present figures on the number of ailments that are associated to stress (heart attacks, insomnia, irritability and tiredness), general information on the causes and effects of stress and the types of stress the users may suffer.

Even more, through our Facebook page, we continually issue recommendations to prevent the potential negative impacts of stress and share thoughts and recommendations that may be useful for our customers and for all those who are in a situation of stress.

# Generation of Social Value

(G4-EC7, G4-EC8, G4-EC9, G4-SO1)

Our values and corporate objectives are the basis of our vision regarding the sustainability of the organization, which serve as guidelines for the actions we undertake to contribute to the communities of Mexico and the countries where we operate. Therefore, we consider at all times the importance of strengthening our capabilities through the generation of strategies, exchanges of benefits and the launch of social projects that promote social good, through partnerships that allow us to achieve shared growth.

We have different courses of action in order to contribute to the communities that are directly or indirectly impacted by our operations. Among them, we support through donations and volunteer activities the associations and initiatives that have as their ultimate aim to provide a social benefit to the communities where we operate.

We also consider in our strategy of social responsibility that those groups that are part of our supply chain, are a strategic point for the growing impact we have on communities where our suppliers operate.



## Volunteering Genomma Lab International

During the year 2015, we strengthened our links with the community through various projects, which significantly benefited the child population, since we also seek to positively impact future generations in the field of health, well-being and personal development. Both our employees and foundations, Government and companies were major promoters of these achievements that brought invaluable benefits to groups of our society.

### BRIGHTEN A HEART

**ACHIEVEMENT**

We collected new toys and gave them to children with limited resources, which were delivered through the I.A.P. Child Family Foundation. Together with our volunteers Genomma Lab Internacional, we celebrated for third consecutive year the Three Kings Day through this initiative.

**DONATION**

More than 480 toys

**BENEFICIARIES**

350 children

**OBJETIVO**

raise funds to support the treatment of children with congenital heart problems and improve the medical care they receive.

**DONATION**

\$ 3´000,000 pesos

**BENEFICIARIES**

More than 8,900 children

**BENEFICIADOS**

18,000 runners amongst whom were employees of our company supporting this cause.

### SPONSORSHIP OF THE KARDIAS RACE (FOURTH RACE)





Volunteering in our supply chain

(G4-EN1 y G4-EN2, G4-EN23 to G4-EN26)

Social impact of our main distributor of products at the international level

Our commitment to the community is reflected through different practices implemented in Genomma, and through voluntary actions that are undertaken by our supply chain. Among them is the case of Panalpina presented below, in which we highlight the strategic actions that positively impact the social and environmental spheres of our stakeholders.

Panalpina: success story

Transporting and distributing products from one country to another, in time and with exceptional quality, is the way in which Panalpina collaborates with Genomma Lab Internacional. Panalpina is an international company that provides delivery solution services for air freight, sea freight and logistics, which are “tailor made” and globally integrated. The Panalpina Group operates a global network of 500 offices in about 70 countries and works in partnership with different companies in more than 90 countries. Panalpina employs approximately 16,000 people worldwide to provide services based on the highest quality standards.

Currently, this company is the fourth at global level, contracted as third party for the distribution of products. In the specific case of Genome Lab, carrying more than 70% of our products manufactured internationally, via sea and air to Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, Ecuador and the Dominican Republic. Their work is key to deliver products such as Asepxia, Cicatricure, Goicoechea and Uncle Nacho on time at the self-service stores where consumers buy our products and therefore, for our business model to operate and be sustainable over time. Also their actions in the field of sustainability are key for us, because it occupies a central place in our value chain. The sustainability actions that Panalpina conducted in 2015 were several, but in this case of success we refer to the volunteer day "food for all".

Once a year the company assigns a working day to its employees to participate in sustainable projects on a voluntary basis. In 2015, several days of voluntary social work took place in different offices of Panalpina, highlighting the involvement of a group of employees who joined the project "Food for All", and contributed gathering 1 ton of food (rice, beans, sugar and oil) among employees which were donated to this project. Additionally, they selected and packed food that had a short shelf life but was still suitable for human consumption for subsequent delivery to various beneficiary communities. With a long experience in logistics, Panalpina employees participated in conjunction with the beneficiaries in the selection and packaging of food so that they were suitable for distribution. The initiative was a success, because in one day they managed to deliver 12 tons of food. Additionally, volunteers participated in the delivery to one of the beneficiary communities to share together and generate a greater awareness of the positive impact of the project.

## Health and Wellness Projects

In line with our mission, we are interested to continue taking part in projects that aim to preserve and improve the health and wellness of people. Thus the importance of implementing projects with a great impact on society.



### Asepxia Campaign

In Genomma Lab Internacional, we consider *bullying* as a kind of harassment that prevents the wellness of the person who suffers it, so we continued with the digital media campaign launched in 2014 in platforms such as: Facebook, Youtube, Twitter and our Website. Following young people closely who could benefit from the information provided, as well as videos and spots made by young people themselves. All in order to raise awareness among students and people in general about the negative implications of harassment.

Currently, we are conducting campaigns with the videoblogger Luisito Communicates, giving a fresh and friendly speech to young people, to show the importance of face care. Communication is done in an organic way with the phrase #NoHagasElOso [Don't embarrass yourself!]

### Silka Medic Campaign - Government of the City of Mexico

We believe that cross-sector partnerships are necessary to achieve high impact results. The strategic partnership established with the Government of Mexico City through the Ministry of Health, is aimed at the prevention, treatment and medication of athlete's foot in the capital of the country. To achieve this, efforts were more efficiently focused through the program: *Detect, Medicate and Eliminate*. The treatment is given out free through the Silka Medic medication, which is available in health centers and timely detection units located in the city's subway network.

We successfully completed the donation of 144,000 doses of Silka Medic which active ingredient has proven to be effective in eliminating the fungus causing this disease. By preventing athlete's foot, the government estimated considerable savings in health service costs.

### Caracol de plata (Silver Snail) - Outreach Program

We participated in the 16th edition of the Ibero-American Award to the Message of Social Benefit, which seeks to promote corporate social responsibility and citizens' participation in the area of communication, in order to disseminate the best social benefit messages. Genomma Lab Internacional competed with the Anti-bullying campaign of Asepxia.

In 2015, we contributed to various social initiatives aimed at improving the quality of life of certain marginalized groups through in-kind donations to different civil society organizations, such as Mexico Telethon Foundation, General Hospital of Mexico, Caritas Monterrey, National Institute of Perinatology and the Mexican Red Cross totaling more than 800,000 items with a cost of almost \$16,000,000.00. Genomma Lab also made a donation to the General Hospital of Mexico to support them in the construction of its play center.

## Supporting groups in vulnerable social conditions

It is for the above, that we received once more for the sixth consecutive year, the distinction as Inclusive Company in December 2014, which is valid until 2017. This recognition is a distinctive granted to companies committed to good labor practices toward groups in situations of vulnerability. We maintain the commitment to provide our employees with a healthy working environment, safe and respectful with the objective of promoting good relations, gender equity, diversity, professional development and the quality of life. The distinction Inclusive Company “Gilberto Rincón Gallardo” is awarded by the Ministry of Labor and Social Welfare, it qualifies us as a promoter of actions and policies on labor inclusion for people in a situation of vulnerability, i.e. the set of conditions that guarantee these people equality of conditions and treatment in access, remuneration, working conditions, promotion and retention in employment.

We also maintain our equity model supported by policies, practices and mechanisms for all our internal processes to operate in conditions of equality and equity required for men and women to develop full potential. Policies that secure our model are:

- Gender Equity Policy
- Labor Inclusion Policy
- Gender Equity System Evaluation Policy, and
- Gender Equity System Chairpersonship Review Policy
- Gender Equity Manual

Furthermore, in our internal policies of human capital management we contemplate the inclusion as a fundamental part of respect for human rights, aligning the commitments that we express from the perspective of equity.



## Comunidad QG5

(G4-EC8, G4-EN11)

The guava leaf is the raw material from which Quercetin, active ingredient in our QG5 drug, is obtained, it is used for the treatment of colitis.

The positive impact provided by the manufacturing of guava leaf is the result of a community business model that has its origins in 2007, which was created in response to an initiative by the Government of Veracruz that has the purpose to diversify crops in municipalities with a high degree of marginalization in the region of Totonacapan.

The productive business model benefits the totonacan farmers of the municipalities of Zozocolco of Hidalgo, being the exclusive suppliers of guava leaf. Creole guava tree plantations are based on agro-ecological production processes, totonacan harvesters have sustainable practices that prevent the application of agrochemicals and foster the protection of biodiversity in their environment. Also the guava leaf selling is based on practices of fair trade that benefit the communities.

Through market opportunities, strengthening self-management and development of productive capacities, we contribute to the improvement of the economic and living conditions of the inhabitants of the region, through the agreement made between Genomma Lab Internacional and the University of Veracruz, as well as the intervention of Diversificadora Agroindustrial y Comercializadora del Trópico S.A. de C.V. "DYCTRO.S.A." Integrator Company in organization, production, added value and marketing. Since 2010, 50 tons of guava leaf have been produced to manufacture QG5.



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## Environmental responsibility

(G4-DMA, G4-14, EN11, G4-EN27, G4-EN29 y G4-EN34)

The pillars of our corporate strategy are the reinforcement of value and sustainability of our brands, which involves commitments in the economic, social and environmental areas where relevant measures are taken for the preservation of our environment and the protection of biodiversity.

In that sense, some of the actions that we performed this 2015 involved a reduction in the use of resources, greater energy efficiency, introduction of sustainable materials and new forms of environmental management and security. In addition, we seek that each one of the actions undertaken in Mexico can be replicated on a global scale.

We also analyze the risks associated with our operations in terms of environmental protection and safety. We know that these risks are not only located in the Distribution Center (CEDIS) of Genomma Lab Internacional or in the corporate offices, but are spread throughout our supply chain, including in large part our suppliers.

Aware of the foregoing, we established measures to mitigate environmental risks associated with the development of the operations of our manufacturers and other service providers, which consist of the review of environmental issues through our audits and in our approach to those who have expressed and demonstrated their environmental commitment through innovative initiatives in sustainability.

The products that we sell generate an impact to the environment in each of the stages of their life cycle, from obtaining the raw materials to their final disposal. For this reason, we work together with our suppliers in the production and distribution stages to ensure compliance with environmental regulations and to help mitigate and prevent damages to the environment. We communicate with great satisfaction that our main suppliers have joined this initiative through the implementation of their own models of environmental management.

# Environmental Care And Protection



It is worth to add that none of our operating facilities at national and international level adjoins or lies within a natural protected area with high biodiversity value. In the same way, we have no knowledge that any of our suppliers operates within these areas. The raw material of our processes must be endorsed and authorized by the Federal Commission for the Protection from Sanitary Risks (COFEPRIS), therefore we perform evaluations where we included internal criteria of quality, safety, health and environmental preservation.

To prevent the marketing of products whose components may affect the environment, we designed and implemented robust internal procedures that identify threats or, if necessary, prevent them. As a result, this year we did not get any environmental claim through our formal communication channels, neither were we imposed any fine for breaching environmental regulations of the countries in which we operate. This is a sign that we continue working in our commitment to ensure environment sustainability in the long term.





### Our Environmental Policy

(G4-EN8, G4-EN10, G4-EN22, G4-EN31)

Our purpose is offering products that enhance people’s quality of life while we propitiate conditions of social benefit and environmental protection. The way in which we will achieve it, is meeting the highest applicable local and international standards of environmental performance, in particular those relating to the management and mitigation of environmental impacts. We are designing a program of environmental management that includes six phases:

- 1. Planning
- 2. Implementation
- 3. Measurement
- 4. Control
- 5. Reporting
- 6. Verification

We have focused on the impacts associated with our operations and supply chain, as well as the consumption of resources (energy, water and natural) and the generation of waste and emissions. With this, we are increasing the efficiency of our operations and reducing our environmental footprint. For more information on our actions for the preservation of the environment, go to our official website for Responsible Communication <http://www.genommalab-esr.com/>.

we reduced our consumption of electricity by 68%



### Energy in Genomma Lab Internacional

The most significant impact in the field of energy is due to the consumption of electricity in our Distribution Center (CEDIS), so our most important program in the energy sector was the replacement of lighting fixtures in the CEDIS, from traditional bulbs to energy saving lamps. The results speak for themselves - we reduced our consumption of electricity by 68%, which represented savings of 370 thousand pesos a month.

Our Carbon Footprint

(G4-EC2, G4-EN3, G4-EN4, G4-EN5, G4-EN6, G4-EN7, G4-EN15, G4-EN16, G4-EN17 G4-EN18, G4-EN19, G4-EN20, G4-EN21, EN30)

For its global nature, climate change is a problem that concerns all economic and social sectors regardless of the country of origin. The effects on the climate and the availability of resources derived from this threat represent a risk to our business. For this reason, it is crucial for us to understand how and in what proportion we contribute to this problem through the quantification of our emissions of greenhouse gases. With this estimate, we can set goals and mitigation measures that lessen our impact.

This year for the fourth consecutive time, we are undertaking our inventory of greenhouse gas emissions (GEI, for its acronym in Spanish) for our operations in Mexico. The purpose of this inventory is to disseminate information to our stakeholders about our climate change impact and take it as a basis for the design of our sustainability strategy. The additional advantage of this tool is that it presents relevant data on the main sources of generation, total emissions of carbon dioxide equivalent (CO2e) and facilities with greater impact.

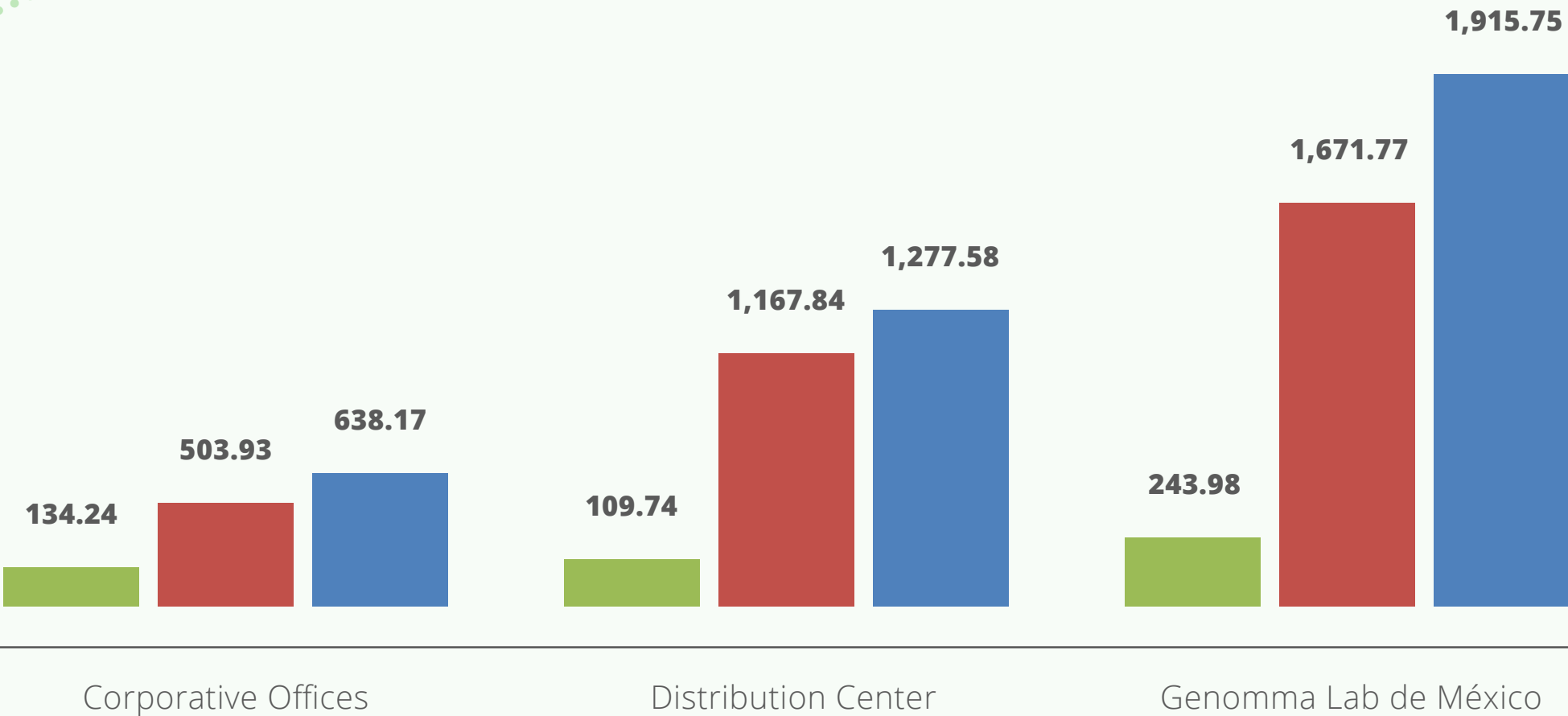
The methodology we used for the quantification of emissions was the “GHG Protocol Corporate Accounting and Reporting Standard”, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). This contains standardized methods to produce a representative and

actual inventory of the carbon footprint of the companies. In addition, our methodology was based on the Agreement of the Ministry of the Environment and Natural Resources (SEMARNAT) that establishes the technical particularities and formulas for the application of methodologies for calculating GHG emissions, issued in September 2015 in the Official Journal of the Federation.

The result of the carbon footprint of Genomma Lab Internacional in 2015 was 1,915.75 tons of CO2e, comprising scope 1 and scope 2 emissions. Of the total emissions of Genomma Lab Internacional, Corporate Offices emissions amounted to 33%. The Distribution Center, on the other hand, represented only 66% of the total emissions from the organization.

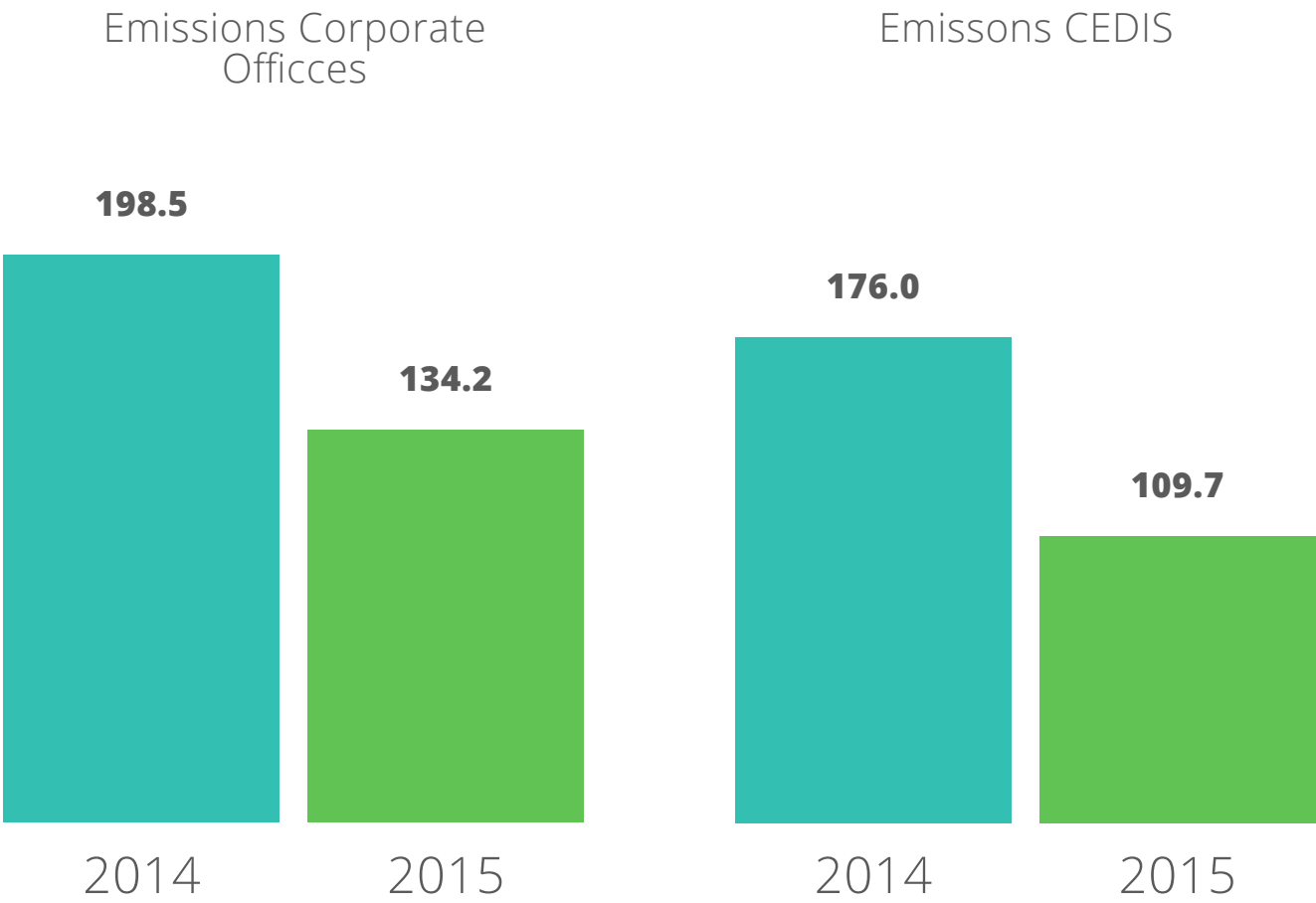
- > **Scope 1:**  
Emissions from the consumption of diesel, gasoline, and LP gas.
- > **Scope 2:**  
Emissions from electricity consumption.
- > **Total Scope:**  
Total emissions.

Total tons of CO2e emissions by facility 2015

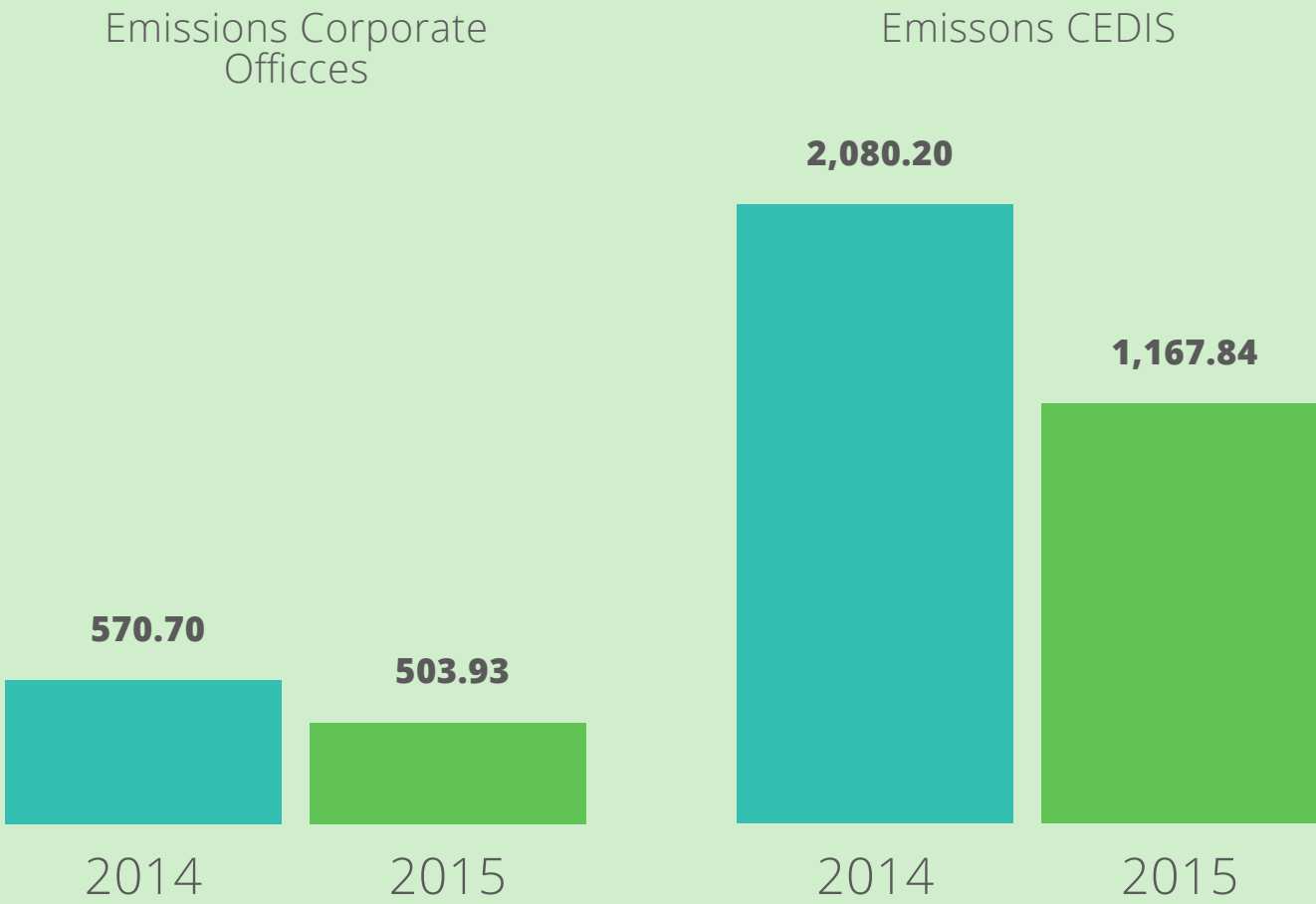


With respect to the year 2014, our emissions presented a reduction of 66% of the total emissions of the organization. The reason for this reduction lies in the new regulation in this area which indicates that emissions of refrigerants do not fall in the company itself, but in its suppliers. On the other hand, the CEDIS emissions decreased for the same period. This decrease is linked to the replacement of lights, which took place in this Center, which resulted in a savings of 68% in electricity consumption; coupled with a reduction of 38% in fuel consumption.

Scope 1: Emissions from diesel, gasoline and LP gas (tCO<sub>2</sub>e)



Scope 2: Emissions from electrical consumption (tCO<sub>2</sub>e)



Fuel consumption for mobile sources in Genomma Lab Internacional, is mainly due to the use of gasoline by employees' transport to their workplace. Additionally, in Mexico City we count with a fleet of buses that take our employees from the Observatory underground station to our offices in Samara. This contributes, in part, to a decrease in the emissions associated with the use of fuels.

A different case is the Distribution Center, where the main fuel used is diesel, which is used by buses transporting employees from different parts of Mexico City to the Distribution Center, as well as by some vehicles in the fleet managed by Genomma Lab Internacional.

Consumption of fossil fuels and electricity in Genomma Lab Internacional 2015

	Gasoline (liters)	Diesel (liters)	LP Gas (liters)	Electricity (kWh)
Corporate Offices	57,777.37	0	0	1,096,946.00
Distribution Centers	10,192.00	20,932.00	18,144.00	2,572,334.00
TOTAL	67,969.37	20,932.00	18,144.00	3,669,280.00

Below is information relating to the fuel consumption in 2015 by mobile sources in the CEDIS, where fuel consumption was only represented by LP gas used for forklift trucks.

Name of the Entity	LP Gas consumption (liters)
CEDIS	18,144.00

For Genomma Lab Internacional the analysis of the Carbon Footprint is very important because it allows us to identify areas of opportunity in terms of the reduction of GHG emissions, in accordance with our growth rate in Mexico and other countries. This calculation has allowed us to understand our environmental performance, as well as which are the sources of generation that require more attention.

We continue with the implementation of internal programs within the organization to promote energy savings and checking vehicles as required by law. In the same way, we have kept our internal program of collective transport for employees, which aims to reduce the use of private vehicles thus reducing emissions and at the same time additional costs for our workforce.

Collective transport for employees is performed by third parties. To the outsourced transport providers, we established as a condition for the provision of the service, that all their vehicles are duly checked and in perfect mechanical condition, as well as carrying proof of fumigation issued every thirty days.

Both the transport of Genomma Lab Internacional and our contractors' have their respective verification of emissions. Our own fleet consists of three trucks of 1.5 tons, two vans of 3.5 tons and four Torton trucks, each of which performs 38 monthly trips on average. Our contractors perform approximately 400 monthly trips in a fleet of vehicles where 90% operates with diesel and 10% with gasoline. Moreover, the staff transport, which is performed by four diesel-based buses, makes circuits at different points to move 180 people daily from Monday to Friday. This means that, in addition to complying with the parameters specified in the emission of pollutants, we decrease this emission avoiding the use of 180 private vehicles.



Sustainable management in our supply chain in terms of GHG emissions

➤ Panalpina Case

For Genomma Lab Internacional, it is very important to work hand in hand with those suppliers who are committed to achieving a sustainable development. We know that this is the best way to generate value throughout our chain, so that the actions in favor of sustainability have a greater impact on our stakeholders and, above all, to grow together to share experience and knowledge in this type of initiative.

The quantification project of GHG emissions of the service provided by Panalpina aims to provide customer information on emissions of CO2 generated by the transport of their products or goods. This is done through a software tool tailor-developed for the company, which is based on international standards for this effect, as for the calculation takes into account the type of aircraft, the distance

traveled, conversion factors and load capacity among other factors. Panalpina provides its reporting of GHG emissions to customers who request it. Panalpina has mitigated its environmental impact by the GHG emission through various actions, which are: contracting the service of last generation aircrafts (Boeing 747-8F), generating 12% fewer emissions of CO2 and with a load-capacity 16% higher compared to a similar conventional aircraft.

Panalpina is the first logistics company worldwide which attained the certification of its integrated management system based on ISO9001, ISO14001 and OHSAS 18001 standards.

Sustainable solutions in our supply chain in the area of water development and energy

➤ Environmental impact in the manufacture of the brands Asepxia, Cicatricure, Vanart and Ma Evans

Since the problems related to sustainability require comprehensive solutions, these should cover various aspects within the spheres of society, economy and environment. In the case of the brands Asepxia, Cicatricure, Vanart and Ma Evans, the supplier addresses the issues of water use and energy efficiency. As to the first, at the production plant they have a rain water collection system through a storm tank of 4,000 m3 capacity, which distributes the liquid to the irrigation area, bathrooms and laundries, and allocates it to the Wastewater Treatment Plant (WWTP). The water from the rainwater harvesting that was not used, integrates at the same treatment process and is subsequently allocated to the Cutzamala system.

In the aspect of energy efficiency, they changed from fluorescent lamps to LED, in addition to implementing the policy of keeping the lights turned off throughout the day.

Use of Materials and Waste

(G4-EN1, G4-EN2, G4-EN23 to G4-EN26)

In Genomma Lab Internacional we have internal programs to improve the internal management of waste through the implementation of the principles of reduce, recycle and reuse. In our offices, we seek to reduce paper consumption by using it only when it is essential that the internal or external communications are transmitted by this means. Also, in our Distribution Center we have increased the efficiency of our processes, which allows us to reduce costs while generating less waste.

Part of the waste is generated from finished products that have not met the specifications for customer sales and must be sent for destruction alongside materials returned from our customers for various reasons. These materials are evaluated to determine if they are sent to a destruction site, or to the CEDIS for grinding, and are then sold to third parties for their recycling. In the CEDIS, the amount of waste generated in 2015 was 210,910 tons and 1,188.00 m3 of garbage. 130,440 kg of plastic and cardboard waste were recycled.

Source	Waste	Type	Quantity	Type of disposal
CEDIS	Plastic (shrink wrap)	Non-hazardous	38.20 ton	Recycling
CEDIS	Cardboard	Non-hazardous	92.24 ton	Recycling
CEDIS	Obsolete destruction	Non-hazardous	80,470 ton	Sanitary Landfill
CEDIS	Trash	Non-hazardous	1,188.00 m³	Sanitary Landfill

Waste management in our supply chain

➤ Environmental impact of our manufacturer of packaging for the brands Ma Evans, Jockey Club, Tío Nacho and Silka Medic and Asepxia (G4-EN27, G4-EN32)

We encourage our suppliers to be in line with our culture of continuous improvement. In the environmental aspect, we assign greater weight to those manufacturers who implement eco-efficiency and waste management practices. Given the above, we proudly communicate that the brands Ma Evans, Jockey Club, Tío Nacho, Silka Medic and Asepxia are packed with recycled cardboard and, in the case of polyethylene products or PET, with recycled stretch film or shrink wrap. In addition to the above, there is a program where products which, for seasonal reasons, could not be distributed to points of sales, are donated to orphanages. In relation to eco-efficiency practices, the maquila facility where these products are manufactured has a reactor cleanup program in order to improve efficiency. The wood waste obtained from such cleaning is given away to their employees for use at home.

Materials

The Distribution Center handles different materials needed so that the products are delivered to our customers. Most of these are polymers of different types, such as stretch film, clear tape and polyolefin, as well as timber materials used to separate products (separator sheet carton), transport them (platforms) or miscellaneous (paper). It is important to mention that through the efficiency program being implemented at the facility, we expect to significantly reduce the consumption of these products.

Material	Type of material (renewable or non-renewable)	Quantity	Unit
Stretch film	Non-renewable	74,998.00	Roll
Separator sheet carton	Renewable	120,000.00	pcs
Transparent Tape	Non-renewable	10,000.00	pcs
Corner post	Renewable	150,000.00	pcs
Filament Tape	Non-renewable	7,000.00	pcs
Polyolefin	Non-renewable	422.00	pcs
Transfer Label	Renewable	3,360.00	thousand
White paper sheets	Renewable	120.00	boxes
White pallet	Renewable	44,238.00	pcs
Ribbon black wax	Non-renewable	493.00	pcs
Blue tape	Non-renewable	4,000.00	pcs

## Success story in our supply chain Zero Waste

### ➤ Environmental impact of our main supplier of dispensers (G4-EN27, G4-EN32)

The protection of the environment is one of the main lines of action of our sustainability strategy, which is reflected in the waste management actions carried out by our supply chain. The success story of Aptar stands out, this supplier has considerably reduced its impact on the environment by introducing a new waste management model. Here we concretely refer to this model and other Aptar actions related to sustainability.

### ➤ Aptar: success story

By using our products daily, some essential parts pass by unnoticed to consumers, such as lids, labels and dispensers. They are as important, however, that if they were not present in our products these would lose their functionality. For us, it also represents a great area of opportunity to reduce or mitigate environmental impacts. This is reflected in the case of dispensers for the Genomma Lab Internacional products. Its manufacturer, Aptar Group, is one of the best examples of good practices in waste management.

Aptar Group is considered the market leader in the manufacture of dispensers and packaging of beauty products. It started at the end of the year 1940 manufacturing aerosols in the United States, today having facilities in more than 18 countries and four continents, as well as a portfolio of 5,000 customers. The main goods produced are dispensing pumps, aerosol valves, lids and elastomers.

Within its corporate strategy, they consider sustainability as one of the most important values. Two of the actions carried out at global level are the formation of committees that evaluate the environmental impact of their operations as well as the development of environmental friendly products. The key aspects in which they focus are the reduction in energy use, efficiency in manufacturing, product design based on Life Cycle Analysis and reduction in waste generation, among others.

In Mexico, Aptar Group has a plant in Querétaro where they have managed to land the global principles of sustainability in local actions. An example of this is the implementation of the initiative "Landfill Free" or "Rellenos Sanitarios Libres", which had the goal of

sending zero waste to landfills. In September 2015 it obtained this certification, becoming the first plant of the Aptar Group in Latin America to do so. To achieve this, they designed and implemented a management model where more than 99% of its waste are sent to different disposal treatments other than for final disposal in landfills. Part of this model consists of the following points: 1) proper separation of the plastic waste according to color; 2) weighing the waste and placement in sacks; 3) obtaining pellets through the grinding of plastics waste; 4) quality inspection; and 5) reintegration of the pellets of recycled plastic in the production process together with polypropylene.

Given that sustainability requires not only to comply with the environmental and economic aspects, but also with the social, Aptar Group conducted a training program in 2015 attended by more than 90% of their employees. Some of the topics covered were team work, leadership, assessment of investment projects, time management, among others. Reinforcing their social responsibility, they organized a run to help the orphanage "La alegría de los niños I.A.P." (The joy of children), a donation to the Red Cross and the Week of Health in collaboration with the Mexican Institute of Social Security (IMSS, for its acronym in Spanish).

The implementation of the program Landfill Free to the manufacturing processes of Aptar Group is undoubtedly an exemplary case of good practices in waste management, which will greatly reduce the impact on the environment.



Resource use in our supply chain

- Environmental impact of the manufacturer of caps for the brand Suerox Kids (G4-EN27, G4-EN32)

Innovation is one of the global competencies of Genomma Lab Internacional, so we encourage our suppliers to integrate it as part of its organizational culture. To this day, several vendors have joined this initiative through innovative projects, at the same time, obtaining results that benefit the sustainability of the product. It is the example of the brand Suerox Kids, whose caps went through a process of transformation in which a 30% weight reduction was achieved, by replacing the internationally manufactured cap with a local one. Additionally, the manufacturing of that product began with hydraulic machines in which the use of energy can be programmed, by means of a variable speed drive, depending on the work to be done, dramatically reducing the power consumption.

Sustainable forest management in our supply chain

- Environmental impact of our manufacturer of packaging for the brands, Unesia Asepxia and Sistema GB (G4-EN11, G4-EN12, G4-EN13, G4-EN27, G4-EN32)

The use of packaging made from virgin wood is related to the deforestation of the planet, which in turn contributes to the climate change and the degradation of ecosystem services. Under the above, Genomma Lab Internacional evaluates the practices of suppliers involved in the production of packaging taking into account the principles of responsible forest management. In the case of the brands Asepxia, Unesia and Sistema GB, the packaging cardboard comes from a reliable and sustainable source that is certified Forest Stewardship Council (FSC) Chain of Custody. Such certification is granted in order to prove that the wood was obtained through responsible forest management. The percentage of recycled cardboard in relation to the total amount used for the boxes of the brands mentioned above is 76% for 2015. For us, it is essential to maintain partnerships with our suppliers and encourage these to exceed our sustainability standards.

## Commitment to Water Use

(G4-EN8, G4-EN8)

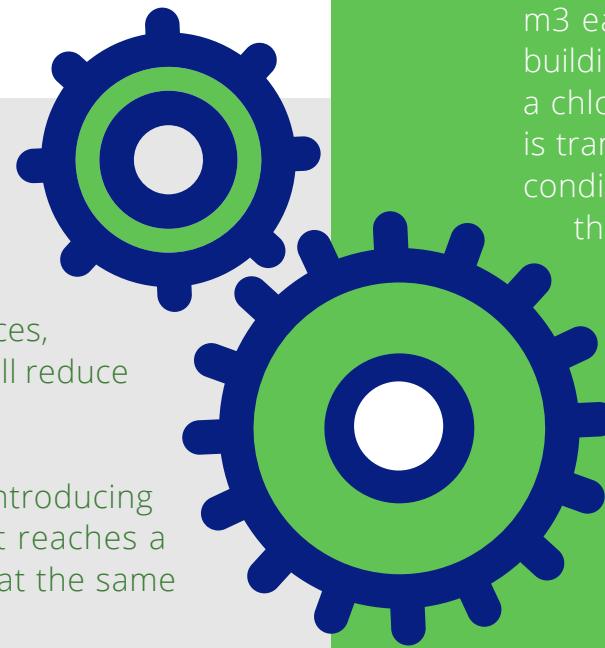
In Genomma Lab Internacional we are aware that water is a valuable resource for humanity, without which we cannot survive. Similarly, our operations depend heavily on this vital liquid to maintain quality standards in our products and meet the sanitation needs of our workplaces, but also many of our products use this liquid as its main component, including, for example, the case of our colognes.

An important part of sustainable water use is the treatment of wastewater. At national level, throughout the year 2015 in the Distribution Center of Genomma Lab we generated a total of 6,811 m<sup>3</sup> of wastewater, of which 100% was treated by means of a sewage treatment plant. At international level, in Ecuador we invested a total of USD \$ 3.000 to analyze the content of the wastewater and improve the system of local treatment.

The collaboration Genomma Lab Internacional with all our suppliers goes beyond the processes of manufacture, distribution or provision of other products and services, representing joint relations in favor of sustainability, where from concrete actions will reduce the environmental impact throughout the supply chain.

We focus on reducing the quantity of materials used in our packaging, as well as introducing recycled materials or materials with the potential to be recycled, in such a way it reaches a certain recyclable point that does not affect the performance of the product and at the same time complies with Mexican standards.

We seek that in the long term a greater number of our suppliers promote and join programs for the reduction of resource usage and to boost sustainable practices in order to reduce our environmental impact throughout our entire supply chain.



## Sustainable water use in our supply chain

### ► Environmental impact of the manufacturer of the brands of eau de cologne

Sometimes, the problems addressed in sustainability are seen as complex and expensive. However, in Genomma Lab Internacional we are convinced that this thought belongs to the past, since today it is possible to implement sustainable practices while at the same time generate economic value. An exemplary case of the above are our colognes and perfumes, whose water is obtained from the rain purified through a novel and reliable treatment system. Our supplier has a rain catchment capacity of 3,500 m<sup>3</sup>, additional to 14 storm tanks of 10 m<sup>3</sup> each. It also has equipment for recovery of rainwater in the production buildings, from which rainwater is led to the cisterns. For its treatment, it applies a chlorination process and, at the moment the use of water is required, this is transported through a process of activated carbon and demineralization in conditions of four to ten microsiemens conductivity. In case of water shortage, they have geomembranes installed on the grounds of the factory, where appropriate, our supplier has access to the municipal water system.

# GRI INDEX

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STAKEHOLDER ENGAGEMENT

REPORT PROFILE

GOVERNANCE

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G4-44	Remuneration policies for the highest governance body and senior executives.	22, 29
G4-52	Process for determining remuneration.	22, 29
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	22, 29
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	The information cannot be disclosed by issues of confidentiality
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G4-EC2	Financial implication and other risks and opportunities for the organization's activities due to climate change.	79
G4-EC3	Coverage limit of the organization's defined benefit plan obligations.	44
G4-EC4	Financial assistance received from Governments.	We do not receive financial assistance from Governments.

MATERIAL ASPECT: MARKET PRESENCE

INDICATOR	DESCRIPTION	PAGE
G4-DMA	General information about the management approach.	36
G4-EC5	Ratio between the starting salary broken down by sex and the local minimum wage in places where significant transactions are carried out.	44
G4-EC6	Percentage of senior managers from the local community in places where significant transactions are carried out.	36
G4-DMA	General information about the management approach.	44
G4-EC7	Development and impact of investment in infrastructure and type of services.	52, 5536
G4-EC8	Significant indirect economic impacts, including the extent of the same.	52, 55, 69
G4-DMA	General information about the management approach.	44
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ASPECT: DIRECT ECONOMIC IMPACTS

MATERIAL ASPECT: PROCUREMENT PRACTICES

CATEGORY: ENVIRONMENT

MATERIAL ASPECT: RAW MATERIALS

INDICATOR	DESCRIPTION	PAGE
G4-DMA	General information about the management approach.	70
G4-EN1	Materials used by weight or volume.	76
G4-EN2	Percentage of the materials sued that are recycled input materials.	76
G4-DMA	General information about the management approach.	70
G4-EN3	Energy consumption within the organization.	79
G4-EN4	Energy consumption outside the organization.	79
G4-EN5	Energy intensity	79
G4-EN6	Reduction of energy consumption.	79
G4-EN7	Reductions in energy requirements of products and services	79
G4-DMA	General information about the management approach.	70
G4-EN8	Total water withdrawal by source.	79
G4-EN9	Water sources significantly affected by withdrawal of water.	There have been no water sources affected
G4-EN10	Percentage and total volume of water recycled and reused.	79

MATERIAL ASPECT: ENERGY

ASPECT: WATER

	INDICATOR	DESCRIPTION	PAGE
ASPECT: BIODIVERSITY	G4-DMA	General information about the management approach.	70
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	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	79
	G4-EN13	Habitats protected or restored.	79
	G4-EN14	Number of species included in the IUCN Red List and in national conservation lists whose habitats are found in areas affected by operations, depending on the level of danger of extinction of the species.	No operamos en áreas con especies en peligro de extinción
MATERIAL ASPECT: EMISSIONS	G4-DMA	General information about the management approach.	70
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	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2) to generate power.	79
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ASPECT: REGULATORY COMPLIANCE	G4-DMA	General information about the management approach.	70
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INDICATOR	DESCRIPTION	PAGE
G4-DMA	General information about the management approach.	70
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G4-DMA	General information about the management approach.	70
G4-EN31	Environmental protection expenditures and investments by type.	79
G4-DMA	General information about the management approach.	44
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	52, 76, 77, 78, 79
G4-EN27	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	52
G4-DMA	General information about the management approach.	70
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	70

ASPECT: GENERAL

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS

CATEGORY: SOCIAL PERFORMANCE

SUBCATEGORY: LABOR PRACTICES AND DECENT WORK

ASPECT: EMPLOYMENT

ASPECT: LABOR/MANAGEMENT RELATIONS

ASPECT: RELATIONS BETWEEN THE WORKERS AND THE MANAGEMENT / ASPECT: LABOR/MANAGEMENT RELATIONS

INDICATOR	DESCRIPTION	PAGE
G4-DMA	General information about the management approach.	36
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.	36
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	The information cannot be disclosed by issues of confidentiality
G4-LA3	Return to work and retention rates after parental leave, by gender.	44
G4-DMA	General information about the management approach.	36
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	36
G4-DMA	General information about the management approach.	36
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	56
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender.	48
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	56
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	No aplica



	INDICATOR	DESCRIPTION	PAGE
ASPECT: TRAINING AND EDUCATION	G4-DMA	General information about the management approach.	36
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	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	42
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ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN	G4-DMA	General information about the management approach.	36
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ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES	G4-DMA	General information about the management approach.	44
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	52
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	52
ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS	G4-DMA	General information about the management approach.	22
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	31, 32

UBCATEGORY: HUMAN RIGHTS

	INDICATOR	DESCRIPTION	PAGE
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	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	32
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	32, 42
ASPECT: NON-DISCRIMINATION	G4-DMA	General information about the management approach.	22
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ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	G4-DMA	General information about the management approach	44
	G4-HR4	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	52
ASPECT: CHILD LABOR	G4-DMA	General information about the management approach	44
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	52
ASPECT: FORCED LABOR	G4-DMA	General information about the management approach.	22
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced labor, and measures to contribute to the elimination of all forms of forced labor.	32

ASPECT: SECURITY PRACTICES

G4-DMA

General information about the management approach.

22

G4-HR7

Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.

32

ASPECT: RIGHTS OF THE  
INDIGENOUS POPULATION

G4-DMA

General information about the management approach.

There have been no cases of the violation of the indigenous rights.

G4-HR8

Total number of incidents of violations involving rights of indigenous peoples and actions taken.

There have been no cases of the violation of the indigenous rights.

ASPECT: ASSESSMENT

G4-DMA

General information about the management approach.

44

G4-HR9

Total number and percentage of operations that have been subject to human rights reviews or impact assessments.

52

ASPECT: SUPPLIER  
HUMAN RIGHTS A  
SSESSMENT

G4-DMA

General information about the management approach

44

G4-HR10

Percentage of new suppliers that were screened using human rights criteria.

52

G4-HR11

Significant actual and potential negative human rights impacts in the supply chain and actions taken.

52

ASPECT: HUMAN RIGHTS  
GRIEVANCE MECHANISMS

G4-DMA

General information about the management approach.

61

G4-HR12

Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.

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SUBCATEGORY: SOCIETY

ASPECT: LOCAL  
COMMUNITIES

G4-DMA

General information about the management approach

61

G4-SO1

Percentage of operations with implemented local community engagement, impact assessments, and development programs.

55

G4-SO2

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72

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G4-DMA

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22

G4-SO3

Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.

31

G4-SO4

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31

G4-SO5

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31

ASPECT: PUBLIC POLICY

G4-DMA

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22

G4-SO6

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32

ASPECT: ANTI-COMPETITIVE  
BEHAVIOR

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22

G4-SO7

Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

31

ASPECT: COMPLIANCE

G4-DMA

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G4-SO8

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

32

ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

INDICATOR	DESCRIPTION	PAGE
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G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	52
G4-S10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	52
G4-DMA	General information about the management approach.	61
G4-S11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	32, 61

ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

SUBCATEGORY: PRODUCT RESPONSIBILITY

ASPECT: CUSTOMER HEALTH AND SAFETY

INDICADOR	DESCRIPCIÓN	PÁGINA
G4-DMA	General information about the management approach.	61
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	61
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	61, 72
G4-DMA	General information about the management approach.	61
G4-PR3	Report whether the following product and service information is required by the organization's procedures for product and service information and labeling: –The sourcing of components of the product or service –Content, particularly with regard to substances that might produce an environmental or social impact. –Safe use of the product or service –Disposal of the product and environmental/social impacts –Other (explain) b. Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.	61, 62, 63
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	61, 62
G4-PR5	Results of surveys measuring customer satisfaction.	61, 62
G4-DMA	General information about the management approach.	61
G4-PR6	Sale of banned or disputed products.	61
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G4-DMA	General information about the management approach.	61
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	61, 72
G4-DMA	General information about the management approach.	61
G4-PR8	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	61, 72

ASPECT: INFORMATION ON MANAGEMENT APPROACH

ASPECT: MARKETING COMMUNICATIONS

ASPECT: CUSTOMER PRIVACY

ASPECT: COMPLIANCE



**Genomma Lab.**

## Contact

**The Sustainability Report 2015 presents our annual performance in the field of sustainability. In addition to the information referred to in the body of the report, we are attentive to any comments or suggestions you wish to share in relation to its content.**

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