

CREATING

A S U S T A I N A B L E

F U T U R E

2017 SUSTAINABILITY REPORT



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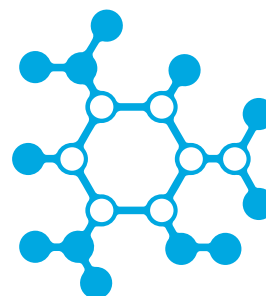
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OUR 2017 GREATEST ACHIEVEMENTS



Obtained the
“Distintivo de
Empresa Socialmente
Responsable”
by CEMEFI for the
11th consecutive year



We signed
a pact in 2016
against child
malnutrition in
Colombia “GEN CERO”
in which we become
committed to help
eradicate malnutrition
in Colombia for
the year 2030



Genomma Lab
Foundation donated
more than 88,704 pieces of
Suerox and 33,844 pieces
of different products,
destined for the people
affected by the 2017
September
earthquakes



A group of
300 people from
Genomma Lab Mexico were
deployed throughout the main
collection centers in Mexico
City, Puebla and Morelos
in September 2017



The 2,000 million pesos
Lab-13-2 stock-market
certificate were paid, using 900 million pesos
from our own account



Members of the
Mexican Stock
Exchange
Sustainable Index
for the 5th year in a row



We have been part of
the Global Compact
for 10 years and for the
first time we present our
report aligned to
the Sustainable
Development Goals





MESSAGE FROM THE EXECUTIVE DIRECTOR

G4-1, G4-2

*Welcome to our seventh
Genomma Lab International
2017 Sustainability Report!*



From the moment Genomma Lab International was founded, we have worked to be a transparent, ethic and committed company with the Mexican society as well as the other countries in Latin America where we have operations. This implies reinforcing our commitment to improve the health and quality of life of our employees daily, as well as to watch over the equilibrium and positive impact of our surroundings, through concrete actions based on the pillars that regulate our sustainability strategy.

Under this vision we commit to maintain an open and permanent dialogue with our main stakeholders, such as: employees, customers, consumers, suppliers, manufacturers, community, our surroundings and



shareholders. On this occasion we present our seventh Sustainability report in which we show how social responsibility and sustainability are present in each of our programs, actions and initiatives.

During 2017, our results reflect the progress and continuous improvement of the economic performance, demonstrating an increase of 6.73% in global sales in relation to the year 2016, being Argentina and Central America our most important markets.

One of our major achievements during 2017 was the beginning of the industrial project, which marks a new phase for the Genomma Lab family. This plan integrates different manufacturing spaces for our products, as well as having the highest technology, it is strategically located in Toluca in the state of Mexico, to improve our logistics. This project's

objectives are: improve the quality of our products, look for a more reliable supply, in addition to generate direct and indirect employment and contribute to the complete development of the region.

On that subject, during the first phases of the industrial project development, a social and environmental impact study is being implemented, which will allow us to create synergy with communities near our operation: this initiative is very important to Genomma Lab because it implies damage prevention and the identification of risks to mitigate them and orient our sustainability model to incorporate social and environmental surroundings.

As part of our new strategy, a manufacturing plant that was part of our supply chain was acquired; Syphardrugs, S.A.P.I de C.V. During 2017, it was constituted under the Genomma Laboratories México S.A. de C.V. registered name, being integrated into the Genomma Lab International family.

For the first year we present the “Sustainability Model”, result of the identification of our material issues, that show the way in which our company addresses Social Responsibility and Sustainability management. It guarantees our commitment to society, the environment and the communities where we operate. During 2017, we aligned our principal actions to the Sustainable Development Goals, initiative generated by the United Nations (UN). Genomma Lab has committed to contribute to these international goals.

The company joined the “Programa Voluntario de Contabilidad y Reporte de Gases de Efecto Invernadero en México”, coordinated by the Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT).

Regarding our performance with the products and commitment with our value chain, we continue with the firm responsibility of investing in innovation and development, offering our customers and consumers the best products and improving their accessibility. We managed to integrate the Code of Conduct and Ethics as well as the Anticorruption Policy to our supplier website, with the objective of making our transactions transparent and that 100% of the suppliers know and accept them. Additionally, we continue working with community producers, such as our guava leaves supplier, that serves as a supply to produce our QG5 product.

In our social performance, we managed to respond to events that happened in September, the earthquakes in Mexico; we immediately mobilized to deliver approximately 88,704 pieces of Suerox

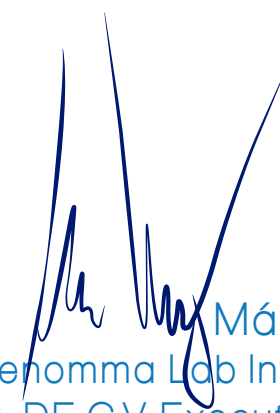


and 33,844 pieces of different Genomma Lab family products to different affected communities from Mexico City, Puebla, Oaxaca and the state of Mexico. Additionally supporting with a volunteer group of approximately 300 employees in the main collection centers in Mexico City.

Reaffirming our transparency and accountability, we renewed for the 11th consecutive year the “Empresa Socialmente Responsable” (ESR) emblem. We also maintained the “Empresa Familiarmente Responsable” and the “Empresa Incluyente” emblem awarded by the Secretaría del Trabajo y Previsión Social. We reaffirmed our commitment to the Global Compact, an initiative in which we belong to since 2007.

We are very proud to be part of the Mexican Stock Exchange Sustainability Index for the 5th consecutive year, reflecting stability and transparency in our operations before an investment market.

Lastly, I want to thank our employees, whose daily passion and dedication make this company a leader in the industry and to all our partners, whose trust make the objective of this company a reality. I am sure that with through participation and teamwork in the following years, Genomma Lab International will continue “Creating a sustainable future” for all.



Máximo Juda
Genomma Lab International,
S.A.B. DE C.V. Executive Director
Mayo, 2018



GENOMMA LAB INTERNACIONAL

In this section we want to present the data focused on the performance of the countries where we currently operate;

The company currently has **presence in 19 countries**, located in the following way:

Peru: which also gives service to Bolivia

Costa Rica: where Central America and the Caribbean operations are supervised, made up by: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, the Dominican Republic and Trinidad and Tobago

Argentina: which also gives service to Paraguay and Uruguay

Brazil

Colombia

Ecuador

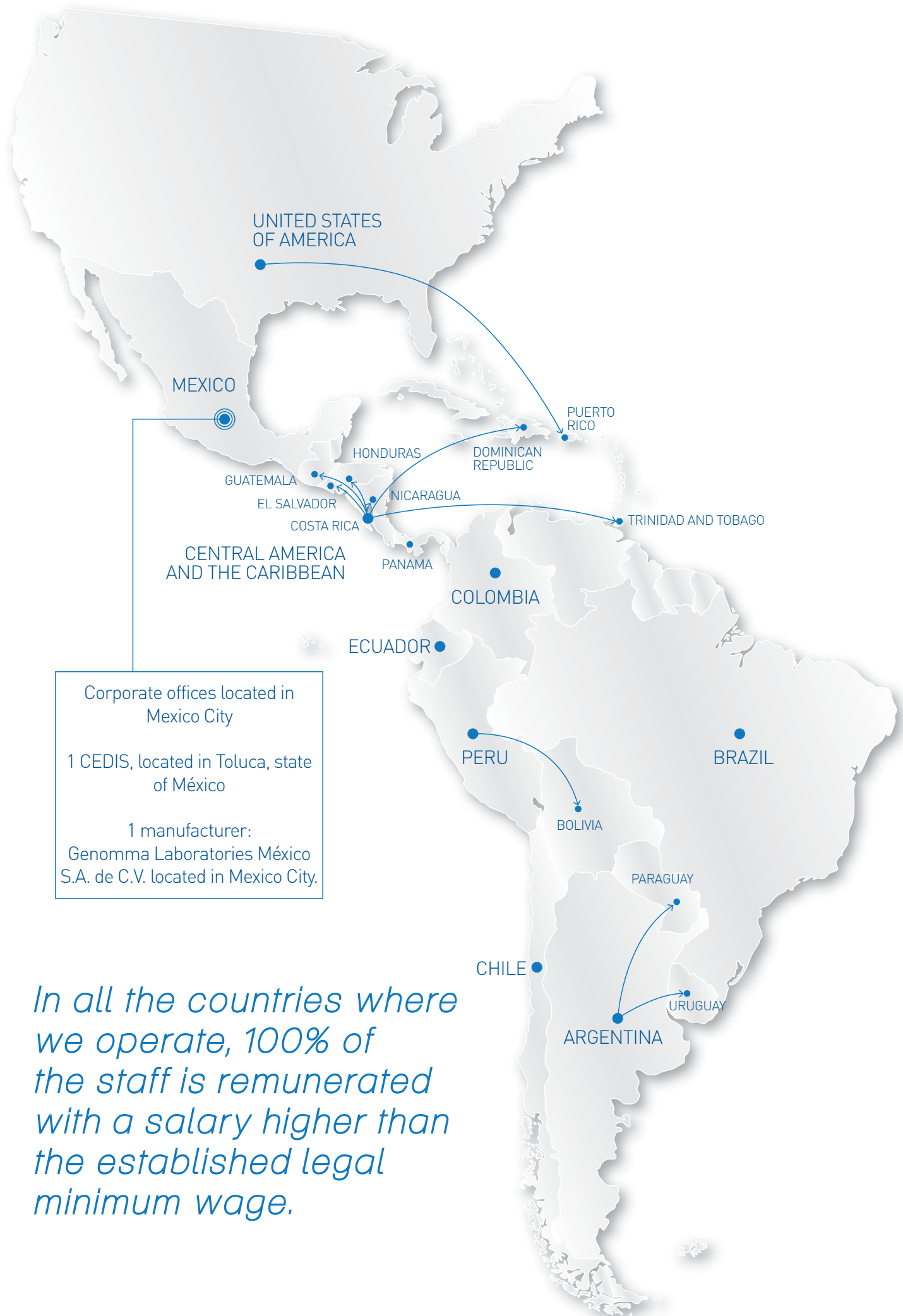
Chile

United States: which also provides support to Puerto Rico

Mexico

Corporate offices located in Mexico City
1 CEDIS, located in Toluca, state of México
1 production factory: Genomma Laboratories México S.A. de C.V. located in Mexico City.

Each country where the brand has presence is a challenge because each one represents a different and unique context. However, we wish to unify the ethical behavior, responsibility with society and environmental conservation criteria for our different Stakeholders.



Corporate offices located in
Mexico City

1 CEDIS, located in Toluca, state
of México

1 manufacturer:
Genomma Laboratories México
S.A. de C.V. located in Mexico City.

*In all the countries where
we operate, 100% of
the staff is remunerated
with a salary higher than
the established legal
minimum wage.*

PERU

Location:

Lima, Peru

Provides service to:

Bolivia

Total number of employees:

20

Quantity of products or services offered:

40



In this region, an internal recycling campaign is carried out with office materials such as paper, cardboard and other types of waste.

Ethical Behavior

Like all the countries where Genomma is present, the employees and suppliers have **access to RESGUARDA, a reporting channel** for anti-ethical behavior.

All the members of the company have read and signed the Anticorruption Policy that is shared at an international level. 100% of the employees have been trained on this topic.

CENTRAL AMERICA AND THE CARIBBEAN

Location:

San Jose, Costa Rica

Provides service to:

Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, the Dominican Republic and Trinidad and Tobago

Total number of employees:

22

Suppliers



Number of suppliers that work for the organization in the country: **15**

Approximate number of Supply Chain suppliers in the country: **4**

Approximate monetary value of payments for suppliers in the country: **600** thousand per year

RESGUARDA is the reporting channel for all countries

Employees have been trained in policies and procedures related to the Code of Conduct and Ethics, Human Rights and Anticorruption Policy

Distribution centers and suppliers were assessed in socioenvironmental matters



ARGENTINA

Location:

Buenos Aires, Argentina

Provides service to:

Uruguay and Paraguay

Total number of employees:

96 (includes global payroll with base in Argentina)

Number of operations:

19,670

Quantity of products or services offered:

179

Ethical Behavior

Like all the countries where Genomma is present, the employees and suppliers **have access to RESGUARDA, a reporting channel for anti-ethical behavior.**

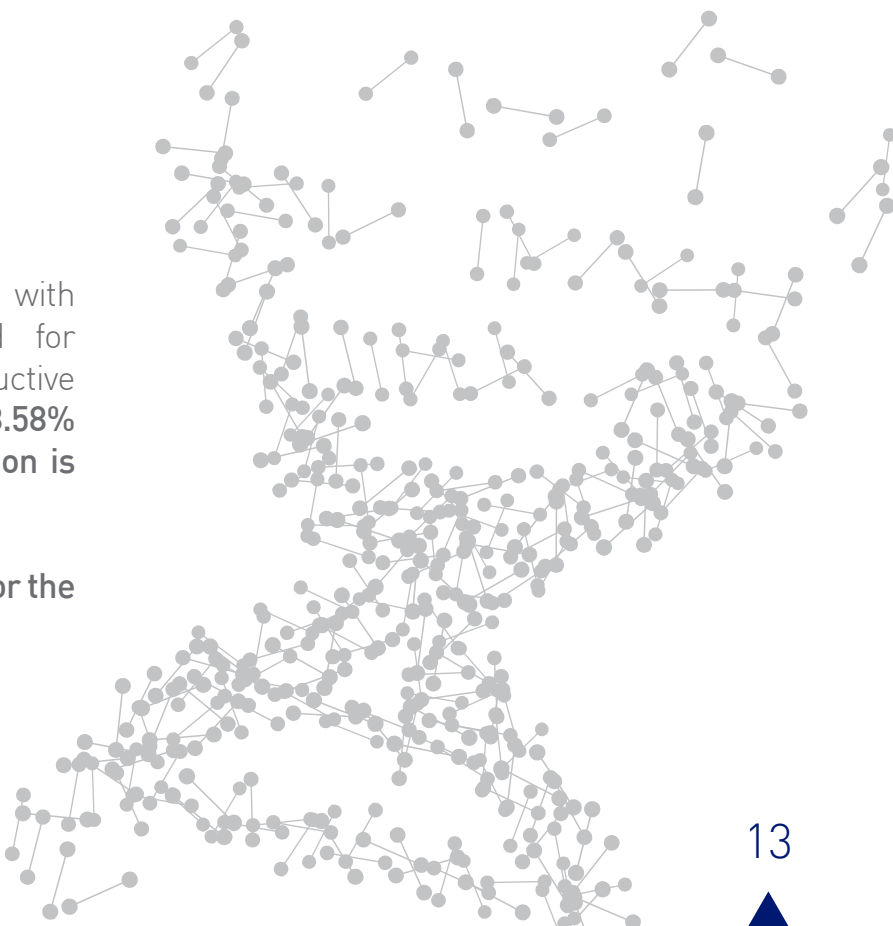
All the members of the company have read and signed the Anticorruption Policy that is shared at an international level. **100% of the employees have been trained on this topic.**

100% of the employees are from Argentina
No hazardous waste is produced

Suppliers

The budget for acquisition of places with significant operations is destined for local suppliers considering productive purchasing; **81.42% is national and 18.58% is imported. 99.9% service acquisition is national.**

The number of suppliers that work for the country is 550



BRAZIL

Location:

São Paulo, Brazil

Total number of employees:

59

Number of operations:

2

Brazil currently has a logistics project in discarded primary packing return, this initiative helps reduce environmental impacts caused by the waste generation in this country

Suppliers

22% of the products are manufactured in Brazil, the rest are from Argentina and Mexico

68.8% of the 2017 Genomma products are purchased to local suppliers and 100% of the services are by local companies.

The company's operations are in São Paulo and Santa Catarina. However, sales are done throughout the whole country, which is why we consider Brazil as a significant operations place.

Like all the countries where Genomma is present, the employees and suppliers have **access to RESGUARDA, a reporting channel for anti-ethical behavior**



"Being a sustainable company with responsible innovation is not only must for future generations, it is also a duty with the Planet"

Juan David Fajardo Mcleod,
Country Manager

Employees

50% of the directors are from the local community (2 persons), the other 50% are foreigners (2 persons)

100% of the employees have received Code of Ethics and Anticorruption Policies training

COLOMBIA

Location:

Bogota, Colombia

Total number of employees:

35

Number of operations:

2

Quantity of products or services offered:

63



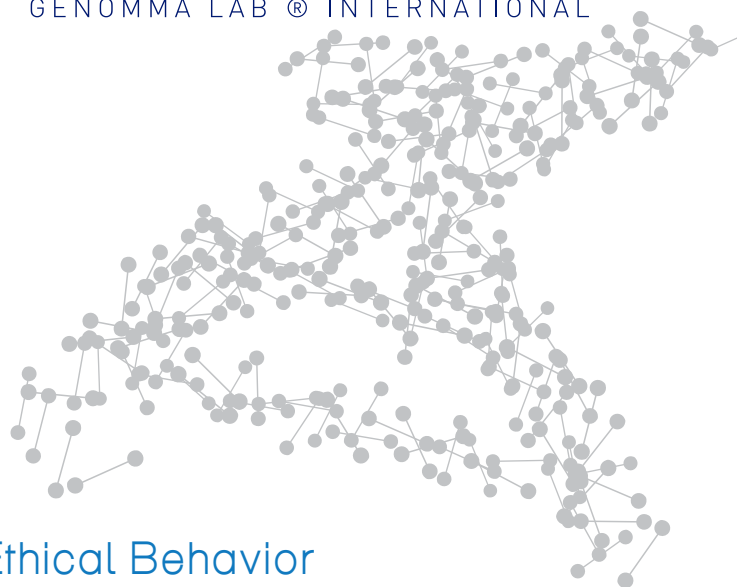
In 2016 a pact was signed against child malnutrition, "GEN CERO"

Suppliers

Distributors and wholesale are the most used distribution channels. **84.6% of the directors are from the local community (11 persons) and 15.4% are foreigners (2 persons)**

17.5% of the commercialized products are produced by local suppliers

100% of new suppliers are contractually forced to comply with Colombia's labor standards



Ethical Behavior

Like all the countries where Genomma is present, the employees and suppliers have **access to RESGUARDA**, a reporting channel for anti-ethical behavior.

All the members of the company have read and signed the Anticorruption Policy that is shared at an international level. **100% of the employees have been trained on this topic.**

100% of the employees are from Colombia

There is an Occupational Safety and Health Parity Committee (COPASST), Coexistence Committee, Emergency Brigade and an emerging Social Responsibility Committee

18% of the employees are represented in a committee.

46% of the employees are represented in a formal security and health committee.

ECUADOR

Location:

Guayaquil, Ecuador

Total number of employees:

20

Number of operations:

1

Quantity of products or services offered:

64



Ethical Behavior

Like all the countries where Genomma is present, the employees and suppliers have access to **RESGUARDA**, a reporting channel for anti-ethical behavior.

All the members of the company have read and signed the Anticorruption Policy that is shared at an international level. **100% of the employees have been trained on this topic.**

Employee internal rules and regulations have been established. In it, certain norms of conduct are established to respect others and others' property as well a person's integrity.

Suppliers

The supply chain in Ecuador towards our manufacturers is done by distributors that import almost **80% of the supplies for our national production.**

100% of the cosmetic product category are made locally

"La Fabril S.A" and "Envapress" are our most important manufacturers in Ecuador

At the end of the year 2017, we worked with 31 suppliers in relation to the year 2016 where we worked with 33 service suppliers. Those that qualified in operational capacity, **service management, social responsibility safety, health, environment and document management aspects, were chosen.**



CHILE

Location:

Santiago, Chile

Total number of employees:

19

Quantity of products or services offered:

74



The offices
have reusing and
recycling practices

Suppliers

Number of suppliers that work for the organization in Chile: **12**

Approximate number of Supply Chain suppliers in Chile: **4**

Ethical Behavior

The Code of Conduct and Ethics is disseminated to its employees. Two annual training sessions are done to reinforce codes and policies and sign joining letters, corporate websites or office material.

25% of the directors are from Chile (1 of 4 in management positions)



"A company
that sells health
and beauty should
return health and beauty
to the planet"

Alberto Herane Herane

Country Manager Chile

70% of the staff has received formal training regarding the organization's policies or procedures in matters of Human Rights and its application to security.

In Chile, 40% of the total portfolio has been assessed to promote continuous improvement.

All the members of the company have read and signed the Anticorruption Policy that is shared at an international level. **100% of the employees have been trained on this topic.**

NORTH AMERICA UNITED STATES OF AMERICA (USA)

Location:

Houston, Texas

Provides support to:

Puerto Rico

Total number of employees:

19

Number of operations:

1

Quantity of products or services offered:

86

Suppliers

Number of suppliers: **45**

Number of Supply Chain suppliers: **21**

Monetary value of payments for suppliers: **22 Million**

15 finished product suppliers and 6 goods suppliers

1 distribution center

MEXICO

Location:

Mexico City, Mexico

Total number of employees:

40

Number of operations:

25 lotes de producto

Quantity of products

QG5 y X-RAY

Acquisition by Genomma Laboratories México S.A. de C.V. (GLM)

During May 2017 Syphardrugs, S.A.P.I. de C.V, now Genomma Laboratories Mexico S.A. De C.V. (GLM), was acquired. During this period the remodeling of the production and physicochemical control laboratory areas took place, the manufacturing equipment was modernized to assure a greater productivity and new internal procedures were created.

In the facilities, a cardboard recycling campaign and a solid waste disposition campaign are being implemented

The administration offices have solar panels

Suppliers

Number of suppliers that work for the organization: **75**

Employees

100% of the directors are considered as locals

Remodeling of production, equipment and machinery purchase areas

Employee Breakdown

Younger than 30 years: **40%**

Between 30 and 50 years: **38%**

Older than 50 years: **23%**

Male: **53%**

Female: **48%**

100% are full-time



Turnover Rate: **58%**

Return to work rates by employees with maternity or paternity leave by gender: 100

Number of training hours: **5**

100% of the persons were trained in security and health matters

100% of raw materials are quality tested

ABOUT GENOMMA LAB INTERNATIONAL



781
employees

Presence
in 19 countries
Argentina¹, Brazil, Central
America and the Caribbean²,
Chile, Colombia, Ecuador,
United States y Puerto
Rico, Peru and
Bolivia, Mexico

Sales growth of
18.5% and
\$2,601.2 million
pesos in EBITDA

Income of
\$12,078,443
million pesos

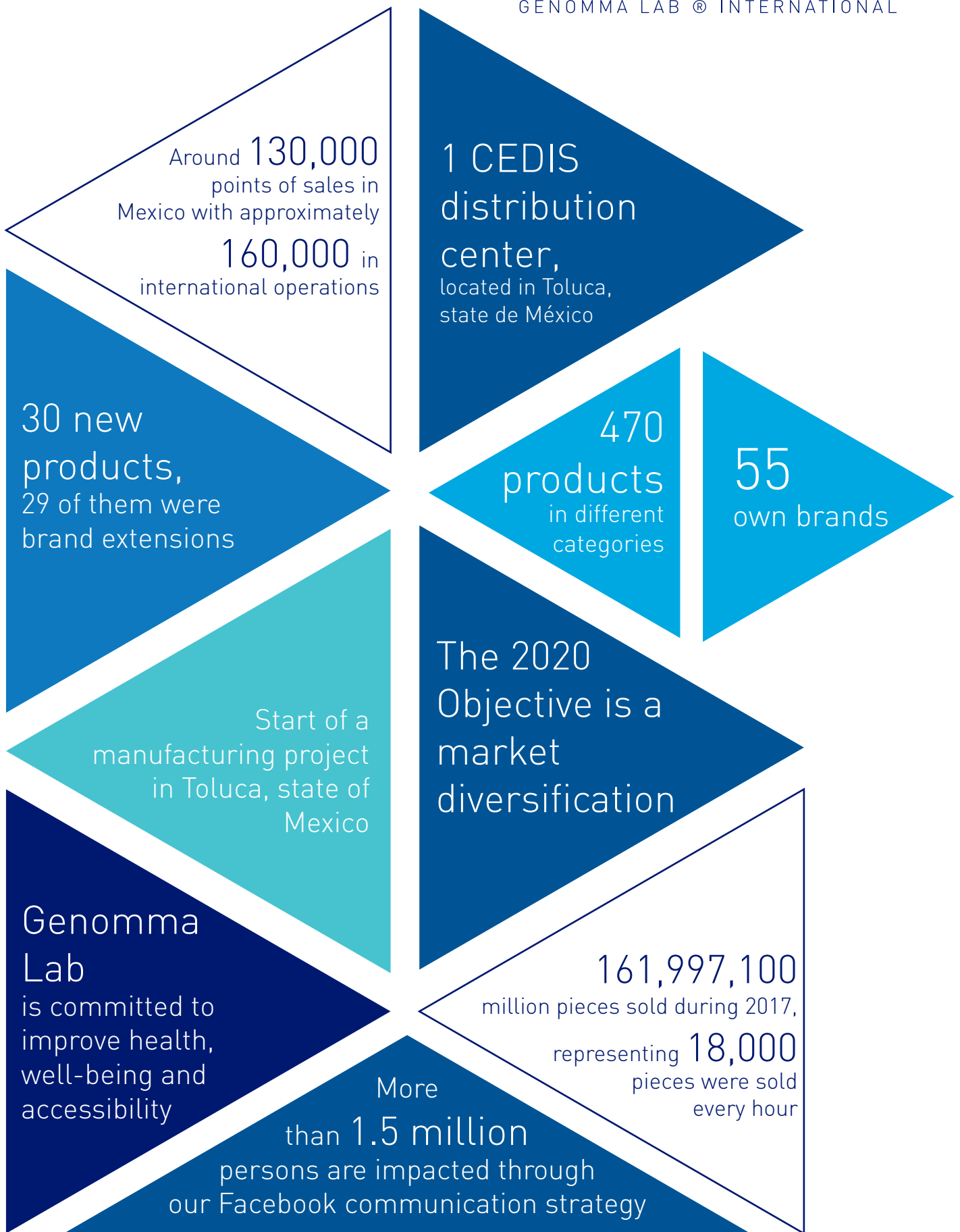
According to
the IMS Health,
Genomma Lab is the third
company with the most
sales in the OTC
pharmaceutical products
industry in Mexico and
Argentina

56% of the sales
belong to the Personal Care
category, while 44%
belong to the Over the
Counter category"

Approximately
1,937 suppliers

¹ Argentina provides service for Paraguay and Uruguay

² Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, the Dominican Republic and Trinidad and Tobago



"At Genomma Lab, we strive to provide the best solutions in the Over the Counter (OTC) and Personal Care product industry and be available where our consumers need us, at the moment they need us."
(Webpage Investor Relations)

Genomma Lab Internacional, S.A.B. de C.V. is one of the leading companies in the pharmaceutical product and self care industry in Mexico, with a growing international presence in 19 countries of the American continent. Genomma Lab International is dedicated to the development, sale and promotion of a great variety of products of the premium brand, many of which are leaders in the category in which they compete in sale and market participation.

Genomma Lab International has a combination of innovation of new and successful products, a consumer-directed marketing with a broad product distribution chain and a flexible and low-cost operating model. Genomma Lab International stocks contribute to the Mexican Stock Exchange under the "LAB.B" stock symbol (Bloomberg: labb.mx).



The company has a 2017 Annual Report where our company's results may be consulted, in addition to the Sustainability Report's complementary information.

*The report is available at:
<http://genommalab.com/Inversionistas/Upload/Documents/8/Reporte%20Anual%202017%20Genomma%20Lab.pdf>*



MISSION

Improve and preserve the health and wellbeing of people through products that are innovative, secure and efficient, providing development opportunities for our employees and profitability for our shareholders and positively impacting the community and the environment.

VISION

To be the leading company in our medication and personal care product categories and be recognized for positively impacting the health and well-being of people, communities and the environment.

KEY ALLIES	KEY ACTIVITIES	VALUE PROPOSITION	RELATIONS WITH CUSTOMERS	CUSTOMER SEGMENTS
Suppliers Research Institutions	Research and development of new products Marketing	Provide the best solutions in the pharmaceutical product industry Over the Counter (OTC) and Personal care (PC)	Points of sale	Consumer products Children Adolescents Young Adults Adults
	KEY RESOURCES		DISTRIBUTION CHANNELS	
	Brands Distribution channels Employees		Pharma/Cosmetics Pharmacy chains Pharma/Cosmetics Supermarkets Traditional cosmetics Self-service Convenience stores Independent pharmacies	
COST STRUCTURE			FLOW OF INCOME	
Marketing Research and development			Retail sale flow of income	

OUR VALUES



If you wish to know more about this topic, visit: www.genommalab.com

Through the different digital points of contact with our users and consumers, such as websites and social networks like Facebook and Twitter, more than 10,000 comments and doubts regarding our products, points of sale, prices and recommendations were answered during 2017.

Thanks to social media as a digital strategy, an average of 1.5 million users were impacted through our Facebook communication every month.



Additionally, in 2017 the digital strategy was consolidated as an effective research tool for our markets in Mexico, United States and Latin America, this has enabled us to measure the efficiency of YouTube publicity spots and obtain quantitative and qualitative information regarding our products, through the analysis of applied surveys to samples of strategically segmented users.

“TURN AROUND” & “GO-TO-MARKET” STRATEGY

The objective of this strategy is to geographically diversify our presence, reinforce our portfolio's most important brands, restructure the operations, strengthen financial policies, implement additional controls and procedures and establish mechanisms that increase profitability in the long term.

It has the following main objectives: a) creation of value for shareholders, b) sustainable business and recognized brands model and lastly c) an international expansion (balanced geographical scope).

This strategy is complemented with a communication improvement called “**Best-In-Class**”, that help us make a sale.

The results have been approximately more than 40,000 proved weekly consumers and an estimate increase of 78% in purchase attempt. The “**Power Claims**” strategy provides security for our customers regarding the effects of the Genomma Lab products.

Our most important strategy, the “**Excellence in execution**” at the point of sale, consists in innovating our product's presentation and improving its distribution, so our customers always find what they want, at the exact moment they need it.

The perfect store concept has been implemented in all markets

Go-To-Market Sales and Marketing Strategy



Sales + Mkt

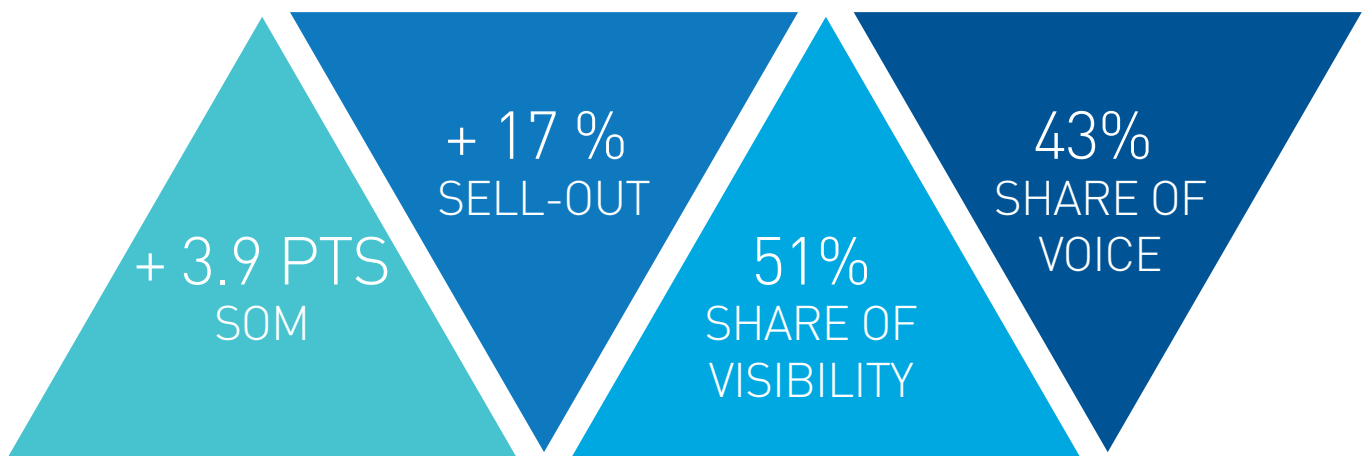
GTM



Go to Market

Always an
“Excellence in execution”

2017 WINTER PLAN



IN-DEPTH KPI's GRANULARITY

Sell in/ Sell out (by customer/sku)

Share of voice (by brand)

Share of Visibility (by channel)

Prices (LAB & competitors)

Service Level

Numeric Distribution

Market Positioning



“Excellence in
Execution”
AT THE POINT
OF SALE



OUR BUSINESS IN NUMBERS

G4-EC1



*"We borrow the planet
from future generations.
At Genomma Lab
we have to create a
sustainable business
for the present and
future"*

Antonio Zamora Galland,
Administration and Finance VP

Genomma Lab registered Net Sales of **\$12,078.4 million pesos**, an EBITDA of \$2,601.2 million pesos. From 2008 to 2017, Genomma Lab's net sales increased at a compound **compound annual growth rate of 18.5%**

In 2017, sales in Mexico made up **39% of the total sales**, while Latin America and the United States made up 61% of the total sales, according to the objective of diversifying our operations to decrease the dependency on Mexico.



The Genomma Lab S.A.B. de C.V. and subsidiaries statement (P&L) of income is shown below:

CONSOLIDATED STATEMENTS OF RESULTS AND OTHER COMPREHENSIVE RESULTS

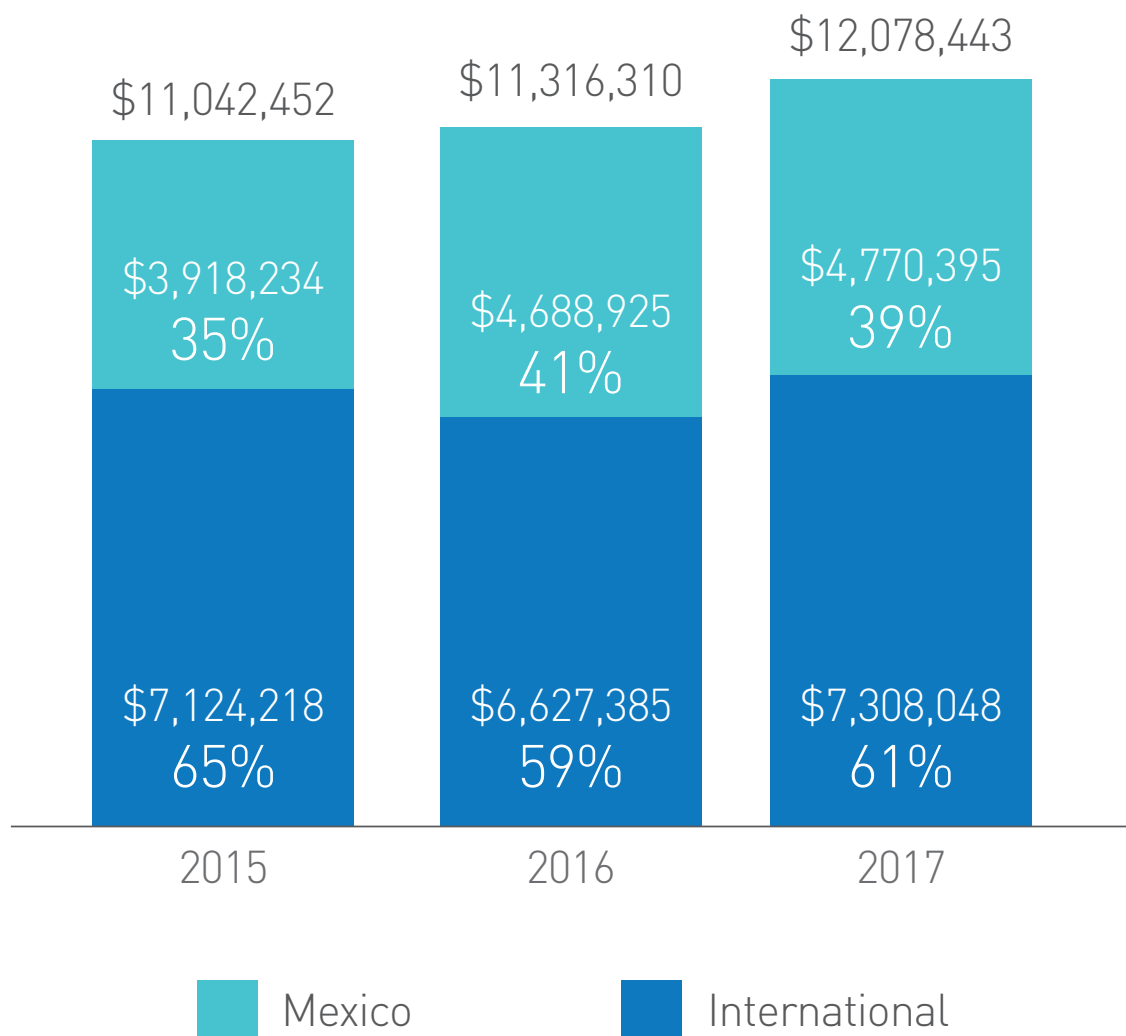
For the years that ended on December 31, 2017, 2016 and 2015
(In thousands of pesos, except the return on asset expressed in pesos)

	2015	2016	2017
Net sales, net Revenue	\$11,042,452	\$11,316,310	\$12,078,443
Cost of Goods Sold	3,777,058	3,635,327	3,957,128
Gross Profit	7,265,394	7,680,983	8,121,315
Operating and Administrative Expenses	7,334,154	7,491,077	5,622,474
Other Expenses (Income), Net	6,850	86,676	[39,854]
Depreciation	899,612	1,770,194	7,322
	8,240,616	9,347,947	5,589,942
Operating income (loss)	[975,222]	[1,666,964]	2,531,373
Interest Expense	[392,562]	[329,941]	[483,520]
Interest Income	20,586	33,241	40,085
Foreign exchange gain (loss), net	[119,512]	379,349	24,921
Share of profit (or loss) from associates	12,024	68,002	52,325
Income before taxes and discontinued operations	[1,454,686]	[1,516,313]	2,165,184
Income Taxes	[373,895]	126,478	758,696
Income from Continuing Operations	[1,080,791]	[1,642,791]	1,406,488
Discontinued Operations			
Net income from discontinued operations	68,154	-	-
Net consolidated profit (loss)	[1,012,637]	[1,642,791]	1,406,488

	2015	2016	2017
Other comprehensive income, Net from Income taxes			
Items that will be reclassified into profit or loss			
Exchange Rate Fluctuation	262,741	182,637	-272,785
Consolidated statement of comprehensive income	(\$749,896)	(\$1,460,154)	\$1,133,703
Consolidated Net Income (Expense) for:			
Controlling interest	(\$1,068,519)	(\$1,680,925)	\$1,279,208
Non-controlling interest	55,882	38,134	127,280
	(\$1,012,637)	(\$1,642,791)	\$1,406,488
Consolidated Net Income (Expense) for:			
Controlling interest	(\$800,330)	(\$1,509,566)	\$1,022,708
Non-controlling interest	50,434	49,412	110,995
	(\$749,896)	(\$1,460,154)	\$1,133,703
Diluted net earnings per common share			
Continued Operations	(\$1.11)	(\$1.71)	\$1.34
Discontinued Operations	\$0.07	\$0.00	\$0.00
Diluted net earnings per share	(\$1.04)	(\$1.71)	\$1.34
Weighted average shares outstanding (thousands)	1,031,553	980,808	\$952,491

****Amount in thousands of pesos, except the return on asset that is expressed in pesos, according to the independent audit reports and the 2017, 2016 and 2015 consolidated financial statements.**

2015-2017 CONSOLIDATED NET SALES (IN THOUSANDS OF PESOS)





OUR PRODUCTS AND OPERATIONS

(G4-9)

Our portfolio is made up by
55 own brands

In 2017 we launched 30
products in the market, where
29 were extensions of existing
brands and/or portfolio
renewals and one was under
a new brand.

Categories

Anti-acne products, lotions to improve the texture of scarred skin, shampoos, dandruff shampoos, soaps, products to prevent hair loss, muscular pain ointments, antifungal treatments, for colitis relief, to counteract stress levels, anti-wrinkles, antacids, anti-ulcers, flu treatments, for sexual improvement and protection, hemorrhoid treatment, against varicose veins, osteoarthritis, ophthalmology medications, among others.

The sales of products done by foreign subsidizers represent approximately 61%, 56% and 65% of net sales consolidated by December 31st 2017, 2016 and 2015, respectively.

Some of Genomma Lab's most sold brands are positioned in the first places, in terms of market participation, in the product or industry segment category in which the brands with the most sales compete, including Cicatricure, Asepxia, Tío Nacho, Goicochea and Tafirol, that represent approximately 53.8% of the company's total sales.

Genomma Lab has the necessary internal resources to develop its products and brands, which provide growth perspectives, without necessarily requiring acquisitions to reach this growth. Up to December 2017, three of the five main products of the company were developed internally





All of our products are made with national and international quality standards and are supported by scientific research. This is a result of our commitment with the health and wellbeing of our consumers, the development and innovation of responsible products and high quality.

IMPORTANT EVENTS

The industrial plant project represents a milestone for Genomma Lab by being the first manufacturing plant in Mexico, with an investment value equivalent to 398 million pesos.

The investment of resources for the construction of a new manufacturing plant was authorized during 2017. Located in San Cayetano Morelos, at the north of Toluca, state of Mexico, the first Genomma Lab manufacturing plant in Mexico will represent an investment of 398 million pesos.

The plant is adjacent to an industrial park, where 8 multinational companies currently operate. With the construction of the plant, Genomma wants to develop a new industrial park with 15 individual lots, some of which may be available for rent or sold to key suppliers. The over the counter medication (OTC) and the personal care (PC) production will be at the new Genomma plant that will use from 16 to 32 hectares. The plant's modular concept will allow flexibility for future growth.

With this acquisition, the company wants to improve the quality of its products, as well as an offer increase, have a reliable supply chain and increase production margins. With

the construction of the industrial complex, we will have a direct control over the sale cost components, totally automatized production lines and a last generation vertically integrated supply chain, as well as highly effective and flexible processes.





The development of the industrial project will have a social and environmental diagnosis, which purpose is to prevent damages, identify risks to mitigate them and orient a sustainability model that incorporates the social and environmental surroundings.

Moreover, Syphardrugs S.A.P.I. de C.V a QG5 and X-RAY manufacture producer, is now part of the Genomma Lab family,

under the Genomma Laboratories México S.A. de C.V registered name.

During this period the production and physicochemical control laboratory were remodeled, the manufacturing equipment was substituted for new equipment with a greater productivity, some of the installation plans and internal operation procedures were modified to adjust to the new equipment and facilities.

How do we generate
sustainable value?

FOCUS ON SUSTAINABILITY



"At Genomma Lab we look forward to strengthening our sustainability strategy because we consider it is fundamental for our future to create and share value in our society and environment"

Alejandro Bastón Patiño,
Commercial Expansion and Sustainability VP

OUR SUSTAINABILITY MODEL

Throughout our history, the company has radically transformed, adapting to local and global changes. A current important concern for companies and for society is the way in which sustainability is approached and how it is incorporated to its business model.

This is the reason we have made a **Genomma Lab International Sustainability Model**, that will allow us to improve our social, environmental and economic performance. It is being designed in such a way that it prioritizes the most relevant issues for our business and our Stakeholders.

The 4 main objectives are:

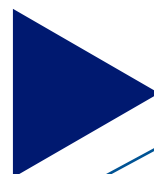
1. Live the organization's values
2. Efficient use of resources
3. Promote affordable health and well-being and
4. Innovation and development of sustainable products.

Our 14 main aspects are shown in the sustainability framework, these priorities are aligned to the United Nations Sustainable Development Goals.





With this practice we will improve our Stakeholder relationships.

SUSTAINABILITY FOR GENOMMA LAB

"Create shared value in the economic, environmental and social spheres in the long term, promoting access to health and contributing to the society's well-being with the objective of reinforcing the integral development of our surroundings."



CREATING A SUSTAINABLE FUTURE

				
	GOVERNANCE	ENVIRONMENTAL	SOCIAL	ECONOMIC
SUSTAINABILITY OBJECTIVES	Transparency and Ethics in the Organization	Management and Climate Change	Access to Health	Responsible Products
SUSTAINABILITY PRIORITIES	<ol style="list-style-type: none"> Promote transparency in all the company's activities Internal ethical management Strengthen supply chain ethical behavior Promote and retain talent through a common organizational culture 	<ol style="list-style-type: none"> Identify and mitigate environmental risks through an environmental management system Develop products and services with a lower environmental impact 	<ol style="list-style-type: none"> Participate in the development of communities close to the operation Build intersectoral partnerships to create fair access to health and well-being initiatives Create shared value for the Genomma Lab family 	<ol style="list-style-type: none"> Have high quality standards Ethical and responsible communication Improve and maintain a constant dialogue with clients and consumers
SHARED VALUE FOR STAKEHOLDERS	<ol style="list-style-type: none"> Increase shareholder and customer credibility Improve the company's reputation Improve relationship with the supply chain Committed talent 	<ol style="list-style-type: none"> Decrease environmental risks and impacts in our operations Contribute to climate change mitigation 	<ol style="list-style-type: none"> Obtain and maintain the social license to operate (SLO) "Good Neighbor" Strengthen the bond with communities close to operation centers Be positioned as a health access model company Promote health and well-being access in society Reinforce trust and commitment with all employees 	<ol style="list-style-type: none"> Customer satisfaction Improve reputation


SUSTAINABLE DEVELOPMENT GOALS



Genomma Lab International contributes to reach the Sustainable Development Goals.

On September 2015, 193 countries member of the United Nations signed the 17 Sustainable Development Goals (SDG), that allow us to end issues such as extreme poverty, promoting justice, encouraging peace, environmental protection among others, these goals are expected to be met by 2030.

Genomma Lab International has participated in the Global Compact Mexico for 12 years and has committed to support the United Nations Sustainable Development goals, identifying as priority: Decent work and economic growth, good health and well-being, gender equality, quality education, climate action and responsible consumption and production, which are aligned to our operation and the impacts we generate.

8 DECENT WORK AND ECONOMIC GROWTH 	3 GOOD HEALTH AND WELL-BEING 	5 GENDER EQUALITY 	4 QUALITY EDUCATION 	13 CLIMATE ACTION 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
GOVERNANCE 1 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	SOCIAL 2 Ensure healthy lives and promote well-being for all at all ages.	SOCIAL 3 Achieve gender equality and empower all women and girls.	SOCIAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	ENVIRONMENTAL 5 Take urgent action to combat climate change and its impacts.	ECONOMIC 6 Ensure sustainable consumption and production patterns.

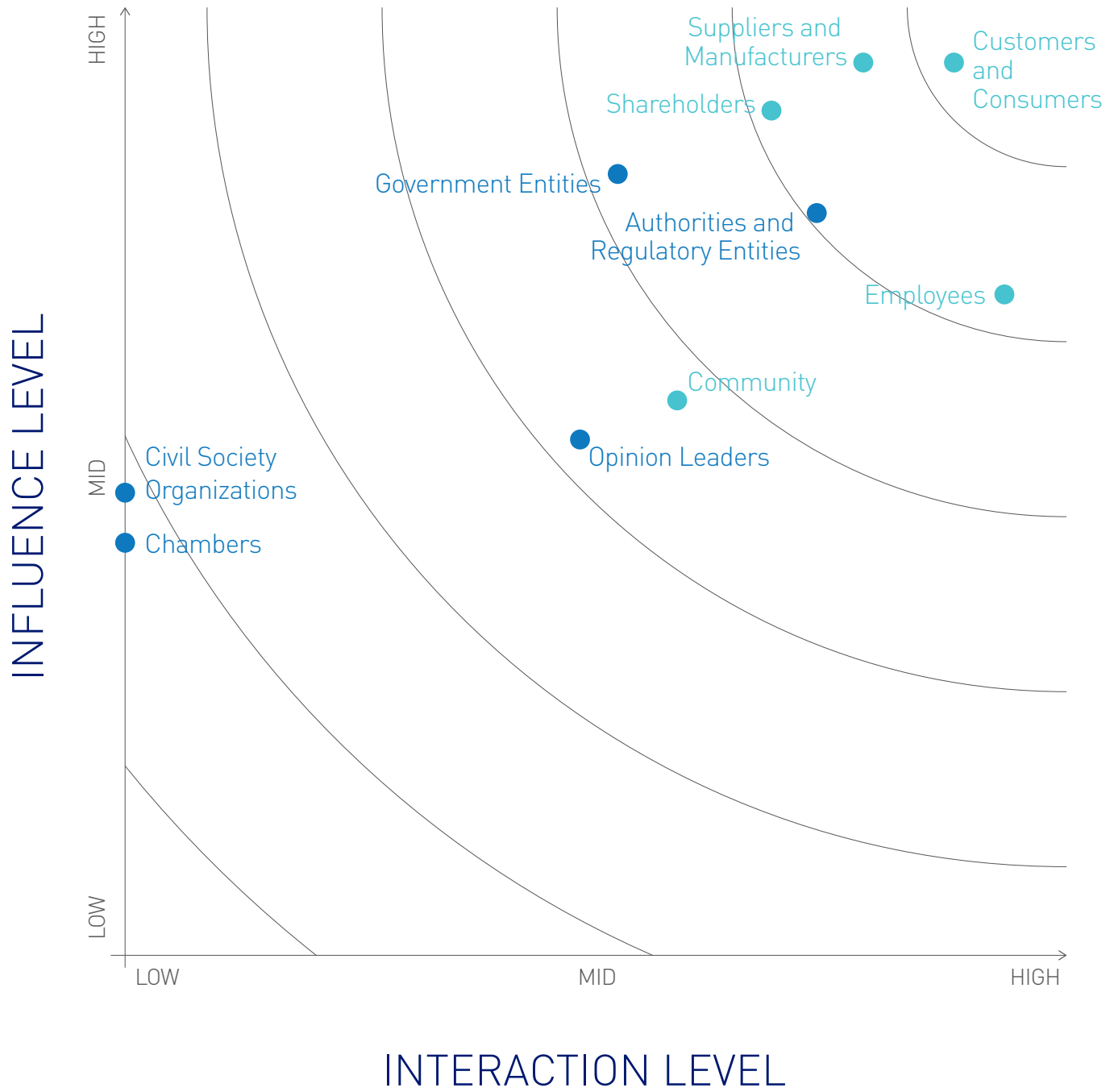
OUR STAKEHOLDERS

G4-24, G4-25, G4-26, G4-27



During 2017, the company worked on the monitoring and prioritization of our main Stakeholders. With this practice, the communication channels and the knowledge of their expectations will be strengthened.

Our main Stakeholders are: employees, customers, consumers, suppliers, manufacturers, community and shareholders.



STAKEHOLDERS	COMMUNICATION CHANNELS	KEY POINTS
Employees	Internal emails Work environment studies Compensation studies	Training sessions Life Career Programs and benefits for employees and their families Award system Environmental Conservation
Customers and Consumers	Webpage Social media Market studies Satisfaction surveys Customer and consumer service lines	Variety Prices Product Quality Service Quality Environmental Conservation
Suppliers and Manufacturers	Meetings, Phone calls, Institutional emails with relevant information, Quality audits and assessments for suppliers ending in a formal and qualified feedback New digital tools: Supplier Website	Supplier Contracts Supplier Training Sessions Fairtrade Long term relations
Community	Volunteering Genomma Lab Foundation Donations	Support Foundations Access to medications
Shareholders	Assemblies Financial Statements Shareholder relations page Telephone Conferences	Generation of economic and social value Environmental Conservation Transparency Fairtrade Verified and convenient constant information



PARTICIPATION IN INITIATIVES, ASSOCIATIONS, AWARDS AND ADHESIONS

[G4-16]

We participate in an active way in different chambers, associations and other sectorial entities. We are member of 12 cosmetic entities all over the American continent, among which we emphasize our presence in The Personal Care Products Council (PCPC) in the United States and in the Consejo de la Industria de Cosméticos, Aseo Personal y Cuidado del Hogar de Latinoamérica (CASIC), where we are vice-presidents.

Our continuous commitment is recognized, and we are currently part of 5 directive committees as well as different regulatory or technical committees, where we have the honor of coordinating different work groups.

We additionally work with 8 national and private universities in some countries in Latin America, some in which we have collaborated as experts on a topic and/or organizing national and international events:

Instituto Tecnológico de Buenos Aires (ITBA).

Cosmetics Seminar in August 2017. Speakers and organizers: Global PC Genomma regulatory team with special guests.

Universidad de Buenos Aires, Argentina. Pharmacy and Biochemistry Faculty.

Pharmacy and Biochemistry Faculty. I Sustainable Fito Cosmetic International Symposium. September 2017. Conference: "La actualidad y el potencial de la región Latinoamericana en la industria cosmética. Perspectiva regulatoria". Speaker: Luciana Santi, Personal Care Regulatory Matters Global Director.

Ministerio de Ambiente y Desarrollo Sustentable.

National Presidency. Argentine Republic. PNUD ARG 16 /G54 Project. "Jornada de Capacitación para la Implementación del Protocolo de Nagoya en Argentina". December 2017. Conference: "Industria Cosmética: Actualidad y Potencial de la Región Latinoamericana. Perspectiva Regulatoria". Speaker: Luciana Santi, Personal Care Regulatory Matters Global Director.

Universidad de Ciencias Aplicadas y Ambientales (UDCA), Bogota-Colombia, Science and Technology Faculty

Conference in February 2017 "Panorama del sector Cosmético en Colombia y desafíos

para el sector Químico Farmacéutico" directed to Chemical pharmaceutical students. Speakers: Carlos Caro, Personal Care Regulatory Matters Global Manager; Oscar Rodríguez, Personal Care Regulatory Matters Global Coordinator.

Universidad Nacional de Colombia, Bogotá-Colombia,

Speaker invited to the Cosmetic Science and Technology Specialization, April 2017 sanitary legislation conference cycle: "Gestión Regulatoria en cosméticos, énfasis México y Centroamérica". Speaker: Carlos Caro, Personal Care Regulatory Matters Global Manager.

Universidad del Atlántico, Barranquilla-Colombia,

Speaker invited to the Scientific framework week, September 2017 in the Pharmacy and Chemistry Faculty. Conference: "Principios Generales Sobre Buenas Prácticas de Manufactura Cosmética". Speaker: Carlos Caro, Personal Care Regulatory Matters Global Manager.

Asociación Colombiana de Ingeniería, Chemistry and related professions,

Bogota Chapter. First National Natural Cosmetic Competition, October 2017. Contest Jury: Carlos Caro, Personal Care Regulatory Matters Global Manager.

A list of the cosmetic entities in which we participate is shown below:

COUNTRY	ASSOCIATION
Latin America	Consejo de la industria de cosméticos, aseo personal y cuidado del hogar de Latinoamérica (CASIC)
United States	Personal Care Product Council (PCPC)
Mexico	Cámara Nacional de la Industria Farmacéutica (CANIFARMA) Sociedad de Químicos Cosmetólogos de México (SQCM)
Costa Rica	Cámara de Comercio Costa Rica – Comité de Cosméticos y Aseo del Hogar
Dominican Republic	Asociación de fabricantes de productos para el cuidado personal e higiene personal y del hogar, INC (AFAPER)
Central America	Cámara Centroamericana y del Caribe de Cosméticos y Aseo (CACECOS)
Colombia	Cámara de la Industria Cosmética y de Aseo de la ANDI (Asociación Nacional de Empresarios de Colombia) Resolución 1482 julio 2012 Límites Microbiológicos en cosméticos.
	Instituto Colombiano de normas técnicas y certificación (ICONTEC)
Ecuador	Asociación Ecuatoriana de productos cosméticos, de higiene doméstica y absorbentes (Procosméticos)
Peru	Comité Peruano de cosmética e higiene de la Cámara de Comercio de Lima (COPECOH)
Brazil	Asociación Brasileira de la industria de higiene personal, perfumería y Cosmética. (ABIHPEC)
Uruguay	Cámara Uruguay de perfumería, cosmética y artículos de tocador (CUPCAT)
Paraguay	Cámara Paraguaya de empresas de productos domisanitarios, higiene personal y afines. (CAEDHPA)
Argentina	Cámara Argentina de la industria de cosmética y perfumería (CAPA)
	Instituto Argentino de normalización y certificación (IRAM)
Chile	Cámara de la industria cosmética de Chile Resolución 6444 de 2005 Especificaciones de calidad de productos cosméticos

OUR MATERIALITY



(GRI G4-17, G4-18, G4-19, G4-20, G4-21)

The materiality analysis we conducted is focused on the entities that make up Genomma Lab International and appear in our financial statements.

- ▶ GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V
- ▶ CONTINUOUS GROWTH LIMITED
- ▶ GENOMMA LABORATORIES MEXICO, S.A. DE C.V.
- ▶ GENOMMA LABORATORIES ARGENTINA, S.A.
- ▶ GENOMMA LABORATORIES DO BRASIL LTDA
- ▶ GENOMMA LABORATORIES PARAGUAY, S.R.L.
- ▶ GENOMMA LABORATORIES URUGUAY, S.R.L
- ▶ THE DUTCH LATEM ROYALTY COMPANY B.V
- ▶ GENOMMA LAB USA, INC.
- ▶ GENOMMA LAB URUGUAY, S.A
- ▶ TELEVISION PRODUCTS RETAIL, S.A. DE C.V.
- ▶ MEDICINAS Y MEDICAMENTOS NACIONALES, S.A. DE C.V
- ▶ INICIATIVAS DE EXITO, S.A. DE C.V.
- ▶ AERO LAB, S.A. DE C.V
- ▶ FUNDACIÓN GENOMMA LAB, A.C
- ▶ SERVICIOS LOGÍSTICOS GENOMMA, S.A. DE C.V
- ▶ GIIBART, S.A. DE C.V.
- ▶ GRUPO COMERCIAL E INDUSTRIAL MARZAM, S.A.P.I. DE C.V.
- ▶ GENOMMA LAB PERÚ, S.A.
- ▶ GENOMMA LAB CENTROAMERICA, S.A.
- ▶ GENOMMA LAB CHILE, S.A.
- ▶ GENOMMA LAB COLOMBIA LTDA.
- ▶ GENOMMALAB ECUADOR, S.A.
- ▶ GENOMMA LABORATORIOS MEDICOS, S.L
- ▶ GENOMMA LAB DOMINICANA, S.R.L.
- ▶ GENOMMA LAB PANAMÁ, S.A.
- ▶ GENOMMA LAB HONDURAS, S.A.DE C.V.
- ▶ GENOMMA LAB EL SALVADOR, S.A.DE C.V.
- ▶ GENOMMA LAB GUATEMALA, S.A.
- ▶ GL NICARAGUA, S.A.
- ▶ GLB LABORATORIOS BOLIVIA, S.A

CREATING A SUSTAINABLE FUTURE

The materiality analysis helps us identify opportunities, mitigate risks and have influence in areas that have a greater impact for the company and for third parties.

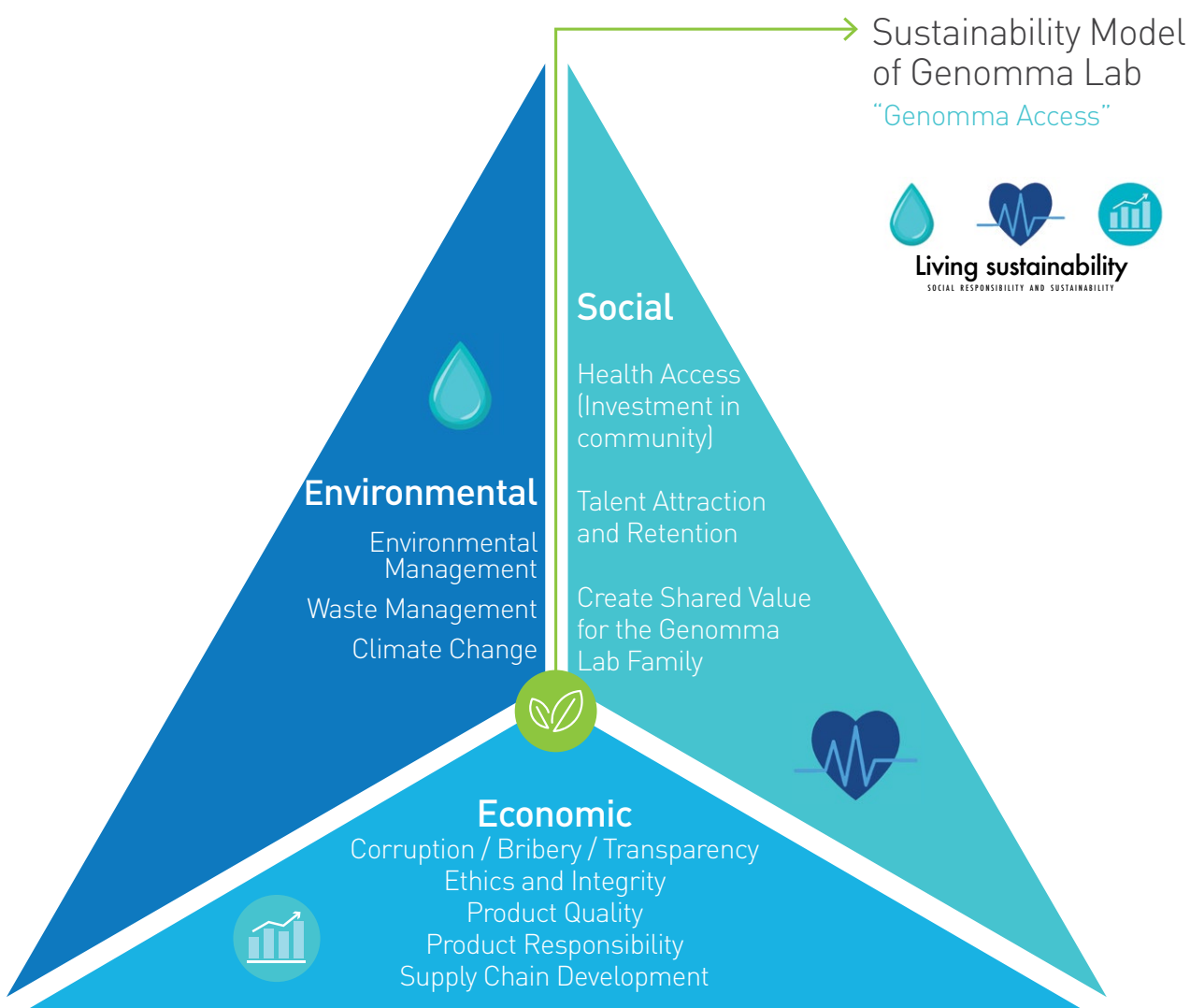
To assess the material aspects of the company, we identified the most relevant social, economic and environmental aspects in our supply chain. Our identification process is made up of the following phases

1. Qualify internal and external factors that are important to Genomma Lab International

2. Identify the importance they have for our Stakeholders

3. Identify how we manage them

The following material issues were obtained for the organization:



This report is designed in such a way to report the Genomma Lab International most

relevant aspects, based on the Materiality Analysis and the Sustainability Model.



GOVERNANCE, TRANSPARENCY AND ETHICS IN THE ORGANIZATION

(GRI G4-DMA, 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)



GOVERNANCE, ETHIC MANAGEMENT, MANAGEMENT FOCUS



Ethic management is the most relevant topic in our materiality. The company's actions associated to the ethical values are of vital importance to assure well-functioning and sustainability.

The company has its own policies, codes and mechanisms to internally manage ethical behavior and regulate Stakeholder relationships. The company's ethical posture is constantly communicated, as well as the legal compliance and the possible reports monitoring.





ETHICAL BEHAVIOR

(GRI G4-DMA, 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)



"The factors that encourage a sustainable growth culture at Genomma Lab are supported by the ethical commitment of each of the members of this team."

Efraín Tapia Córdova
Legal Director

The ethical behavior of the company is firstly demonstrated through its corporate governance. Genomma Lab International has a diversified business with presence in 19 countries. It seeks to improve the company's performance daily, as well as participate in attractive and growing businesses, in addition to betting for the creation of leading and recognized brands according to each segment. As part of this global strengthening strategy the company does a marketing penetration analysis to consolidate the markets in places where the brand may be worth more.

The creation of value for shareholders is based on a sustainable and diversified model. During 2017, the company started working to increase the sales volumes of its current products in the markets in which Genomma Lab is present, as well as increasing the strength and sustainability of its brands to improve or redesign third party acquired products for its relaunching in markets in where Genomma Lab International is already established.

Since 2016, the company started working on the *"mega brands"* strategy to have successful global markets, the company has worked on the development of *"umbrella"* brands, which objective is the successful diversification of products that attend market requirements and necessities. The company started the *"turn-around"* strategy in 2016, which included an operational restructure throughout the company, the implementation of control systems, reporting and a strong team commitment.



The 2017 to 2020 strategy will be totally focused on the point of sale strengthening through 4 main objectives:



Our objective is to become the leading company in over the counter products and personal care products, protecting the company's reputation and the ethic relationship with all its Stakeholders. This is a priority considered by the governance and management bodies.

Watching over the ethical behavior of the company as well as the accountability, legal and internal norm compliance, allow us to build a trust culture that commits us to protect the company's continuity.

Good corporate management has been fundamental to assume new risks from the emerging global surroundings and watch over the company's performance.

The company meets the "Ley del Mercado de Valores en México" requirements to conform a corporate government.

CORPORATE GOVERNANCE



The company has 2 committees: The Audit and Corporate Practices Committee and the Operations Committee.

The company's sustainability model shows the commitment the company has with the future of its operations.

The president of the board of administration does not hold an executive position in the company.

In 2017 there were no relevant worries to report.

The board of administration, committees and company director's performance is evaluated annually.

The executive director presents trimestral results to the board and they evaluate the social, environmental and economic strategies.

The committee is made up by 9 owner members, of which seven are independent.

Our Corporate Governance is regulated under the best international practices as well as those suggested by institutions such as the Mexican Stock Exchange.

The board of administration is chosen by the Ordinary Annual General Meeting; the rules indicate that it may have a maximum of 21 members, where at least 25% must be independent, according to the "Ley del Mercado de Valores en México".

In 2017, the board was formed by 9 members, of which seven are independent and two are related equity advisors. Each of them has had training and experience in sectors related to the market: personal care, health, commercialization, marketing and the pharmaceutical industry.



BOARD OF ADMINISTRATION



The legal representation and strategy management relies on the board of administration, directed by Alonso Herrera Aspra founder of the company with more than 20 years of experience in marketing and brand positioning strategies.

President Of The Board And
An Independent Member
Rodrigo Alonso Herrera Aspra

Related Equity Advisors

Sabrina Lucila Herrera Aspra

Renata Virginia Herrera Aspra

Aspra is the Substitute Advisor of Rodrigo Alonso Herrera Aspra and Sabrina Lucila Herrera Aspra.

*Mr. Rodrigo Alonso Herrera Aspra, Mrs. Sabrina Lucila Herrera Aspra and Mrs. Renata Virginia Herrera Aspra are siblings.

Independent Advisors:

Scott R. Emerson

Héctor Carrillo González

Javier Vale Castilla

Ignacio González Rodríguez

Juan Carlos Gavito Aspe

Jorge Ricardo Gutiérrez Muñoz

Juan Alonso

Advisor Designation*

In the Ordinary Annual General Meeting that took place on the 18th of April 2018, the Board of Administration members of the company were assigned and approved. Since this day, the following members joined the Board of Administration in the company:

Carlos Javier Vara Alonso

Burkhard Wittek

Secretary*

As a result of the Ordinary Annual General Meeting that took place on the 18th of April 2018, Mr. **Marco Francisco Forastieri**

Muñoz was assigned as the Ordinary Annual General Meeting Non-member Ordinary Secretary of the company and Mr. Efraín Tapia Córdova as the Ordinary Annual General Meeting Non-member Honorary Secretary of the company.

*Information up to May 2018

Out of 100% of the board of administration of the company, 20% are female and 80% are male. Out of the total of equity advisors, 11.1% are female and 88.89% are male. Out of the total of substitute advisors, 100% are female

Genomma Lab International Director Group

Máximo Juda

Executive Director

Antonio Zamora Galland

Administration and Finance Executive Vice President

Marco Sparvieri

Commercial Operations Executive Vice President

Santiago Vélez Peláez

Mexico Director and Manufacturing Vice President

Alejandro Bastón Patiño

Commercial and International Development Vice President

César Jaramillo

Marketing Executive Vice President

COMMITTEES



Juan Carlos Gavito

Member of the Audit and Corporate Practices Committee*

Héctor Carrillo González

Member of the Audit and Corporate Practices Committee

Juan Alonso

Member of the Audit and Corporate Practices Committees

Operations Committee

Rodrigo Alonso Herrera Aspra

Máximo Juda

Marco Sparvieri

Antonio Zamora Galland

*In the Ordinary Annual General Meeting that took place on the 18th of April 2018, (i) Mr. Jorge Ricardo Gutiérrez Muñoz was assigned as President of the Audit and Corporate Practices Committee, (ii) Mr. Juan Carlos Gavito was assigned as a new Member of the Audit and Corporate Practices Committee, (iii) the rest of the members of the committee and the Operations Committee were ratified

Audit and Corporate Practices Committee

This committee is in charge of reviewing the program results to prevent corruption according to the Mexican laws. This committee is responsible for the audit and corporate practices process assigned to the board of administration by the “Ley del Mercado de Valores”.

Jorge Ricardo Gutiérrez Muñoz

President of the Audit and Corporate Practices Committee

BOARD OF ADMINISTRATION REPORT



The executive director presents the trimestral results (or annual, given the case) related to the operations, strategies and future plans of the economic, environmental and social aspects; considering each committee president's recommendations and suggestions. The committees receive feedback from the Management team to inform the Board of Administration about issues that must be addressed. The Board of Administration analyzes, evaluates and makes decisions regarding the actions and results of the company, approving or rejecting projects and business strategies.

The board is informed about the management and performance of all the company's directors, executive positions or those who have any economic, environmental or social responsibilities and who are accountable to the President of the Board.

Through the reports developed for these effects by the business management, the board of administration is informed about the management and performance of the organization. The report emphasizes critical aspects, achievements and potential challenges in the economic, environmental and social areas facing their strategic objectives, as well as possible risks and obstacles to attain them.

For the election of the members of the board, diversity and experience are considered so that all the areas of the company are represented, the independency of the “Ley del Mercado de Valores” compliance is also considered.

The management of the impacts, risks and opportunities of the economic, environmental and social aspects consider possible business risks for the organization and are shared with our board of administration, for their knowledge and decision making.

The organization’s most relevant issues in economic, environmental and social aspects have been identified since 2013. These have been analyzed from the reputational, compliance, regulatory and operative perspectives; enabling the redefinition of our sustainability strategy and the strengthening of Genomma Lab International actions in all its operations throughout its value chain. In 2017 the rise of the Sustainability Model will allow us to have a greater commitment vision with the sustainability of the company.

NOMINATION FUNCTION PROCESSES FOR GOVERNING BODIES AND TOP MANAGEMENT





DIRECTOR NOMINATION AND SELECTION

The Shareholders' Assembly accepts or rejects the integration of new members to the Board of Administration and the corresponding committees, the experience and the diversity of the profiles are evaluated.

DIRECTOR AND MANAGEMENT TEAM REMUNERATION

Remuneration is approved by the Shareholders' Assembly.

Each member of the Board and the Audit and Corporate Practices receives a remuneration of \$127,500 pesos per session, the Committee President receives \$170,000 pesos. The ordinary members of the Board do not receive any remuneration.





CONFLICT OF INTEREST MANAGEMENT

The shareholders, directors and members of any of the company's Board of Administration committees must abstain from participating in the discussions and voting in the shareholders Assembly and Board of Administration sessions or the corresponding committee, regarding matters in which they have a conflict of interest. Any director that votes on matters in which they have a conflict of interest, will be responsible for the damages caused, in case the matter had not been approved without the vote of the director. Additionally, the members of the Board of Administration of the company are subject to a loyalty and due diligence.

Moreover, we follow the "Ley del Mercado de Valores" and the conflict of interest prevention mechanisms are established by the Internal audit and Ethics Committee, in case an analysis and corresponding actions are necessary.

Board Assessment and Efficiency

The Board of Administration is assessed by the company's shareholders, given that the Shareholders' confirms or approve the Board's members.

To obtain more technical and detailed information about this chapter, you may find the Mexican Stock Exchange public information at:

<http://www.bmv.com.mx>

All the information that is provided for the CNBV and BMV is published in the Shareholder relations webpage:
<http://www.genommalab.com/Inversionistas/>

Where the financial results of the company, the company analysis, sustainability performance, changes in the Administration committee and management team and other relevant information is published periodically.



RENEWAL OF OUR CONTINUITY AS A MEXICAN STOCK EXCHANGE (BMV) SUSTAINABLE INDEX ISSUER .

In the year 2017, Genomma Lab International renewed for fifth year in a row its continuity in the Mexican Stock Exchange Sustainability Index. This Index has been driven by international markets, conscious of the growing importance and tendency of environmental, social and corporate governance topics.





CODE OF CONDUCT AND ETHICS

G4-DMA GRI G4-41, G4-42, G4-56

The Code of Ethics is disseminated and 100% of the employees receive training

The Code of Ethics is disseminated to 100% of the suppliers

The Ethics Committee is in charge of coordinating and assuring the Code of Conduct and Ethics guideline compliance

The Ethics Committee is made up by 5 partners and 1 secretary

The company has an external company specialized in reporting channel management since 2016

100% of the reports received by the Genomma Lab International Ethics Committee were tracked and solved

During the year 2017, eight reports were made, all were received online

For the 12th consecutive year, Genomma Lab International has been part of the Global Compact

The topics addressed in the Code of Conduct and Ethics are: Commercial Practices, Anticorruption, Conflict of Interests, Extraordinary Payments, Gifts and Entertainment Activities, Intellectual Property and Privileged Information Management

Through the Code of Conduct and Ethics, we establish a behavior framework that delimits the principles that conduct the integrity and good judgement of those that maintain a work or commercial relation with Genomma Lab International.

The Genomma Lab International values are part of our Code of Ethics and serve as a guide for daily behavior of the staff and is applicable to all levels of the company.

The main topics that are addressed in it are Commercial Practices, Anticorruption, Conflict of Interest, Extraordinary Payments, Gifts and Entertainment Activities, Intellectual Property and Privileged Information Management.

The general ethical norms that regulate our Code of Conduct and Ethics are:

Show a loyal, diligent and respectful conduct.

Recognize people's liberty, privacy and dignity.

Operate a business that follows equality and non-discrimination principles

Promote human rights, prohibit and report harassment.

Comply with law, regulations and codes of the countries where we operate.

Comply with money laundering regulations.

Protect and preserve the company's tangible assets.

Guard the company's confidential information and documentation

We have a series of policies that contribute to manage the company such as: An Anticorruption Policy, a Diversity Policy and an Environmental Policy.

How do we communicate the Code of Conduct and Ethics to our Stakeholders?

100% of our human capital has voluntarily signed the Code of Conduct and Ethics and the Anticorruption Policy.

With the purpose of continuing the dissemination of the Code of Conduct and Ethics, an introduction workshop is given to new employees.

We update the Code of Conduct and Ethics and the Anticorruption Policy in the supplier website, intranet and the CEDIS stands and information boards

To correctly watch over the application of the Code of Ethics, the company offers employees, suppliers and shareholders a reporting channel and constant training sessions.

ETHICS COMMITTEE



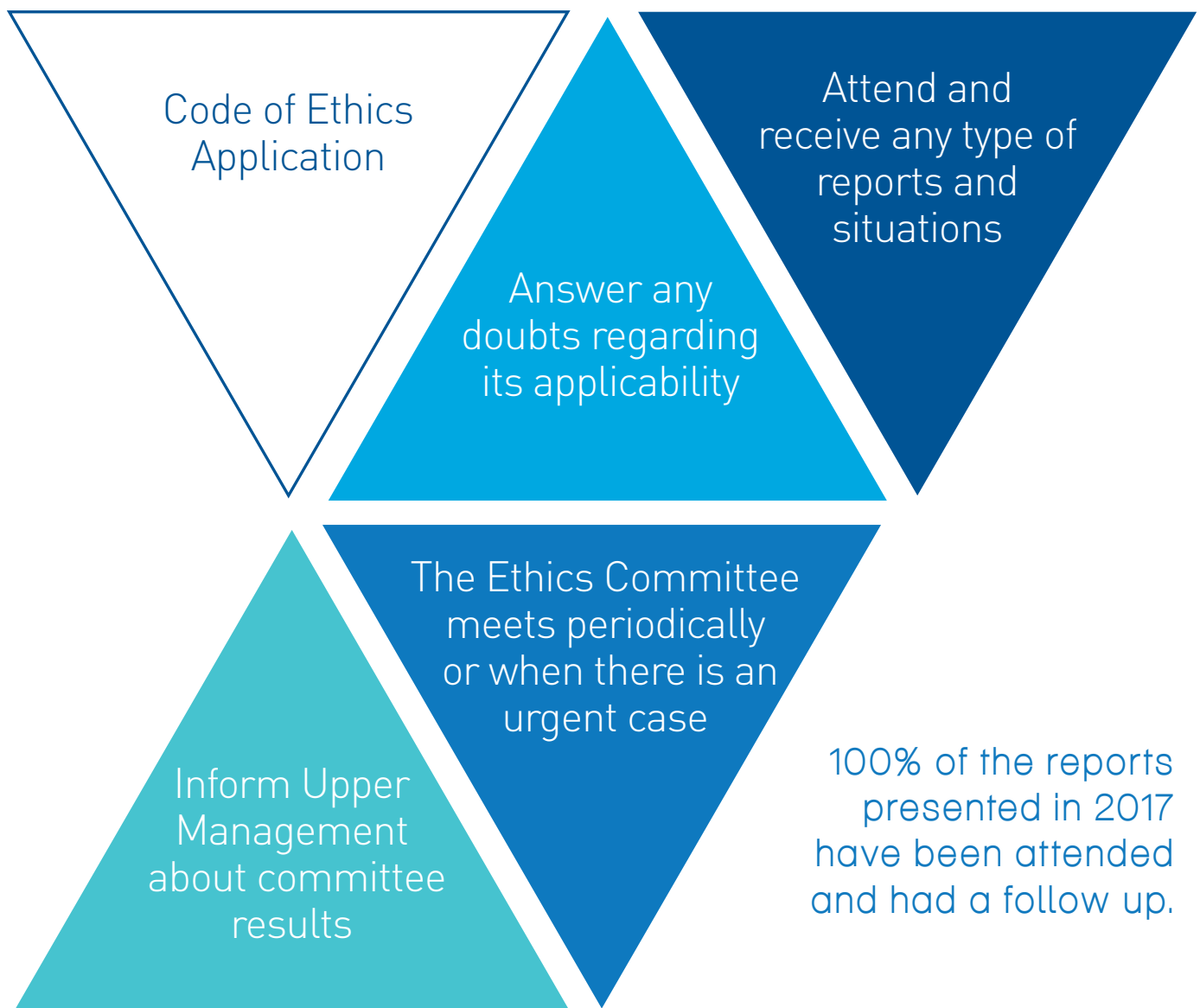
The Ethics Committee is the body in charge of coordinating and assuring the Code of Conduct and Ethics guideline compliance.

Its mission is to promote, regulate and look after the correct compliance of the Code of Conduct and Ethics and the internal policies by the Stakeholders, that is: employees, suppliers, customers and shareholders; that are related to the company, to promote the development of people in compliance with Genomma's vision.

The vision of the committee is to be the body that regulates and promotes a healthy work environment, respecting the fundamental working rights of people related to the company, through the Code of Conduct and Ethics compliance, which also serves to reinforce our commitment with the protection of the Human Rights, the integrity of the employees and the co-responsibility we have with the different Stakeholders.

Our Ethics Committee is made up
by 5 partners and 1 secretary

ETHICS COMMITTEE OBJECTIVES





“RESGUARDA” REPORTING CHANNEL

GRI G4-58

RESGUARDA

Since 2016, the company has had an external company specialized in reporting channel management, where our stakeholders may consult it.

Webpage

www.resguarda.com

E-mail

reportes@resguarda.com

Via telephone

- ▶ United States of America 1-800-921-2240
- ▶ Argentina 0-800-99-4636
- ▶ Brazil 0-800-891-4636
- ▶ Mexico 01-800-1233312
- ▶ Nicaragua 001-800-2260469
- ▶ Panama 011-00800-052-1375
- ▶ Bolivia 800100605
- ▶ Chile 800-835-133
- ▶ Colombia 01-800-752-2222
- ▶ Costa Rica 0-800-054-1046
- ▶ Ecuador 1-800-000031
- ▶ El Salvador 800-6988
- ▶ Guatemala 1-800-835-0393
- ▶ Honduras 800-2791-9047
- ▶ Paraguay 009-800-521-0056
- ▶ Peru 0-800-00932
- ▶ Puerto Rico 1-855-7619289
- ▶ Dominican Rep. 1-88-760-0133
- ▶ Trinidad & Tobago 1-855-511-9561
- ▶ Uruguay 000-4052-10128

Reports regarding abnormal situations in the work environment or that attempt against the company's assets, are received through these channels from all the countries where we have operations.

The Ethics Committee is governed by the Report Attention Procedure, which objective is to attend Genomma Lab International employees, through the:

The establishment of channels and forms to report non-compliance.

The research of events in relation to the possible non-compliance.

The establishment of responsibilities of the people involved.

The report's resolution and the determination of a corresponding punishment.

The determination of preventive and corrective measures that prevent the repetition of the events.

The procedure is regulated by the **Report Attention**, protocol, which has the objective of attending the Code of Conduct and Ethics non-compliance actions, as well as the internal policies with the purpose of guaranteeing optimal work conditions.



This process is always done in a confidential manner and with punctual monitoring for each case, following corporate guidelines.

During 2017, the reporting line RESGUARDA received eight reports. All reports were received online, five of them were resolved successfully and 3 of them are still being monitored. For the correct functioning of the company's reporting line, the company has the following actions:

1. Preventive actions: constant training program for Mexican and international employees

2. Dissemination for Stakeholders through the webpage



3. Control actions: establish control mechanisms to detect possible Code of Conduct non-compliances on time.

4. Monitoring and resolution to 100% of the reports received by the Ethics Committee.

5. Continuous improvement of internal processes to improve Ethical performance.



ANTICORRUPTION MEASURES AND HUMAN RIGHTS PROTECTION

(GRI G4-HR1, G4-HR3, G4-HR7, G4-S06 y G4-S011)

Por doceavo año consecutivo, Genomma Lab Internacional refrenda su adhesión al Pacto Mundial y con esto su compromiso con los Objetivos del Desarrollo Sostenible. Así también, con los 10 principios mundiales para las empresas, referentes a temas en materia de Derechos Humanos, Normas Laborales, Medio Ambiente y la Lucha Contra la Corrupción.

Regarding Anticorruption, the company verifies its Anticorruption Policy every year and supports the Global Compact in the "Call to Action", where companies are committed to establish actions to avoid any type of corruption acts.

The company has an Anticorruption Policy which objective is to prevent and/or avoid corruption or influence peddling practices by the employees and/or third parties related to the company and strengthen its transparency.

The Code of Conduct and Ethics stipulates the repudiation of any corruption practice inside and outside of the company

During 2017, we did not have any corruption cases at Genomma Lab

The company's Code of Conduct and Ethics as well as the Anticorruption Policy is available at the Supplier website

Avoiding corruption and influence peddling acts are part of our obligations, our employees must commit to not request nor accept any type of incentive from a third party to avoid affecting their job performance. Unapproved practices may constitute a crime and will be punished by the authorities, according to the case.

Any offering, corruption act or influence peddling that may exist in relation to Genomma Lab International, must be reported through the authorized channels in the external reporting channel.

IMPLEMENTATION OF OUR ETHICAL VALUES INSIDE AND OUTSIDE OF THE ORGANIZATION

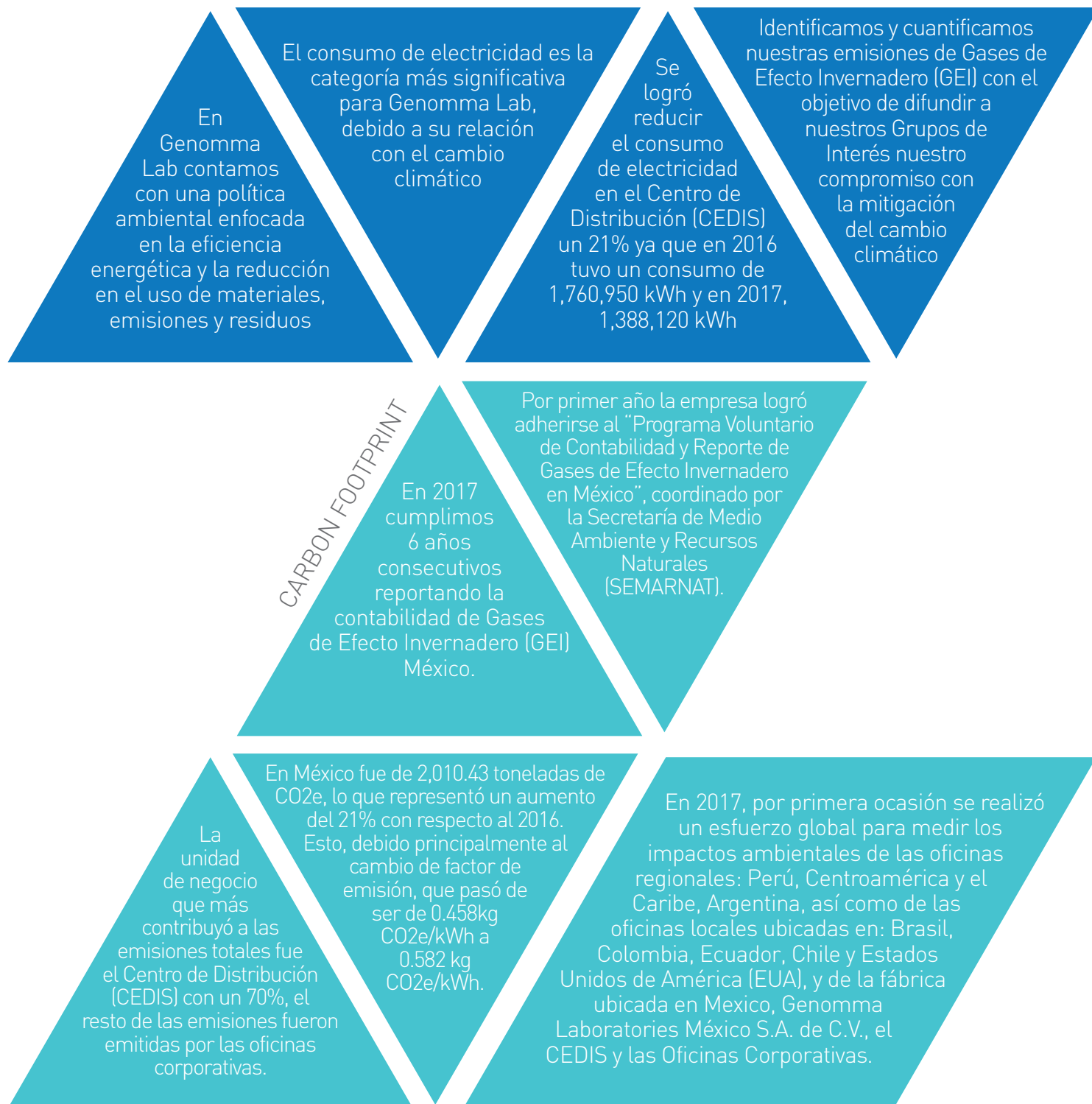
STAKEHOLDERS	ANTICORRUPTION MEASURES	CONFLICTS OF INTEREST
Employees	Code of Conduct and Ethics Anticorruption Policy Global Compact	Code of Conduct and Ethics Reporting Channel
Suppliers and Manufacturers	Code of Ethics for suppliers Anticorruption Policy	Code of Ethics for suppliers
Shareholders	Code of Conduct and Ethics Anticorruption Policy	Ley Mexicana de Valores

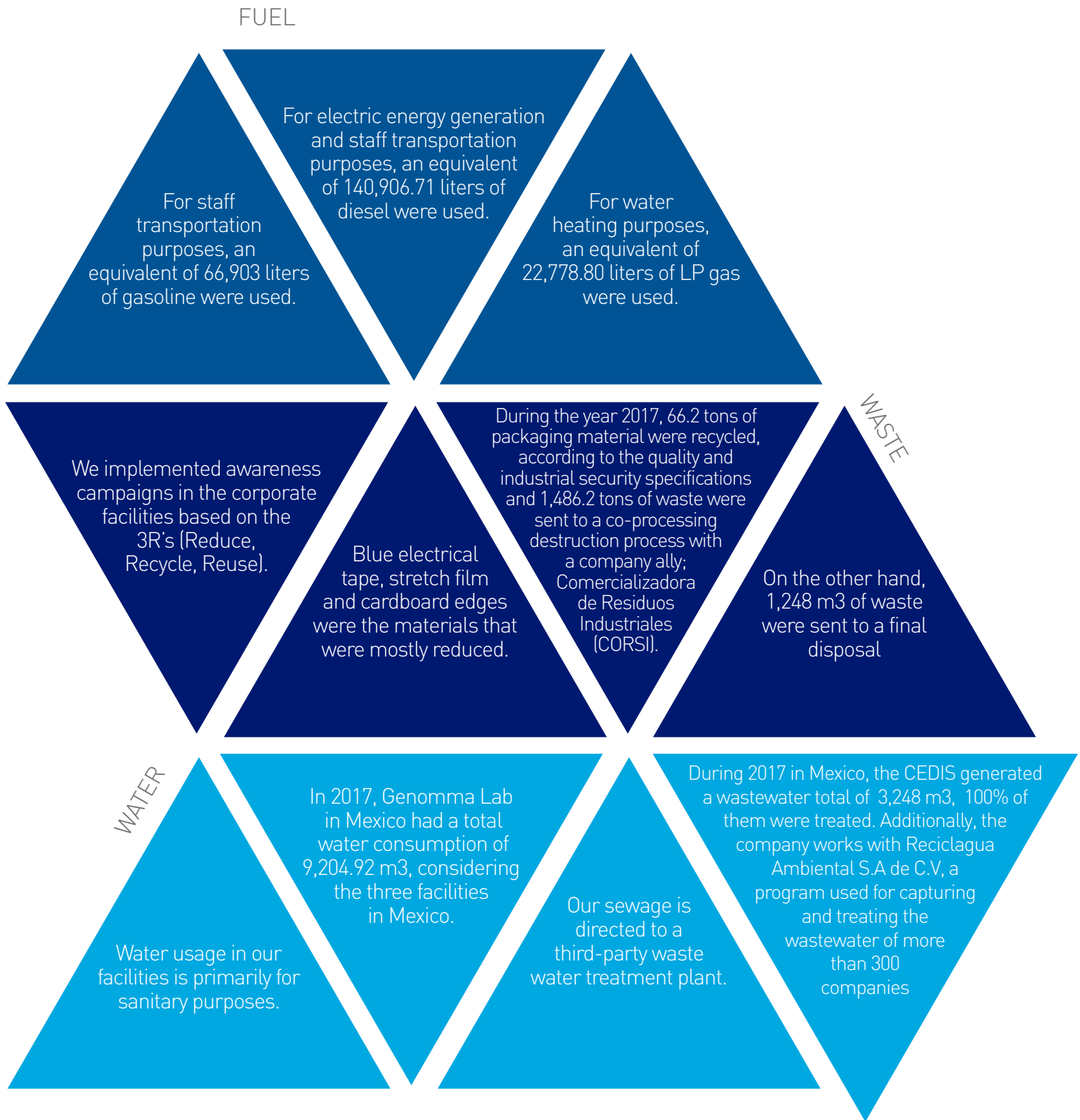


ENVIRONMENTAL CONSERVATION AND CLIMATE CHANGE

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

SUMMARY







ENVIRONMENTAL MANAGEMENT

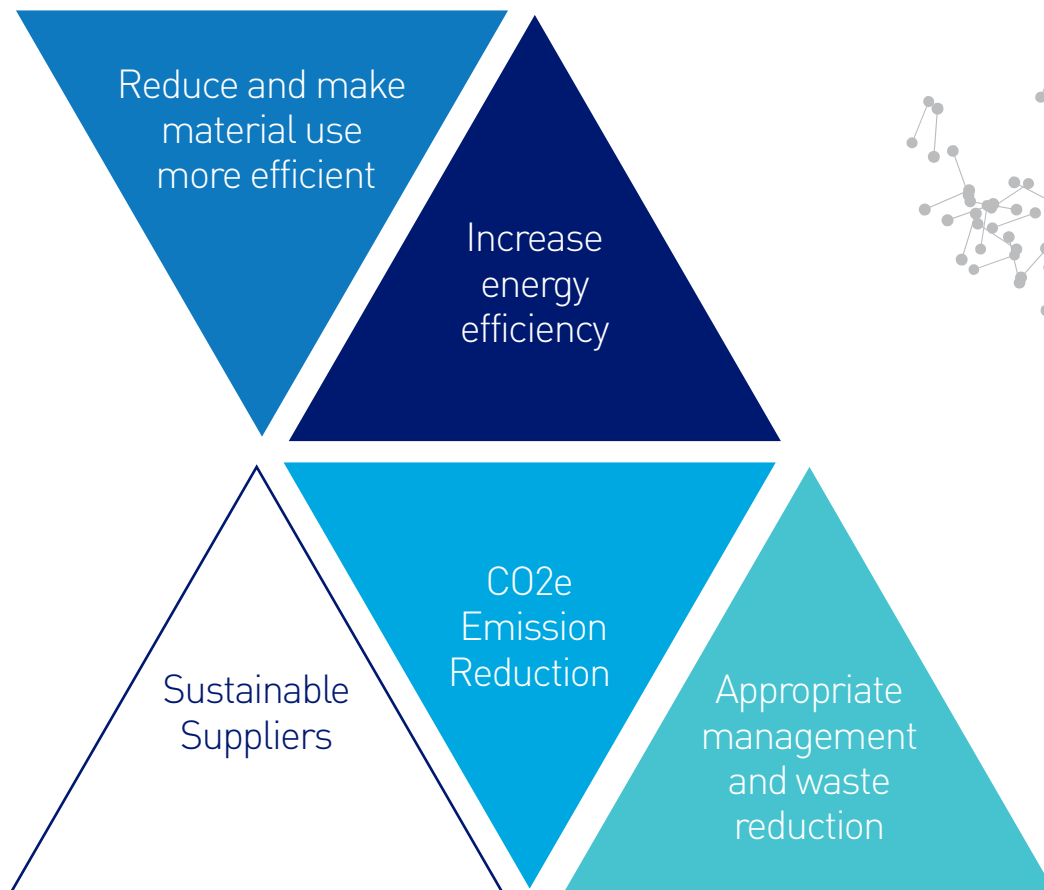
Environmental conservation is one of the company's priorities, in 2017 different initiatives were done to improve our waste generation and treatment performance, water management and carbon footprint measurement. All this with the purpose of better understanding how the company may improve decision making regarding climate change.

ENVIRONMENTAL POLICY

“Our commitment in the environmental area is focused on offering products that improve the quality of life of people, fostering favorable social benefit conditions and environmental protection, promoting clear and measurable programs.”

Our objective is to reduce our carbon footprint, through process optimization, the incorporation of new technologies that allow us to be more efficient and standardize the commitment and performance in other countries where we are present.

OUR ACTION AXES ARE DIRECTED TO:





GENOMMA LAB INTERNATIONAL ENERGY

Electric consumption is the most significant category for Genomma Lab, because of its relation to climate change. Our efforts in this area are focused on the implementation of energy efficiency projects such as lighting substitution and electronic device updates.

The operation with the most electric consumption in 2016 was the Distribution Center (CEDIS) in Mexico. However, thanks to the reduction programs previously mentioned, the Distribution

Center's (CEDIS) electric consumption was reduced by 21%, considering that the electric consumption for 2016 was 1,760,950 kWh and the electric consumption in 2017 was 1,388,120 kWh.

The total facilities electric consumption was
2,619,278.34 kWh, equivalent
to 1,471.90 tCO₂e



HOW DO WE ADDRESS CLIMATE CHANGE?

At Genomma Lab, we believe measuring is the first step to improve. This is the reason we have been measuring our corporate carbon footprint for 6 years, which is fundamental for a complete understanding of our impacts, in addition to being an environmental protection and climate change mitigation measure. This measurement has become an intensity indicator for the use of resources, for the financial efficiency of the organization and as part of our risk analysis associated to global warming.

OUR CARBON FOOTPRINT

(G4-EC2, G4-22, 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)

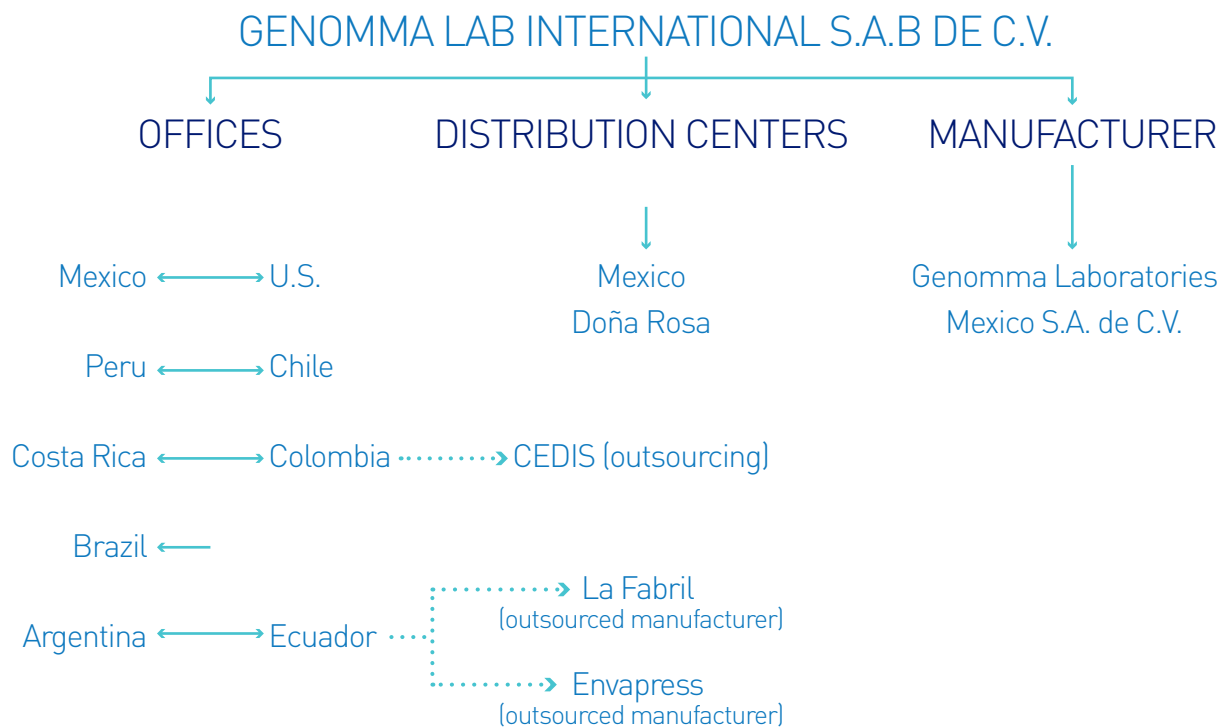
We have been reporting our Greenhouse Gases for 6 consecutive years in Mexico and for the first time we participated in the Greenhouse gas inventory, for our operations in Mexico.

Methodology

The measurement for the Greenhouse gas inventory, for the 2017 activities in Genomma Lab Internacional S.A.B. de C. was done using the “Corporate Accounting and Reporting Standad” by the Greenhouse Gas Protocol (GHG) that meets the ISO 14064-1:2006 requirements.

As a good practice, the manufacturers and the distribution centers located in Ecuador and Colombia, measure their water and waste impacts, respectively. In the other regions paper and water consumptions are also included. This accountability does not make part of the Genomma Lab Internacional S.A.B. de C.V Carbon footprint, but certain KPIs have been created to know the impact of the operations and the people involved.

In 2017, for the first time, the company made an effort to measure environmental impacts of regional offices in: Peru, Central America and the Caribbean, Argentina, local offices in: Brazil, Colombia, Ecuador, Chile and the United States (US), as well as the laboratory located in Mexico, Genomma Laboratories Mexico S.A. de C.V. the CEDIS and corporate offices.



CEDIS

Construction surface: 36,000 m2

Materials: 8,000

Offices: 1,500 m2

Material handling equipment

Total Surface with courtyards: 50,000 m2

23 lift trucks and 22 rented electric scooters

Storage occupancy: 85%

50 own hydraulic scooters

Total pallets: 49,000

Operation: 24 x 7

PT: 41,000

EMISSION BREAK DOWN BY SOURCE

TYPE OF EMISSIONS	TYPE OF EMISSIONS	SOURCE	tCO ₂ e
Scope 1: Direct Emissions	Fixed Sources	LP Gas	37.29
	Mobile Sources	Diesel	4.63
		Diesel	397.89
		Gasoline	162.83
Scope 2: Indirect Emissions	Electric Consumption	Electric Supply Company	1,471.90
Scope 3: Indirect Emissions	Value Chain	Business Trips	172.41
		Total emissions	2,246.94

By quantifying the total emissions, the electric consumption covers the most emissions with 65%, followed by combustion, which is produced by our freight vehicles and use of different gases. Lastly, only 7% are scope 3 emissions, this refers to airplane flights. Air conditioner refrigerants were not considered because there were no equipment leaks during 2017.

This year our Carbon Footprint was 2,246.94 ton of CO₂e. The business unit that contributed the most to the total emissions was the Distribution Center (CEDIS) with 60%. In 2017, there was an increase of 23.32% due to emission factor modification, changing from 0.458kgCO₂e/kWh to 0.582 kgCO₂e/kWh, affecting the result by 27% more emissions as an effect of the calculation.

Our carbon footprint in 2017 was 2,246.94 ton of CO₂e, the equivalent to 57,614 urban trees.

To calculate the emissions, the following classifications were determined according to their scopes:

Scope 1:

The fixed and mobile sources found in the organizational limits of Genomma Lab International, considering the following: LP Gas/ Water heating, Diesel/ Energy generation and staff transportation, Gasoline/ Staff transportation.

Scope 2:

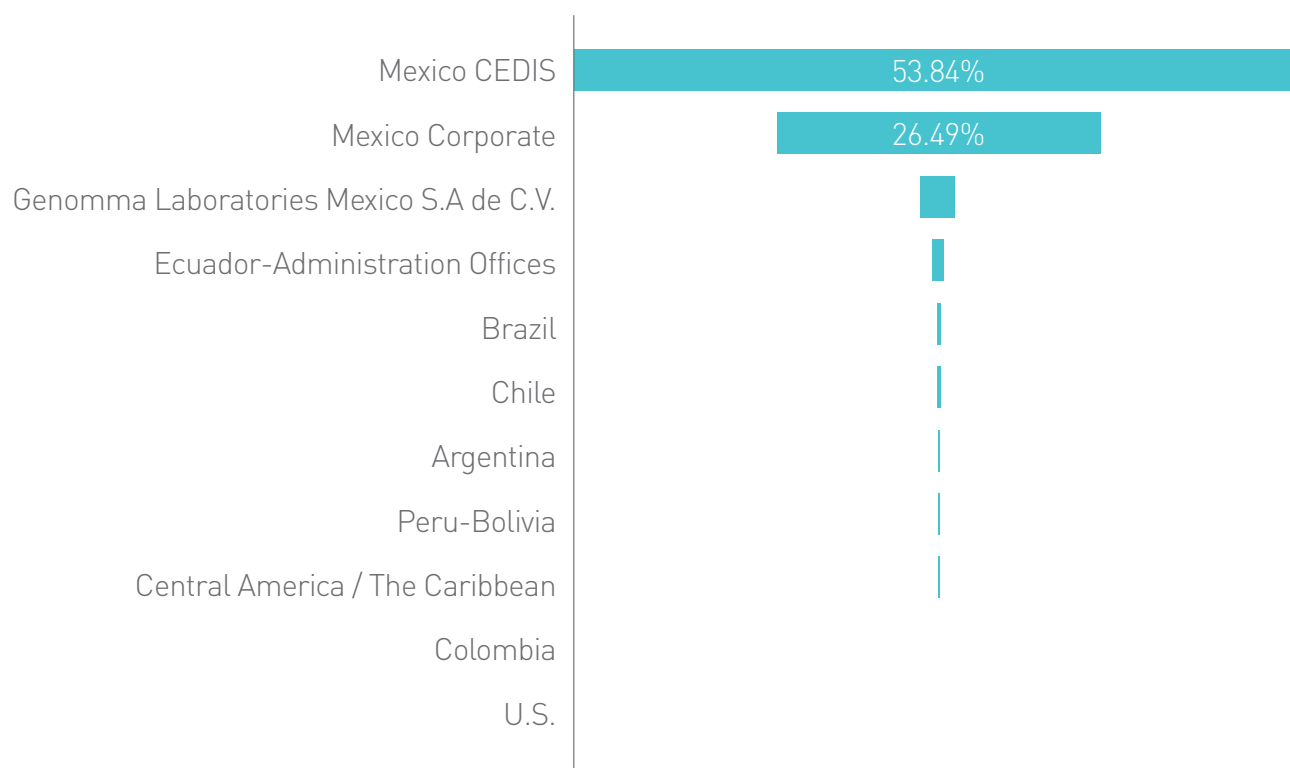
The indirect emissions generated by a third party outside the organization, as a consequence of energy consumption: electric energy and consumption in facilities.

Scope 3:

Covers indirect emissions generated during the life-cycle of the products and services that were used in the organization's activities, this includes its productive chain, usage and waste, which are: flight kilometers per passenger.

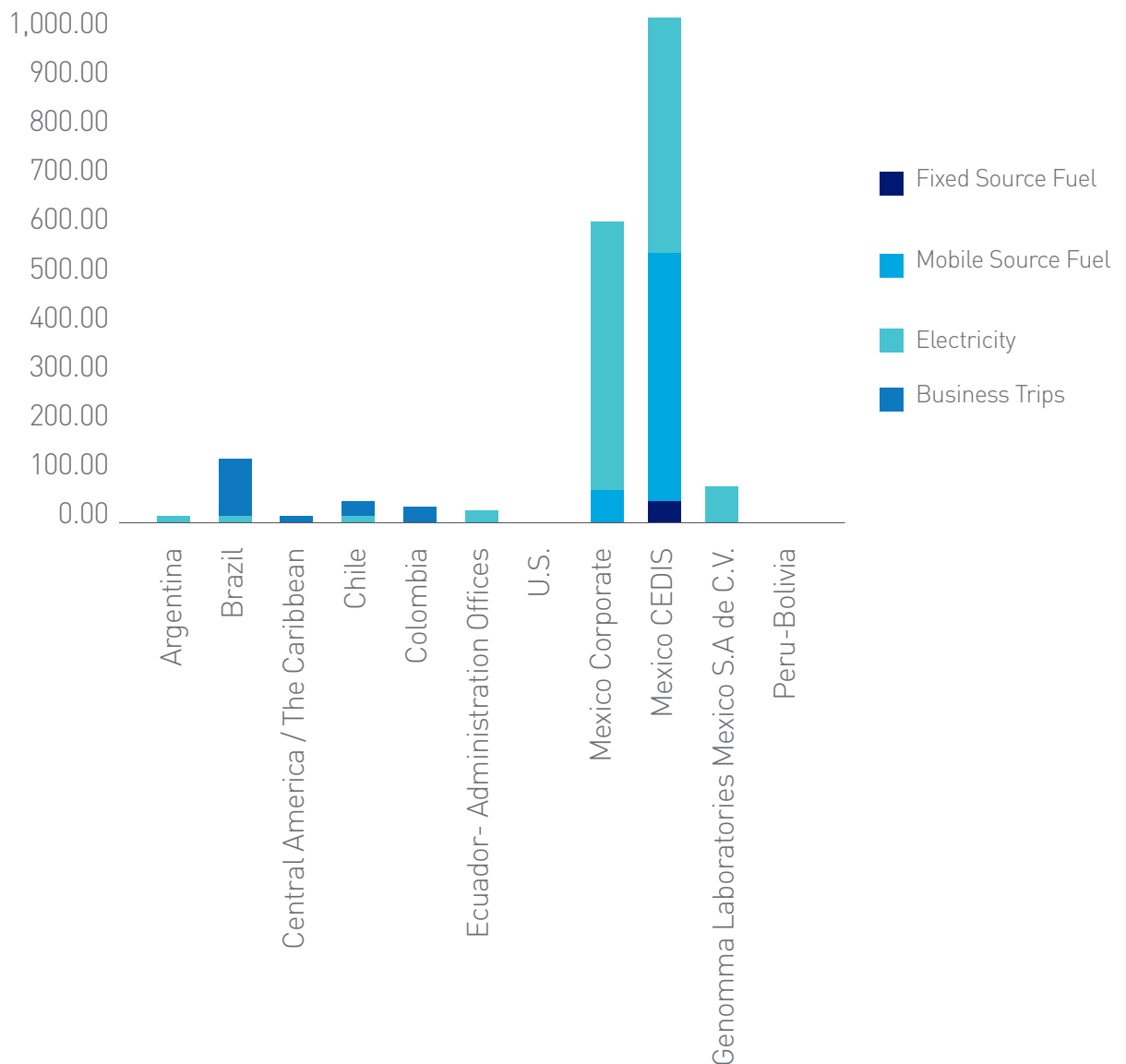
FACILITY	COUNTRY-REGION	tCO ₂ e	PERCENTAGE
Argentina	Argentina	9.5	0.4%
Brazil	Brazil	11.64	0.5%
Costa Rica	Central America / The Caribbean	0.66	0.0%
Chile	Chile	11.43	0.5%
Colombia	Colombia	0	0.0%
Ecuador	Ecuador-Administration Offices	22.14	1.0%
U.S.	U.S.	0	0.0%
Mexico	Mexico Corporate	595.16	26.5%
	Mexico CEDIS	1,344.60	59.8%
	Genomma Laboratories Mexico S.A de C.V.	70.67	3.1%
Peru	Peru-Bolivia	1.95	0.1%
	TOTAL	2,246.94	

TOTAL (tCO₂e) by REGION



CO₂e EMISSIONS BY TYPE

EMISSIONS	tCO ₂ e	%
Scope 1	602.63	26.82
Scope 2	1,471.90	65.51
Scope 3	172.41	7.67
Total	2,246.94	



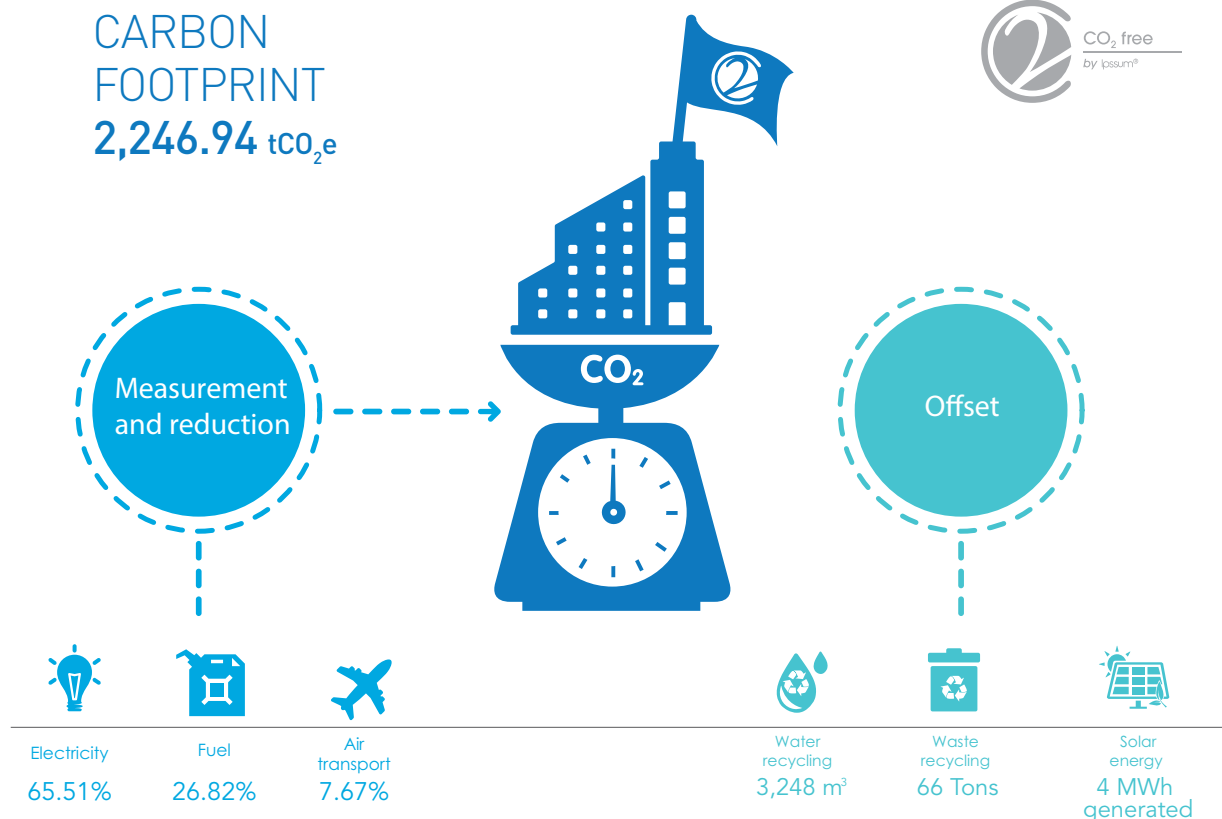


"The health of humanity depends on the sustainability of the planet, that is the importance of preserving our planet."

Jesús Antonio Ramírez de Alba.
Supply Chain Manager

EMISSION MITIGATION

CARBON
FOOTPRINT
2,246.94 tCO₂e



Genomma Laboratories Mexico S.A de C.V. has a photovoltaic system in its offices and the capacity to generate up to 20.24 kWh per day, which will annually help

reduce 4.29 tCO₂e. This is equivalent to the same amount of electric energy that 4 households in Mexico require in a year.

FUEL CONSUMPTION



Mobile source fuel consumption is associated mainly to the gasoline used to transport our partners to the work centers.

Information breakdown related to the consumption of fossil fuels and electricity in 2017:

Gasoline (liters) used for staff transportation: 66,903 liters.

Diesel (liters) used for energy generation and staff transportation: 140,906.71 liters.

LP Gas (liters) Electricity (kWh) used for water heating: 22,778.80 Liters.



USE OF WASTE AND MATERIALS

(GRI G4-EN1 y G4-EN2, G4-EN23 al G4-EN26)

WASTE MANAGEMENT

Waste management, one of our the company's material issues, is also identified in our Environmental Policy.

To manage waste generation in the corporate offices, a permanent awareness campaign

based on the 3R's (Reduce, Recycle, Reuse) has been implemented as well as specific measures to reduce the use of paper.

One of Genomma Lab International main efforts to mitigate environmental impact is through a correct waste management.

Mexico

In Mexico, at the end of 2016, most of the waste was generated by the CEDIS Mexico, which is why recycling, processing and disposition programs have been implemented for some years in partnership with companies in this area. This installation generated:

1248 m³ of organic and inorganic waste

25 tons of plastic

74 tons of cardboard

Most of the waste generated came from the CEDIS with finished products that did not meet the quality standards or were returned for expiration date issues.

As part of our commitment, an integrated waste management establishes the correct use and separation guidelines.

In 2017, 66.2 tons of packaging material were recycled according to quality and industrial security specifications. Additionally, 100% of the paper used in our offices was recycled.

CEDIS is responsible for recycling 66.2 tons of packaging material, according to the quality and industrial security specifications. With this action, we mitigated the emission of 1,902.29 tCO₂e to the atmosphere.



WASTE CO-PROCESSING



Through the “co-processing” that is done by one of our suppliers; Comercializadora de Residuos Industriales (CORSI), we have managed to reduce our final disposition’s negative impact.

Co-processing is a procedure by which waste is triturated and is canalized to the cement production process, with the purpose of having a better use for waste, such as the substitution of raw material for environmental conservation purposes. In

addition, the ash generated in the process is incorporated in the clinker (furnace product that is grinded to make Portland cement) to have a more sustainable product.

Through this procedure, 1,432 tons of waste were treated in 2017.

The benefits of these actions are:

5,760 m3 of water savings

Savings of nonrenewable mineral extraction: 5,096

Energy Recovery: 35%

Latin America and United States

In other countries where Genomma Lab is present, there are distribution centers and industrial facilities, that do not correspond to the Genomma Lab International operative control, but according to policies established by the organization, they have started measuring the environmental impact and are aligned to the sustainability model.

Ecuador

Ecuador has the good practice of monitoring two of the most important manufacturing companies: Envapress and La Fabril, which maintain a detailed information control system. The last one generated 332,665 ton of waste, of which 54.46 ton were recycled.

Colombia

The region of Colombia destroyed the following quantities through a third party:

62 ton of cosmetics, medications, dietary supplements through bioremediation.

This is a natural process where microorganisms break down or modify organic molecules transforming then into small nontoxic molecules.

18 tons of supplies, packaging material and promotional material

399 kilograms of medical devices through incineration.

8.7 tons of raw material.

Thanks to these actions the emission of more than 250 ton of CO₂e and possible ecosystem affectations were prevented by decomposition.

Other countries

Other countries only register material consumption, in this case, paper.

The total paper consumption for the other countries was 4,679,533 sheets, the equivalent to the logging of 372 trees.

USE OF MATERIALS



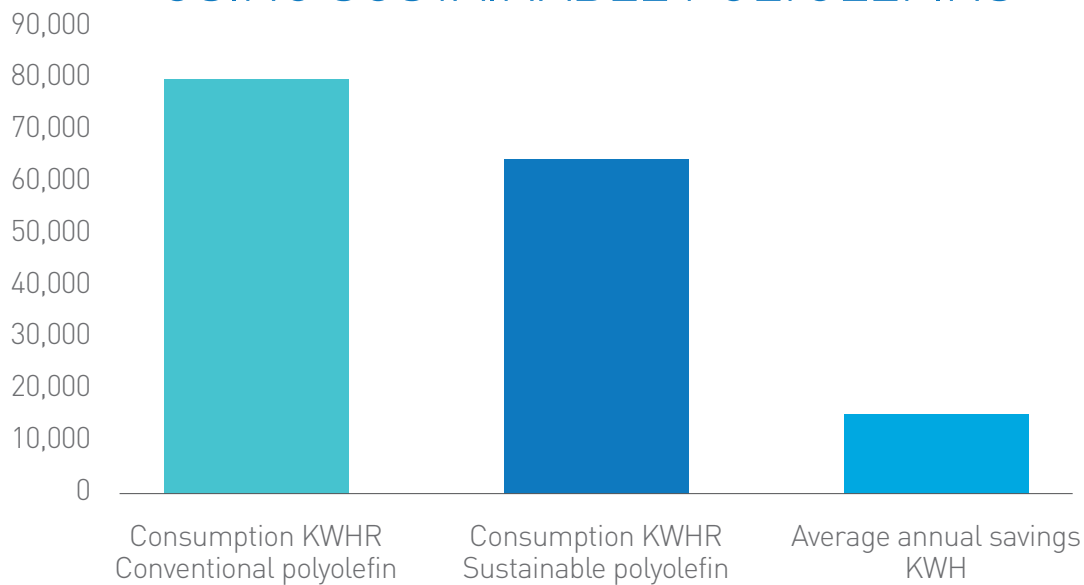
At Genomma Lab, we quantify the materials we use throughout our value chain. Some polymers like stretch film, tape and polyolefins are used throughout the customer delivery process to protect the products from possible damage. On the other hand, cardboard sheets and platforms are used to separate and transport products inside the CEDIS, as well as paper for different office tasks.

Since 2016, we have started using recyclable polyolefins from our Film Cryovac CT

supplier, with new technology, a greater length of product minimizing the rolls, boxes, spools, labels and transportation

The energy saved from the polyolefin packs represents the electric annual supply needed for 13 social houses.

ANNUAL ENERGY SAVINGS USING SUSTAINABLE POLYOLEFINS



CEDIS MATERIALS USED DURING 2017

MATERIAL	TOTAL QUANTITY 2017
Stretch film 18-80-1300 (External supplier)	80000 kg
Cardboard sheet separator (External supplier)	144000 pieces
Transparent tape 48 mm X 150 (External supplier)	10000 pieces
Kraft corners 1.20 (External supplier)	150000 pieces
Strand tape 18mmX50mts (External supplier)	10000 pieces
Polyolefin (External supplier)	480 pieces
Transfer label different sizes (External supplier)	5000 thousand
White sheets (External supplier)	200 boxes
White platform (External supplier)	75000 pieces
Black wax ribbon (External supplier)	600 pieces
Blue tape 48mmx150mts (External supplier)	4500 pieces

As a result of a mayor material streamlining at the CEDIS, the blue electrical tape, stretch film and cardboard edges were the materials that were mostly reduced.



WATER CONSUMPTION COMMITMENT

GRI G4-EN10, G4-EN22, G4-EN31

Water usage in our facilities is primarily for sanitary purposes. However, we are working with our allies in order to reduce it in our supply chain. Our approach is to reduce the quantity of packaging usage and introduce recycled materials, taking care of our product quality and fulfilling the applicable statutes.

Through this measure we are looking to further our distribution and manufacturing processes, in order to integrate an active supply chain in water usage saving programs and encourage environmental awareness talks to generate a change.

Water resource is highly scarce, for which the Organization is committed to take advantage of it. The consumption of this resource, with respect to others, is not so significant considering its main usage is for sanitary purposes, therefore, it does not represent a direct negative impact to the environment.

Operations in Mexico were only accounted for this item at the Distribution Center facilities and Genomma Laboratories Mexico S.A de C.V. where a total of 9,204.92 m³ were consumed, and 3,248 m³ were recycled, this is equivalent to 35% of the total consumption in Mexico.

9204.92 m³ = Equivalent to filling up to 3.6 Olympic pools.

9204.92 m³ = amount of water needed for 24,223.47 Mexicans, or 6,546 Mexican families in a year.

24,223.47 Mexicans = Intensive indicator (m³/ contributor) = 34,999.69 liters/ contributor.

Regarding the effluents issue, it is important to mention that part of our wastewater is directed to the Wastewater Treatment Plant (WWTP) of an authorized third party. Only operations in Mexico were accounted for this item at the Distribution Center and Genomma Laboratories Mexico S.A. de C.V. facilities where a total of 9,204.92 m³ were consumed, and 3,248 m³ were recycled, this is equivalent to 35% of the total consumption in Mexico.

The company has a partnership with Reciclagua Ambiental S.A de C.V, which is a program to individually capture the wastewater of more than 300 companies and give them the required treatment to allow its reuse and discharge them into the Lerma River. It is in that sense, a vital resource for the industrial corridor where Genomma Lab is located.

As well as investing in the analysis of chemical composition of effluents throughout our supply chain, we have highly committed suppliers with environmental conservation.



OUR SUPPLY CHAIN



"The greatness of a company not only lies in the growth it has in the market, but in having solid commitments to take care of the environment and strategies for a better society"

Rubén Mayoral
Maintenance and Combos Manager

For Genomma Lab International it is fundamental for all commercialized brands to fulfill the highest requirements on innovation and quality.

Specialists inspect formulas for their continuous improvement.

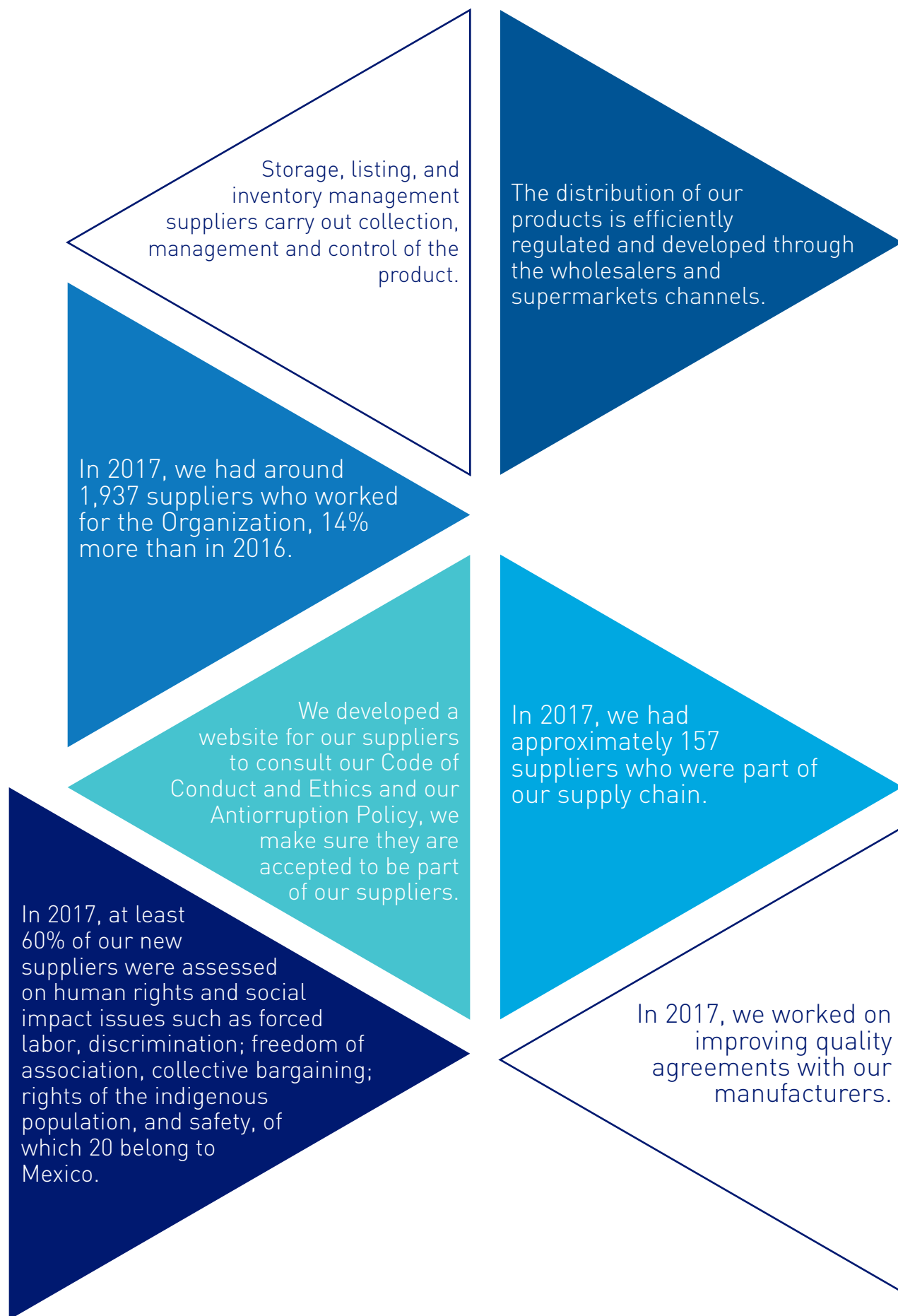
Product manufacturing goes through outsourcing services.

Legal requirements are continuously reviewed so products comply 100% with all legal specifications

Internally, we assure a highly specialized customer service before, during and after the purchase of our products.

We have certified suppliers that assure us quality control of our products.

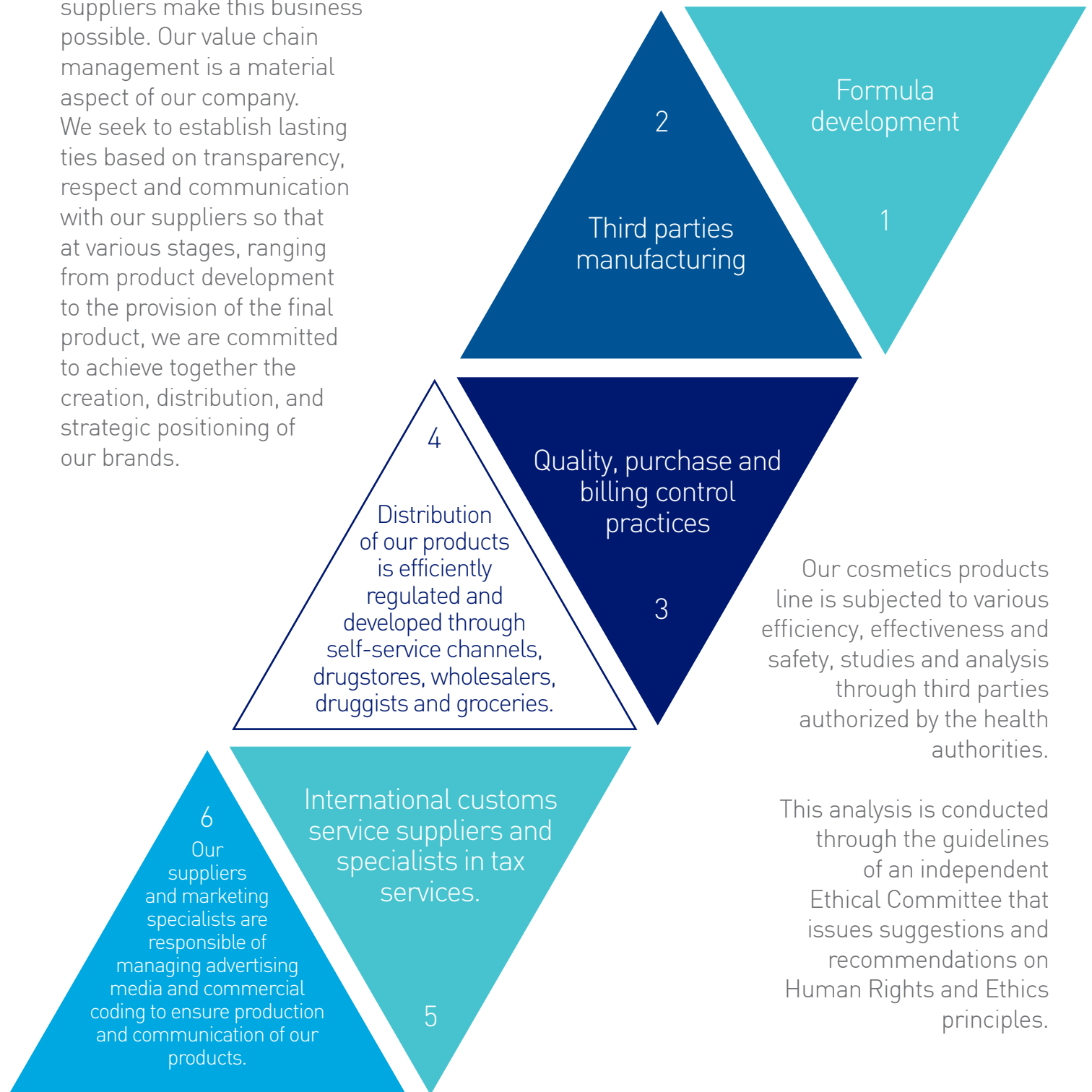
We have strategic suppliers that assure the control and regulation of purchase and billing processes.





Our value chain is a fundamental axis for Genomma Lab, considering that our suppliers make this business possible. Our value chain management is a material aspect of our company. We seek to establish lasting ties based on transparency, respect and communication with our suppliers so that at various stages, ranging from product development to the provision of the final product, we are committed to achieve together the creation, distribution, and strategic positioning of our brands.

OUR SUPPLY CHAIN



Our cosmetics products line is subjected to various efficiency, effectiveness and safety, studies and analysis through third parties authorized by the health authorities.

This analysis is conducted through the guidelines of an independent Ethical Committee that issues suggestions and recommendations on Human Rights and Ethics principles.



PRODUCT MANUFACTURING SUPERVISION AND AUDITS



(GRI G4-EC7, G4-EC8, EG-EC9, G4-LA12, G4-LA14, G4-LA15, G4-EN32, G4-EN33, G4-HR5, G4-HR6, G4-HR9, G4-HR10, G4-HR11)

As part of our commitment to sustainable development and environmental protection, our suppliers receive quality, environmental, social and ethical audits.

AUDIT NAME	EVALUATED ASPECTS
Quality and responsibility of the product	Regulatory framework, certificates and applicable authorizations Quality Management System Analytical and Test Protocols Supplier management of input processes and subcontracted activities Risk Management
Labor considerations	Organizational structure Academic background and professional experience Health, safety and hygiene Health responsibility Training and professional development Training facilities, equipment and Staff maintenance areas Workplace violence prevention
Pharmacovigilance y Technovigilance	Training Suspicious reports Adverse reactions or adverse incidents Security reports
Environmental considerations	Health and environmental legal dispositions Waste management, storage and disposal Product contamination prevention Water system Health and safety regulations Greenhouse gases (GHG)
Social Responsibility (SR)	Ethical and/or conduct code Working conditions (remuneration and working hours) Human rights protection (equality principles, non-discrimination, no forced labor, no child labor, freedom of association and collective negotiation, indigenous population rights, among others) Equity and inclusion Community or potential impacts Corruption and unfair practices prevention Outsourcing recognitions on SR issues



SUPPLIER EFFICIENCY STUDIES AND COSMETIC SECURITY PRIVACY POLICY

The suppliers that carry out our efficiency and cosmetic safety studies, are world-class businesses located in different countries such as: Mexico, Brazil, Colombia and Argentina. They are committed to providing highly specialized services for the cosmetic industry and commerce. Performing with methodologies, procedures, equipment and high-level personnel subject to the quality standards with adherence to the local and international regulatory entities, as they are: ANVISA (Brazil), INVIMA (Colombia), ANMAT (Argentina), COLIPA (Cosmetics Europe), FDA (EU) y COFEPRIS (Mexico) among others.

To view the complete regulation list the company complies with, you may consult the annual report at:

<http://genommalab.com/Inversionistas>

Our suppliers hold with a quality system in compliance with the regulation NMX-EC-17025-IMNC-2006 (ISO/IEC 17025) that specifies the general requirements for the testing and calibration in laboratory competition.

We developed a website for our suppliers to consult our Code of Ethics and our Anticorruption policy, we make sure they are accepted to be part of our suppliers.

In addition, an ethics clause is included in the business agreements.

Our suppliers have an Code of Ethics that attempts to offer moral solvency, guarantees and establishes rules of action of the company. In addition, our suppliers have issued a "Technical Judgment Declaration of Independence" to offer judgment guarantees and establish the professional performance norms of the company, respecting the information and decision making of its customers.

Our suppliers carry out their operations based on a Privacy Policy and a Quality Policy characterized by the following commitments:

Privacy Policy Objectives

Confidential information protection of our customers.

Special treatment of personal, commercial and fiscal data requested to any person.

Data accesses only to properly provide the requested services.

Prevention of personal, commercial and fiscal data to outsourcings.

The quality studies performed by our suppliers are carried out in accordance to the good clinical practices (ICH), as well as an instrument called "informed consent" by the volunteering participants. Part of the requirement specified in the Ethics Committee, ensures our suppliers to address the volunteer's participation object and what is expected from them. Our suppliers guarantee independence and technical judgment at all moment.

Ahora eres parte de nuestra cadena de valor. Revisa y acepta nuestras políticas de integridad

- [Código de Ética](#)
- [Política Anticorrupción](#)

☐ He leído y acepto las políticas de integridad de [Genomma Lab](#).

[Aceptar](#)

Genomma Lab® Internacional

Políticas y Condiciones de uso

Bienvenido al portal de proveedores de Genomma Lab.

Ahora eres parte de la cadena de valor. Revisa y acepta nuestras políticas de integridad.

POLÍTICAS

CONDICIONES DE USO

☐ Aceptar Términos y Condiciones

[Aceptar](#)



MANUFACTURER AGREEMENTS

During 2017 we worked on quality agreements with our manufacturers through contracts establishing the required standards and alignments over the following issues: procedures and provisions for the manufacturing and product handling; supply and requirements of raw materials and active substances; provisions and approvals of primary, printed and packaging materials; product analysis and manufacturing; product surveillance and regulatory aspects.

We have worked to create a stronger system with the manufacturers, which are committed to the regulatory compliance and internal requirements, to name a

few such as: quality; homologation in our coding system for a better traceability of our products; improvements to the system and monitoring of consumer complaints.

Through these agreements the criteria that must be fulfilled by suppliers to assure the best quality of our inputs.

Sustainability recognition for our manufacturers and suppliers has been a practice that we continue to encourage in order to motivate the creation of sustainable initiatives that include solutions and defined strategies to obtain positive impacts in the economy, environment and society spheres.



LOCAL SUPPLY



Sustainability in our business model is also reflected in our commitment for the economic development of the regions where we operate. In Genomma Lab International when conditions allow so, we try that internationally commercialize products are supplied locally to support communities and reduce transportation costs.

The manufacturing percentage in Colombia is 47% units, Ecuador 26% units, Brazil: 66% units, 74% values, Argentina 94% units, 97% values and USA 53% units, 59% values respectively.



GUAVA LEAVES

(GRI G4-EC8, G4-EN11)



The leaves that became
medicine

The success of the
phenomenon lies in the fact
that we turn these leaves
into a commercial and
modern medicine that creates
resources and well-being for
all, there are many leaves that
heal, from our own medication,
this is the first.

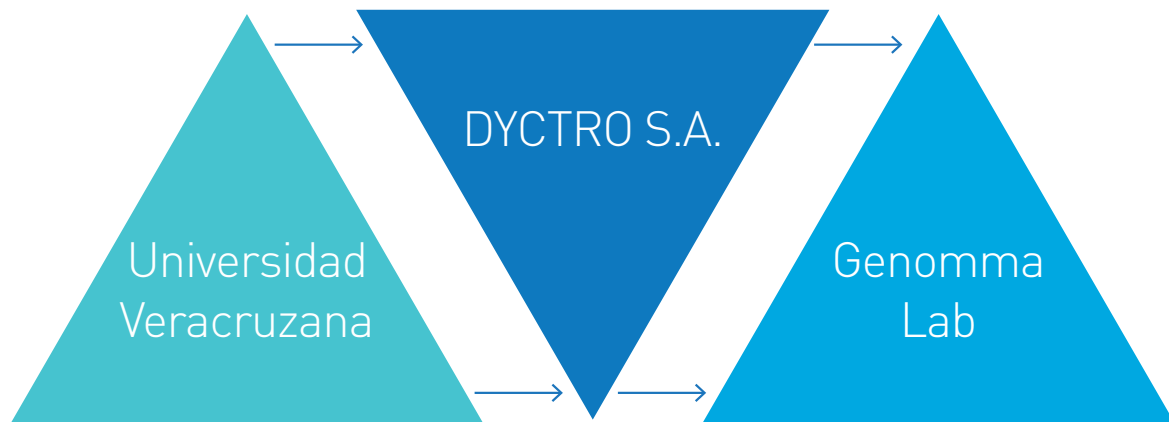
Xavier Lozoya

Since 2007 the initiative "DYCTRO.S.A." Diversificadora Agroindustrial y Comercializadora del Tropicó S.A. de C.V., a community business model that consists in harvesting and marketing the guava leaf was created in the municipalities of the Totonacapan region and has been a supplier of Genomma Lab International since 2010.

The guava leaf is a raw material where Quercetin is obtained, the active ingredient for our medication QG5 used for the colitis treatment.

The productive business model benefits farmers from the towns of Zozocolco in Hidalgo, Veracruz, Mexico, by being exclusive suppliers of the guava leaf. The guava plantations are based on the process of agroecological production, given that

collectors have sustainable practices that prevent the usage of chemicals and promote the protection of biodiversity in their surroundings, constantly improving our environmental protection.





The guava leaf commercialization is based on the fairtrade practices to benefit the communities. Through commercial opportunities, the strengthening of self-management and the development of productive capacities, we contribute to the economic and life quality development of communities.

During 2017 the marketing company has sold to Genomma Lab International 8 tons of guava leaf that benefits more than 200 families.



In 2017, we have benefited nearly a thousand homes from the towns of Zozocolco in Hidalgo, Veracruz, Mexico, members of the five communities: Anayall, Anayal II Tecuantepec, El Colón, San Salvador.

For the producers the guava leaf, coffee production is an extra income, the producers believe this product is of great interest and profits and wait for the annual leaf sale to conserve them within their lands.

The main benefits for the five communities are:

200 producers have diversified their source and average income.

Economic spill in the region of 840,000.00 pesos from the guava leaf sales

Generation of four jobs in business centers.

Maintenance in the community business model (organization, communication, transparency, and promotion of fair commerce)

Environmental protection awareness through good agricultural practices and implementation of soil conservation projects.

QUANTITY OF GUAVA LEAF BROUGHT BY GENOMMA LAB TO PRODUCERS	
YEAR	TONS
2010	3
2011	7
2012	3
2013	18
2014	9
2016	13
2017	8

Through this important initiative, Genomma Lab International shows the commitment on the community suppliers' development and the economic development for the country. It is expected for the next years to increase its intake on the guava leaf for the production of the medication GQ5 and benefit more families in the Veracruz Mexican region.



OTHER SUCCESS CASES



Grupo Gráfico
San Juan S.A. de C.V.

"We are aware that it is our small actions, multiplying them by hundreds of thousands of companies, what transforms the world"

Grupo Grafico San Juan S.A.
de C.V.

Responsible Certification with the threes

Our supplier "Grupo Grafico San Juan S.A. de C.V." has the FSC certification. This Forest certification keeps track of the products from the beginning to the end of the supply chain, checking that the FSC certified material should be identified or abstained from the materials not certified through the full chain. This certification grants: "Forest Stewardship Council" which is an international non-governmental organization, devoted to promoting the responsible management of the world's forests.

Some of the packages provided by Grupo Grafico San Juan belong to the following brands:

Asepxia, Cicatricure, Condon M Texturizado, Dermoprada, Fermodyl, Genoprazol, Goicoechea, Next, Tio Nacho, among others.

During 2017, 68% of the Genomma Lab International packaging boxes purchased from Grupo Grafico San Juan S.A de C.V. was manufactured with cardboard originated from a certified source by Forest Stewardship Council (FSC).

In addition to this certification, this supplier works on improvements for its printing area filters, which has enabled to reduce 19% of the contaminated water that is generated throughout the process, the goal is to reduce it by 75%. During 2017, 762.52 tons of cardboard were sent for recycling, which is equivalent to a total of 205,880,400 liters of water saved, in addition to preventing the logging of 12,954 trees.



Foli

**COMPROMETIDOS, CALIFICADOS:
TUS ALIADOS.**

Foli de México S.A. de C.V.

Foli de Mexico has been one of our strategic printing partners

It is a company certified in quality management, environmental protection, and alimentary harmlessness

They hold the following certifications:

ISO 14001:2004 Certification

ISO 12647-2

ISO: 9001-2008

Hazard analysis and critical control points (HACCP)

Food safety systems certification

FSC ® Certificate

PEFC ® Certificate

Among other initiatives such as: corporate volunteer, rainwater collection and a solid system on environmental management.

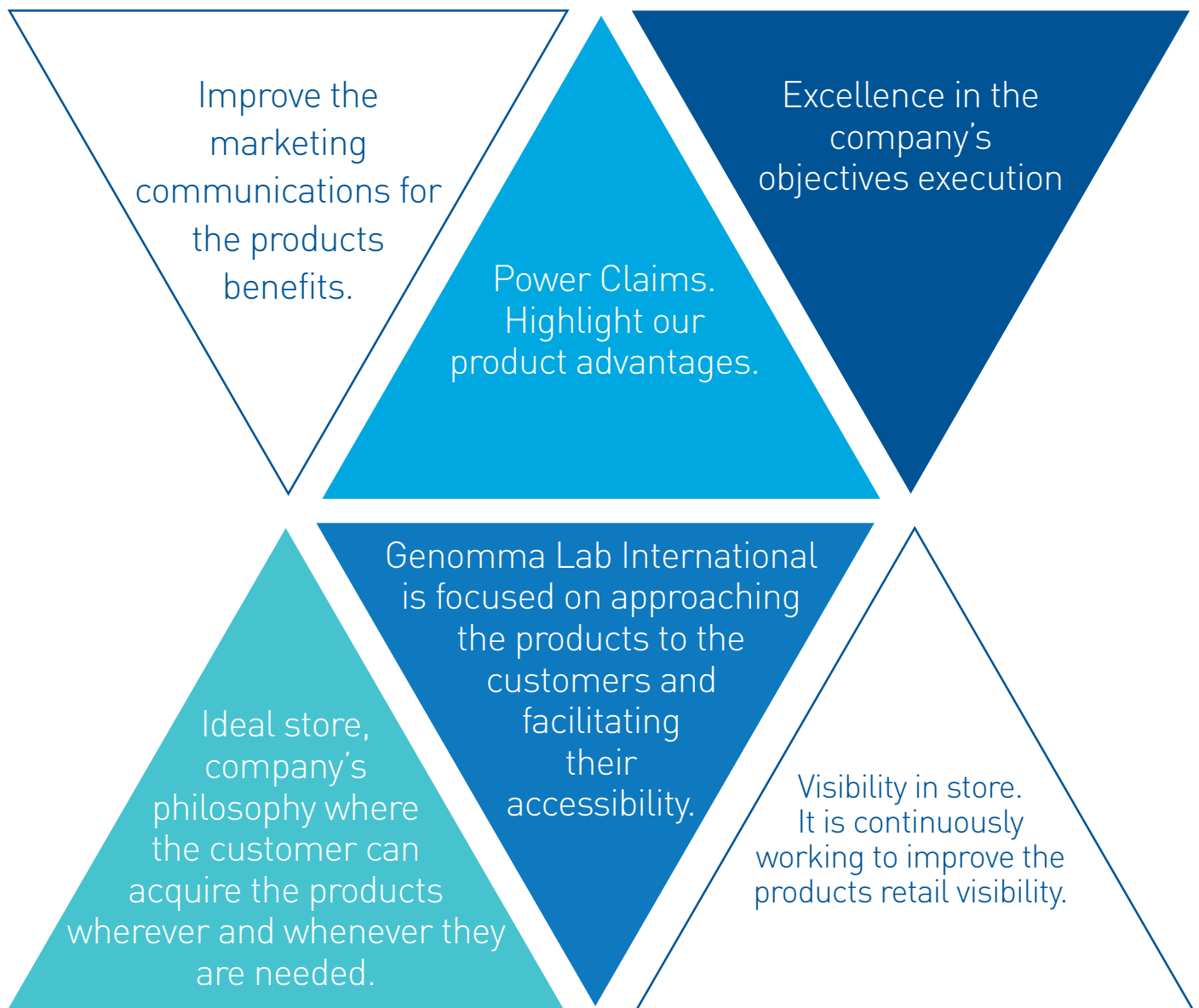
For 10 years, Foli de Mexico has provided us with packaging for the following brands: Teatrical, Pomada de La Campana, Next, Asepxia, Suerox among others.



RESPONSIBLE CONSUMPTION AND PRODUCTION

The commercial strategy for Genomma Lab International is very important to become a market leader company with a clear competitive advantage.

THE STRATEGY FROM 2017 TO 2020 IN PRODUCTS, BRANDS AND DEVELOPMENT IS TO REINFORCE:





OUR CUSTOMER SERVICE PHILOSOPHY

Innovation. Offering the best solutions available on market.

Communication. Become visible and available for our consumers in its frequent buying channels.

Project portfolio. Development and positioning of our core branding products and development of sub-products.

Insights & consumer understanding. Get to know our customer and their motivation to acquire our products.

Retail. Gradually increase the presence of our products at retail, by placing them in strategic and visible places for the customers.

All these elements are interrelated on the culture and talent of our community people; our objective is to merge every capacity, strategic vision and experience from each of our team members in our workforce. This will allow us to stay and grow as our customers' main preference and become a leader in the OTC (over the counter) industry and personal care.



RESPONSIBLE PRODUCTION




During 2017 we continued with the standardization and globalization of our innovations and formulas.

It started with the construction of the first manufacturing plant, managed and operated by Genomma Lab, located in San Cayetano Morelos, northern Toluca, State of Mexico and which represents an investment of 1,398 million of pesos.

The manufacturing plant is close to an industrial park where eight different multinational companies operate. The construction of the Genomma plant seeks to develop a new industrial park with 15 individual lots available for the suppliers to lease or buy. The Genomma plant will occupy 16 of the 32 hectares, and there will be for the manufacturing of medicine free sale (OTC) and the personal care line (PC). The plant's design will be a modular concept that will allow flexibility for a future growth.



THE PRODUCTION BENEFITS OF OUR FIRST MANUFACTURE PLANT INVESTMENT ARE

	EFFICIENCY	OUTSOURCING	PRODUCTION
	Suppliers	Higher selling cost due to the competitors' profit margin.	Profits margin reduction for the co-packers.
		Dispersed suppliers over the country.	Supplier's integration inside the industrial park.
	Logistics	Inefficient truck entry and exit logistics.	Freight consolidation of leverage and low cost of logistics in export train.
	Stock	Bigger inventories because of the multiple warehouses.	Less merchandise needed for primary materials and finished products.

The main objective for 2018 is to change from an industrial operation full Buy + Middle Buy to an internal production + Full Buy + Middle Buy and having a performing industrial plant with the highest Quality Guarantee Standards and Quality Controls requested by all the regulatory entities over the American Continent.



RESPONSIBILITY WITH OUR CUSTOMERS: MARKETING AND LABELING PUBLICITY

[GRI G4-PR3]

Genomma Lab International provides information to our customers and consumers through different media channels such as: websites, social networks, television, and publicity spots, among others. We also provide complete and accurate information about the correct usage and benefits of our products in an integral and responsible way. We intend to have our consumers recognize the importance of personal and familiar care through our brand consumption.

Likewise, at Genomma Lab International we are committed with the information communication of our products throughout its labeling. Since 2016, we have implemented a global labeling system for our cosmetics that informs all the consumers (anywhere they are located) about some important aspects to keep in mind for the correct and safe use and to obtain maximum revenues. This has allowed us to optimize our operative efficiency in an international level and ensure current normative compliance in the countries our products are commercialized.

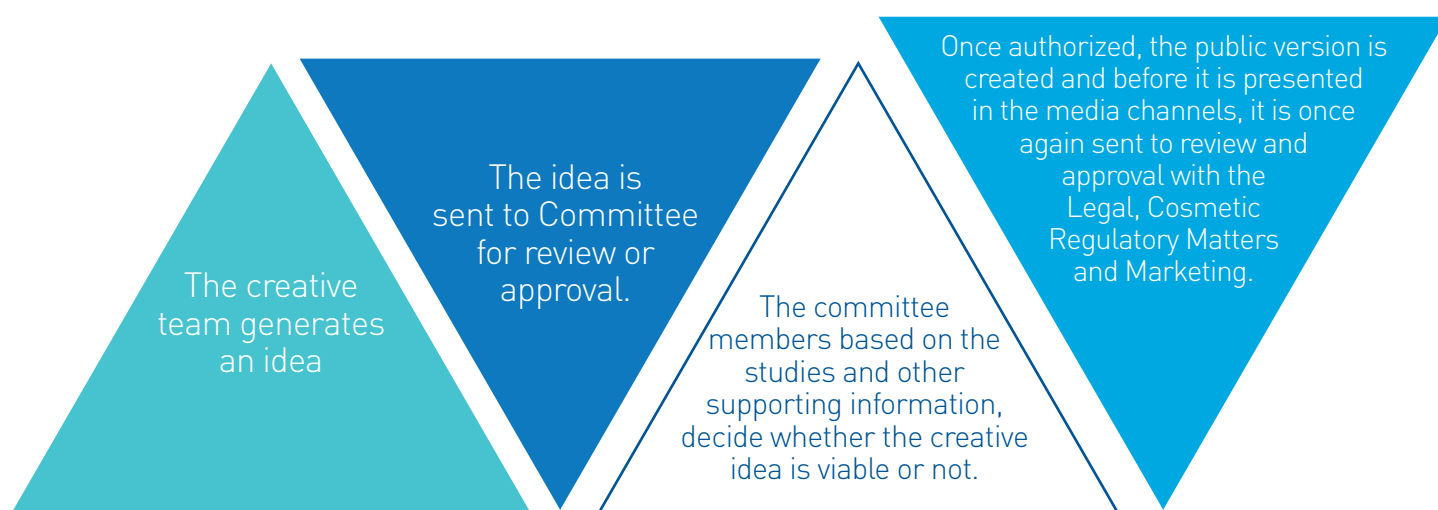
During 2017 nearly 548 sanitary registries were created for cosmetic products.

Through this scheme, during 2017, Genomma Lab and its affiliates created nearly 548 sanitary registries for cosmetic products. Every registry was coordinated through a global online process, with documental tracing and performance indicators of global and local management, which has enabled an efficiency improvement in the processes by a 50%.

Likewise, our internal control processes for publicity and media, through which information is transmitted, fulfills the required and applicable legal alignments and it is very easy to understand for our product consumers.

The information supplied by Genomma Lab through its media for the final consumer is intended to give out usage advice and benefits of every product in a responsible manner to transmit to the target customer the importance of personal and familiar care through our product consumption. The close follow up and update of our publicity allows us a better media control strategy.

The Internal Media Committee at Genomma Lab International must approve every publication, distribution and advertising material, such committee is made up by the following areas: Legal, Marketing, Creative, Development, Cosmetic Efficiency and Cosmetic Regulatory Matters.

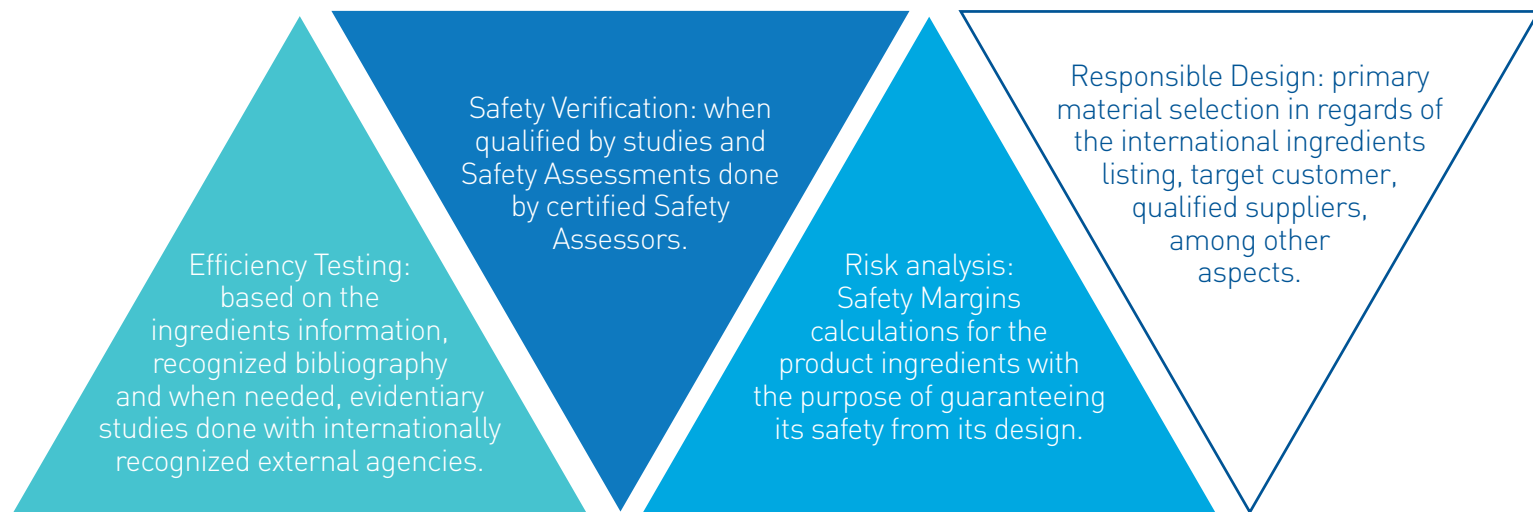




REGULATORY SUPPORT FOR INNOVATION PROCESSES

At Genomma Lab we are committed to health and safety of our consumers. This is why in 2016 we implemented a regulatory process to support the innovation team. This allows the involvement of the regulatory area from the creation of every innovation project and guarantees the fulfillment of every commercialized product by the company.

THE FOUR PRINCIPAL ASPECTS IN THE PROCESS ARE:



In addition, and with the purpose of optimizing our processes and maximizing our efficiency, we have developed a series

of regulatory mechanisms to fulfill its innovation, emphasizing the following:



"Professional development allied with integrity, discipline and experience: the main fundamentals for a solid and sustainable development."

(Regulatory Global Personal Care Team.)

Online global regulatory mechanism for cosmetic product labeling.

Online global regulatory mechanism for cosmetic products registry.

Online global regulatory mechanism for the cosmetic file assembling.

Online global regulatory mechanism for the cosmetic products regulatory information management.

Online global regulatory mechanism for the cosmetic product regulatory training.

Online global regulatory mechanism for the cosmetic product formula regulation.

Online global regulatory mechanism for the product training manipulations.

Online global regulatory mechanism for the handling and regulation compliance for cosmetic products

Online global regulatory mechanism for the cosmetic auditory regulation processes.

To conclude, Genomma Lab and ICONTEC signed an agreement in Colombia for the cosmetic efficiency testimony of the product Cicatricure antiwrinkle face lotion. ICONTEC has verified in a satisfactory manner the results and methodologies of its efficiency and analytical evaluation of the product.





OUR PRODUCT LABELS



We have continually worked on improving our products labeling to give the consumer more relevant information, as well as complying with the legal requirements in all of the countries our products are commercialized, they include the following information:

Product origin. Every one of our registered medicines and devices as Genomma Lab, are required to fulfill the Mexican Official Norm NOM-072-SSA1-2012, which refers to the medicament labeling and herbal remedies.

Ingredients list in the INCI format.

Safe form for the product utilization, precautionary usages regarding the Mexican Official Norm NOM 141*.

Disposal manner. Keep the environment clean logo.

Mentioning about environmental or social risk substances.

Compliance with the NOM 220 SSA1 2012, and the current updates of the NOM 220 SSA1 2016, including the precautionary safety labels about the medicines. To Genomma Lab International or in a direct way to the Autoridad Regulatoria de Medicamentos (COFEPRIS).**

Contact information related to the product and adverse reactions report.

***NOM-141-SSA1/SCFI-2012, related to the cosmetic prepackaged products, health and commercial labeling and to the additional applicable normativity, such as the country regulations for each different country where our products are available.**

****NOM 220 SSA1 2012, related to the Pharmacovigilance operation and installation, precaution related labeling.**



DIGITAL MARKETING



As part of the company's responsibility with their consumers, the message delivery with the purpose of improving their quality of life, is one of the its main objectives of the campaign.

In the Genomma Lab International official website, social networks and other digital channels we are looking for a positive positioning, as well as maintaining a dynamic communication to solve any questions or concerns in real time or canalizing them to the corresponding area.

Our media responsibility is an essential element for our company's success.



CUSTOMER SERVICE

Our customer service approach goes beyond answering calls, questions, dealing with complaints or monitoring reimbursement requests, changes or replacement of products.

Through our media platforms we attend any inquiries from our customers in a public form and give out the best pertinent answers about the product usage, retailers, special characteristics about a product, suggested price, available presentations, and as well as the information defined and authorized by the developing and marketing areas of technical specifications with any other required tags audited by the legal and regulatory areas. If there is any other required information, the contact is done with the corresponding area.

The suggestions, claims and complaints are directed to a 01-800 phone number and an email atencion@genommalab.com.

Every complaint is directed to the quality area, and it is monitored until our customer is completely satisfied.

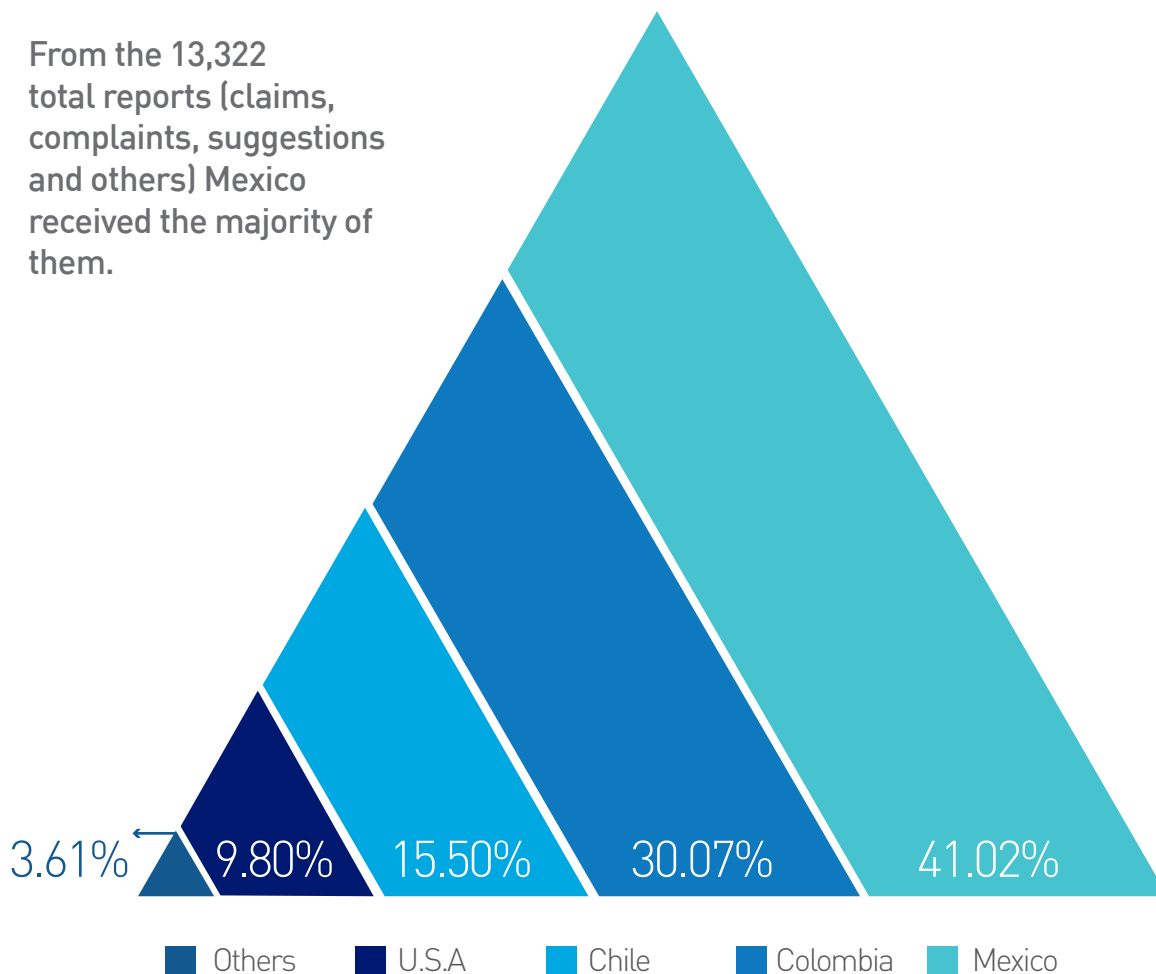
For the direct or private messages received on social media, the customer service area is responsible for its management, because it is considered as the most efficient contact point for our customer's suggestions, claims and/or complaints.

CALL CENTER PROCESS

The company has a call center system and an internal management system of "Genovigilance" that received, attended, monitored and completed 13,322 global calls during 2017.



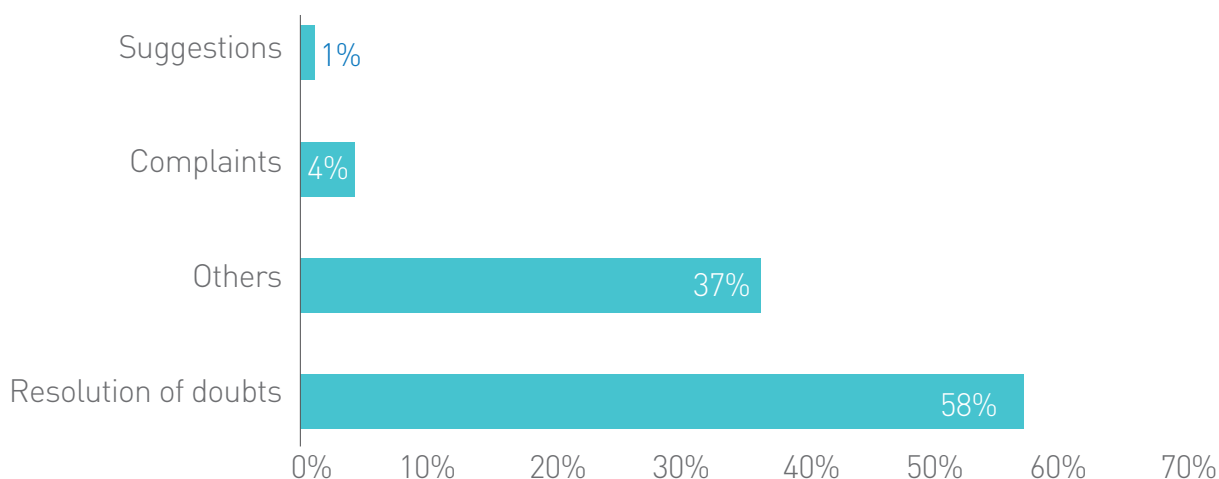
In 2017 were received 13,322 reports in the different countries such as: Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, United States, Guatemala, Honduras, Mexico, Peru and Paraguay.



From the four different reports generated, the highest percentage was the resolution of doubts with 58%, for the category of “others”, the report was represented with 37%, this category included a great number of phone calls with different bugs such as: no reply,

could not listen, no information, an under-age calling, hanging up, among others; while the category of “claims” represented only 4% and the category of “suggestions” was equivalent to only 1% of all the phone calls and mails received.

CUSTOMER SERVICE TOPICS



Through our process of “Genovigilance” we take care of all the concerns our customers might have via online to become more efficient and give an immediate response

Since 2015, we have strengthened other communication channels to get closer to our customers. We continue to grow on social networking such as: Facebook, Twitter, Snapchat and customer service emailing, to have online analysis that have become an information key about marketing and consumers.

Through our networking platforms we look after questions that our users make in public and we reply in the different references such as ways of use, retailing, characteristics of the product, price suggestions, available presentations and the information already defined and authorized by the marketing and development areas, with the technical

specifications information and any other required tags audited by the legal and regulatory areas. If there is any other required information, the contact is done with the corresponding area.

The suggestions, claims and complaints are directed to a 01-800 phone number and we request contact information for the quality area to follow up.

For the direct or private messages received in the social media, the customer service area is responsible for its management, because it is considered as the most efficient contact point for our customer's suggestions, claims and/or complaints.



OUR CUSTOMER SATISFACTION

During 2017, as in previous years, we have worked on improving our satisfactory process with our customers, we are interested in knowing a better way to create products focused 100% on their necessities.

We have been looking to improve the market research studies to create a better experience with our brands; this is why we have made our best efforts to create the perfect store for customers to find what they want, where they want it.

We try to create and maintain our highest satisfaction levels among our consumers, to obtain a transformation in their desires, aspirations and emotions related to their loyalty with our brands.



RESPONSIBILITY WITH OUR PRODUCTS

We complied with the 100% of
the National and International
Regulatory Norms.

At Genomma Lab we comply with the regulations requested in every country where we operate. Every employee at Genomma Lab must fulfill the legal and regulatory obligations applicable locally in all our markets, and for this reason our employees are constantly trained for an appropriate knowledge of the current regulations.

Moreover, to guarantee the safety and efficiency of our products, Genomma Lab follows international recommended guidelines. We also have our own internal guides for a responsible development; those are applicable to all of our personal care products and for their communication. We have created the toxicology regulation

area for our cosmetics products, and it is in charge of the safety of all our cosmetic products in the market.

In terms of efficiency and safety of our cosmetic products, we quote the following references used on the efficiency testing:

PRINCIPAL REFERENCES FOR THE EFFICIENCY COSMETIC EVALUATION

FRAMEWORK	REGULATION / GUIDE
Europe	COMMISSION REGULATIONS (UE) No 655/2013 from July 10, 2013. Common criteria for the answers of cosmetic product claims.
The Cosmetic, Toiletry and Perfumery Association (CTPA) – UK	CTPA guidelines for public declarations.
Cosmetic Europe: The Personal Care Association	Colipa Guidelines: Cosmetic Efficiency evaluations mayo 2008
Europe	EEMCO Guidelines: Assessment of Cosmetic Efficacy by Human Volunteer Testing.
Colombia	Recommendations document for the support of cosmetic claims.
Colombia	Colombian Technic Guide – Methodologies for the evaluation of Cosmetic Products efficiency.

PRINCIPAL REFERENCES FOR THE SAFETY COSMETIC EVALUATION

FRAMEWORK	REGULATION / GUIDE
Europe	Scientific Committee on Consumer Products – Guide for the Cosmetic Ingredients Testing and Safety Assessment.
USA	Personal Care Product Council (PCPC) - Technical Guide Safety Assessment.
Brazil	ANVISA Guide for the Safety Assessment of Cosmetic Products.

The Guidelines and Organizations in charge of our regulation might differ from country to country, however, we follow and fulfill every legal requirement for each country. For example: Some of our OTC products might be sold in certain countries only with a prescription, while in others a prescription is not required.



INCIDENTS

[GRI G4-HR12, G4-HR18, G4-S02, G4-S04, G4-S05, G4-S07, G4-S08, G4-S09, G4-S011, G4-PR2, G4-PR4, G4-PR46, G4-PR7, G4-PR8, G4-PR9, G4-EN29]

During 2017 no incidents were presented from any legal breach applicable in any of our activities.

In addition, there have not been any non-compliances in the ethical codes that we have voluntarily adopted, regarding health, safety, environment, marketing and products labeling.

In 2017 we received two remarks made by PROFECO, originated from reserved information in a cosmetic product. It is important to mention that no consumer was involved. These remarks were reviewed immediately to improve the labeling of our products.

It is important to emphasize that for four years, the company has implemented an internal reviewing protocol for the public versions where different areas such as:

Development, Regulatory Subjects and the Legal department participate in order to control and review the veracity of our advertising media.

Development, Regulatory Subjects and the Legal department participate in order to control and review the veracity of our advertising media.

The Sanitary Registry, a previous review, aligns the OTC advertisements with therapeutic authorized indications and authorization from COFEPRIS is required through publicity permits, which are granted once the accreditation of the communication is fulfilled.

The cosmetic products publicity is created from the information obtained from efficiency cosmetic analysis that fulfills the sanitary legislation.

In addition to the media communication, we are constantly working to improve the labeling of products, the internal approval verification, in addition to complying with the provisions of the Official Mexican Standards, it is very important to fulfill the veracity of the benefits manifested in them.

So far, no claim or sanction has been filed for breach regulations that could result in the payment of a fine, in monopolistic practices or acts that attempt against free competition.

There have been no confirmed cases of corruption in our corporate structure.

Genomma Lab International does not commercialize prohibited products in other relevant markets. Likewise, there have been no presented cases of privacy violations, or customer data leaks, nor any claims about Human Rights in any country where we are

present. Additionally, in our supply chain, we have not received nor identified any Human Rights violations or affected any local or indigenous community.



PRODUCT QUALITY



"Quality is created from every member and the sum of everyone's work ensures the success of our organization".

Ruperto Escamilla Díaz Gerente
Quality Manager

At least 50% of our products categories and services with significant impacts on health and safety have been assessed to promote improvements.

Total of audited manufacturers: 88 from which 60 are follow-up audits and 28 are new manufacturers.

At least 40% of our products are subject to procedural evaluations such as:

Origin of the products and/or services components.

Content, specifically regarding the substances that could have some type of impact.

Environmental Assessment.

Safety instructions for the products or services.

Product removal and social and environmental impacts

Quality inspection.

Quality product verification (verification of the organoleptic properties of each one of our products.)

Technical documentation review that involves the manufacture of our products by the manufacturers.



QUALITY MANAGEMENT SYSTEM (SGC)

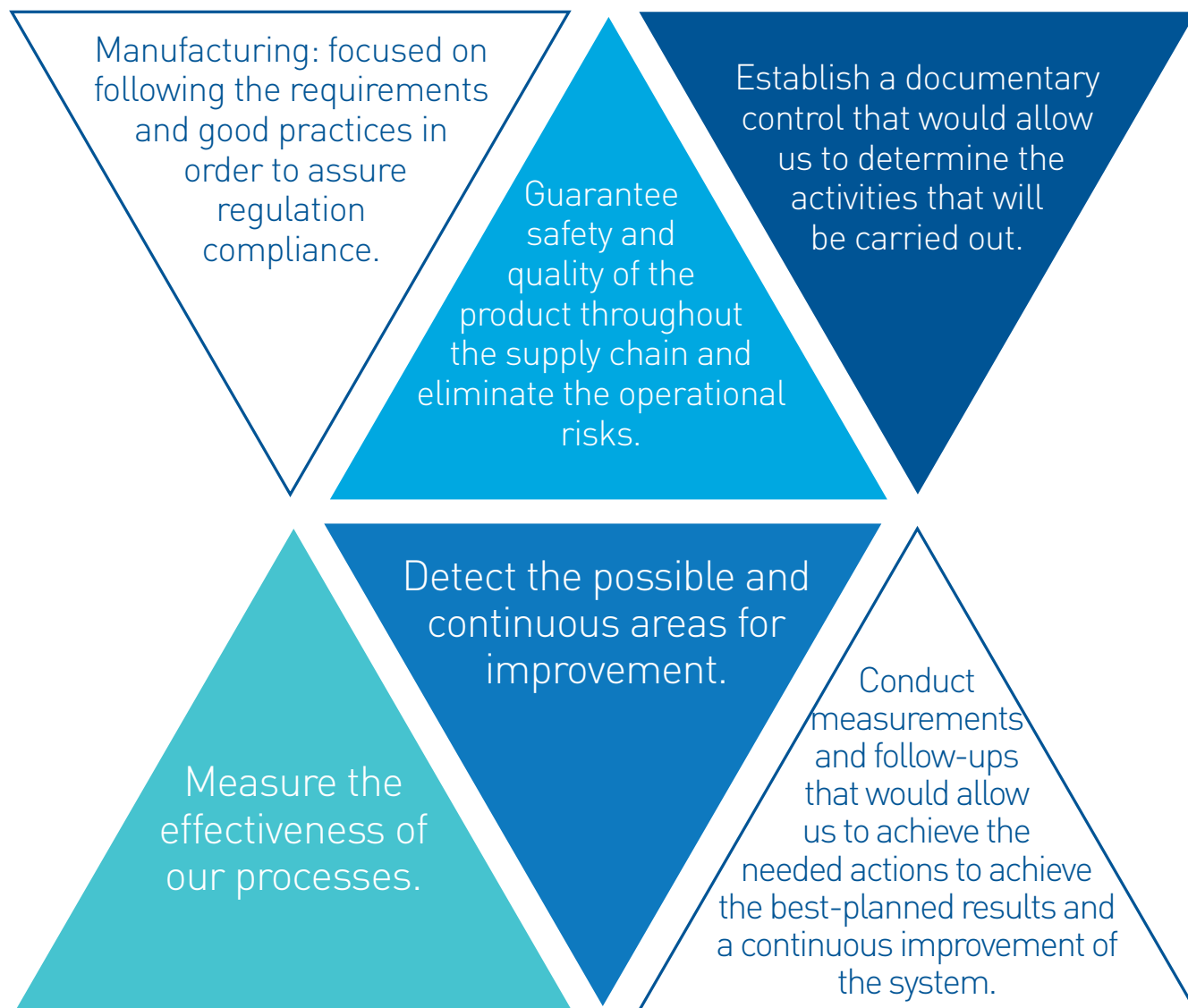
(G4-PR1, G4-PR2, G4-PR3, G4-PR4, G4-PR5, G4-PR6, G4-PR7, G4-PR8, G4-PR9)

The continuous improvement of Genomma Lab International in our products and processes is reflected in all the stages of our supply chain, from the materials

acquisitions, innovation, development, fabrication, storage, and distribution to the shelves where our customers select our products.

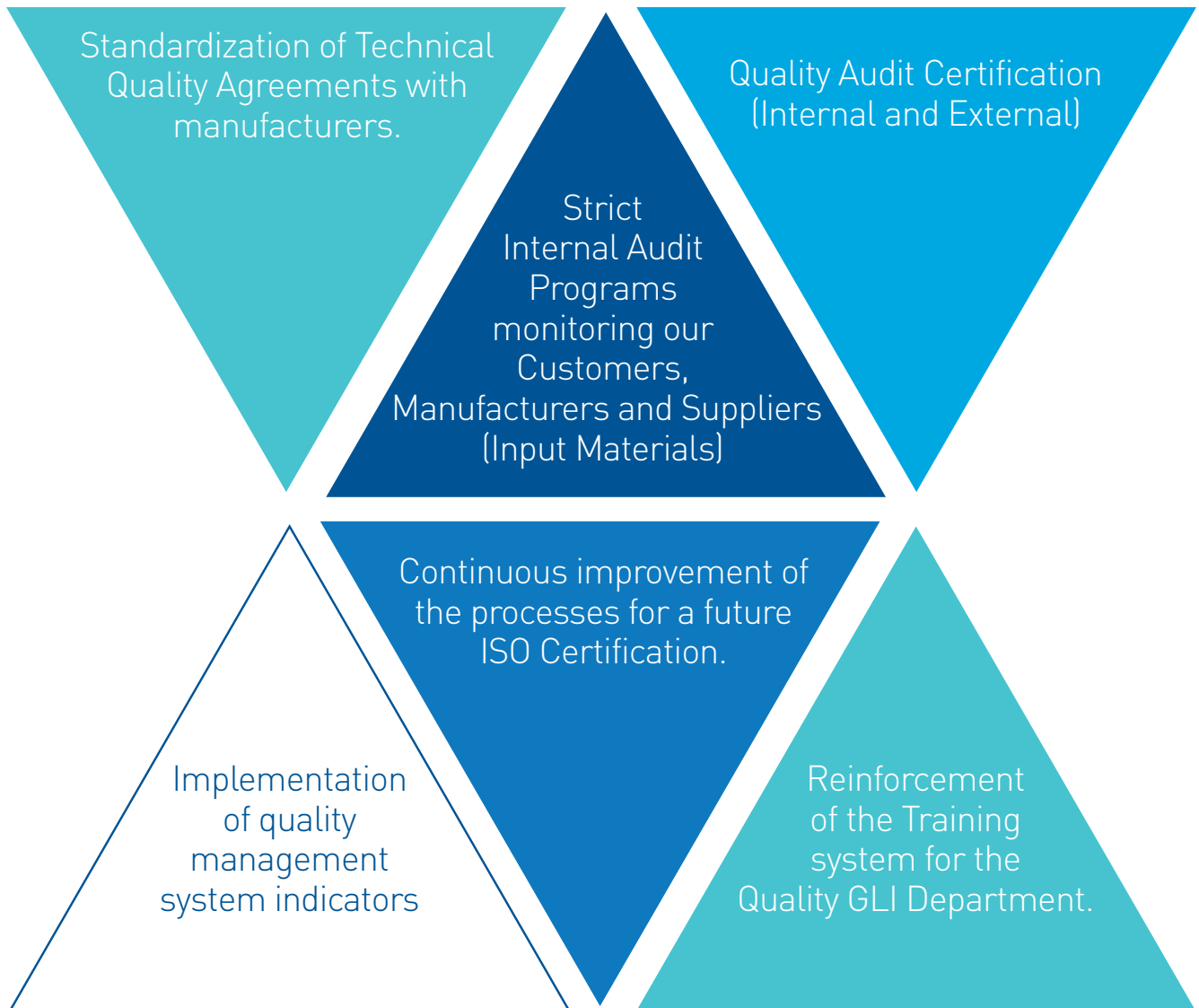
During the past years we have worked on improving our quality management system (SGC) with the intention to give our products

the best quality and maintain the references of our customers. For which the quality is watched over in different stages:



At Genomma Lab International we have a Quality Policy that may be consulted on this website:
<http://genommalab.com.mx>

During 2017 we worked on the enlargement and improvement of our processes. Working on important elements such as:



Our goals for the following years

YEAR	OBJECTIVE	IMPROVEMENT AREAS
Year 2018	Forehead quality: customer consideration	Customer satisfaction standardization. Producer goods and packaging specifications for the main products. Producers' certification. Producer goods and packaging improvement for the main products. Improvement projects for producer's goods.
Year 2019	Quality from the beginning: improvement of producer goods	Quality Certification for producer goods. Implants as main producers.
Year 2020	Quality as strategy	Quality as the main factor for a solid product with the lowest manufacturing cost. Obtaining the best product in the market with less manufacturing time and best processes. Quality is controlled from the supplier of the supplier to the client of the client.

In 2017 we obtained the following results from the strategy of the C cycle:

Defective quality reduced by more than 30%

Indicators definition for the quality measures for Genomma Lab International and main manufacturers.

Continuous improvement in the supply chain process.

Decrease of consumers claims



OUR QUALITY TEAM

During 2017, 88 members, distributed as follows, made up the quality team:

Mexico: 42 Peru/Bolivia: 4

USA: 1 Argentina: 33

Central America: 1 Brazil: 7

Colombia: 2

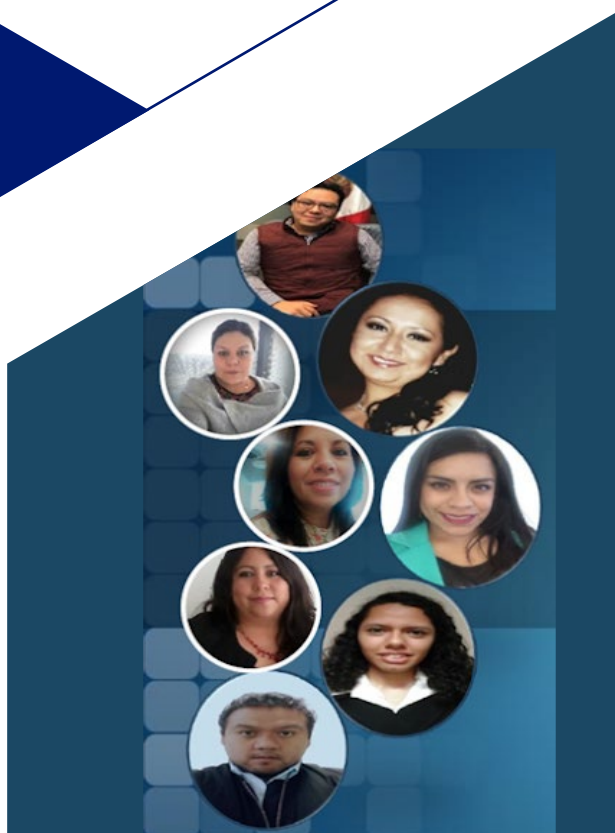
The team members focused working on four important aspects:

Quality control, framework fulfillment, quality assurance, and manufacturing supervision and consumer's attention.

Our future goals are based on guaranteeing quality synergy for all our manufacturers through the standardization of processes, creating quality agreements and closing compromising agreements from both parts of the process.



CLINICAL PHARMACEUTICAL AND COSMETIC RESEARCH



At vanguard, having clinic and cosmetic efficacy research studies, meeting the highest standards. "Products that provide security and efficacy to the consumers, are a guaranteed success."

Clinical Cosmetic Efficacy and
OTC Regulatory Matters Team

Every study is based on international methodologies such as The European Cosmetic and Perfumery Association (COLIPA) and the Health Surveillance National Agency (ANVISA) for Brazil.

More than 100 cosmetic efficacy studies have been applied following the COLIPA methodology and more than 40 security studies under the ANVISA methodology.

PHARMACOVIGILANCE, TECHNOVIGILANCE AND COSMETOVIGILANCE

At Genomma Lab International, we monitor the efficacy and SECURITY of the OTC products and cosmetics through the Pharmacovigilance, Technovigilance and Cosmetovigilance Program implemented at a company level as part of the assessment process for the registration and commercialization of our products. The first one refers to the monitoring of adverse reactions of the medications and the second one refers to the monitoring of effects by the medical devices. The main function of

The cosmetic efficacy studies that we apply to our products are processed by an outsourcing agency with the purpose of maintaining a neutral and objective outcome. In addition, we do safety studies for the cosmetic products we produce, and our disposition in each case encourages the prohibition of animal testing in the implemented studies.



these programs is that our products meet the previously established efficacy and security standards (Benefit -Risk), before and after its commercialization, which allows us to guarantee that our consumers receive an effective and secure product. The COSMETOVIGILANCE program is also launched to prevent the adverse reactions of the cosmetic products, an activity that few companies have nowadays.



SOCIAL IMPACT

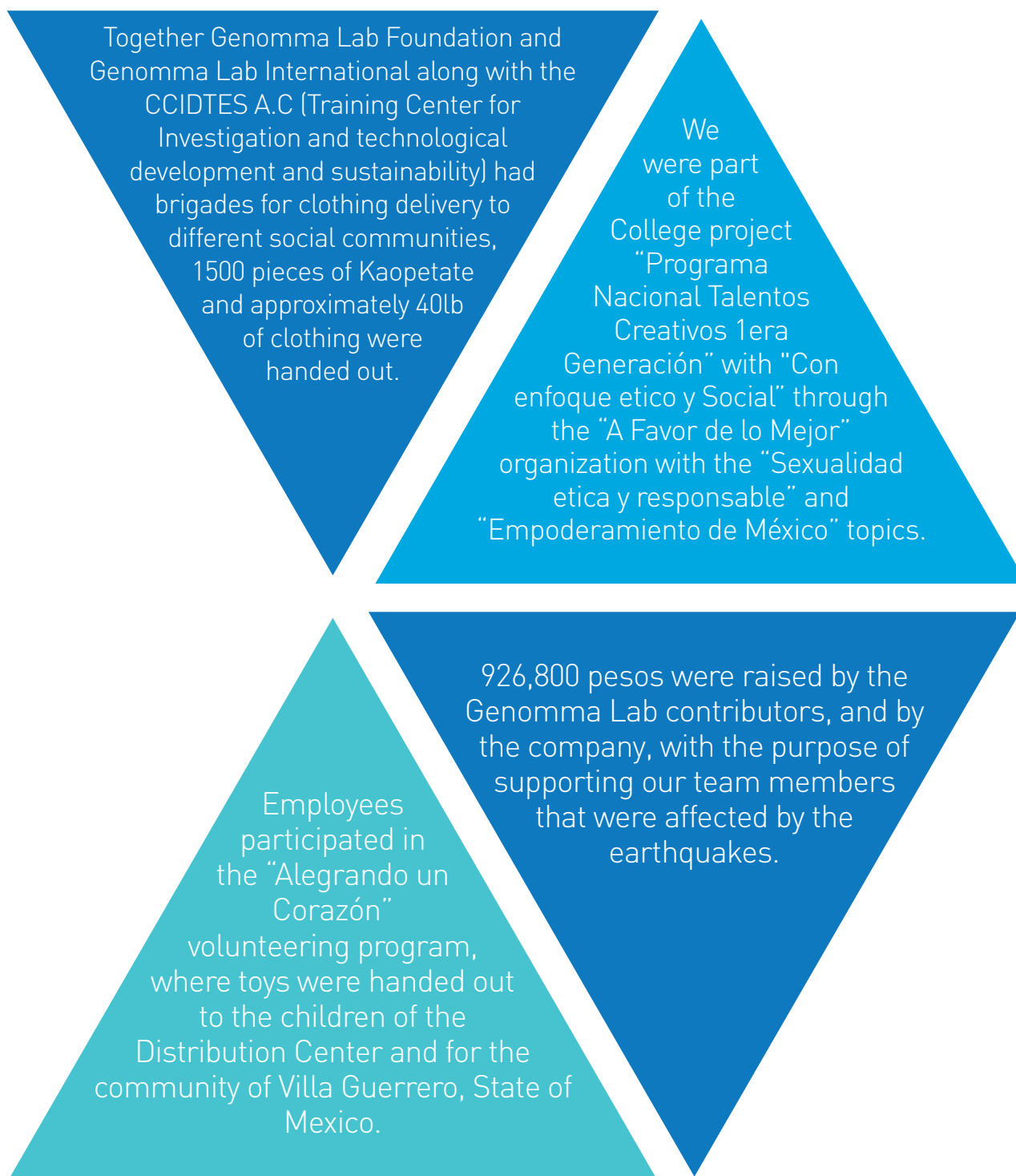
(GRI G4-DMA, G4-EC7, G4-EC8, G4-EC9, G4-S01)

"In the evolution of becoming a successful company, the desire of passing out the legacy of sustainability and Social Responsibility in our communities and our planet is strengthened. It is our responsibility to work on our commitment with integrity and professionalism that our company's mission and vision require; while we grow worthy as a company and as excellent human beings"



Sabrina Herrera Aspra
CEO of the Genomma Lab Foundation





The social labor of Genomma Lab is focused on contributing primarily in social health benefits, by helping during natural disasters

and keeping a close relationship with the communities with which it operates.



GENOMMA LAB FOUNDATION



10 years ago, the Genomma Lab A.C. Foundation was founded with the mission to connect with Civil Society Organizations that support health related causes.

The foundation is under the Administration of the Sabrina Herrera Aspra, who is member of the Genomma Lab Board of Administration.



2017 DONATIONS: CANCERTON AND NATURAL DISASTER RELIEF



Canceroton

3,000 pieces of Suerox and 3,000 pieces of the Shampoo Vanart were delivered to the Cancer patients and to their families. These products were distributed to the Cancer Treatment specialized institutions, as well as to the medical brigades of the rural zones.

In the same way, there has been support to other institutions such as:

Fundación Duerme Tranquilo A.C. with 1,000 units of Vanart.

National Cancerology Institute (INCAN) (Canceroton Puebla 2017).

Mexican Red Cross donations, Sonora for the support of migrants with the campaign #HidratandoMéxico. In 2017, 3,606 pieces of Suerox were donated for this cause.

**In 2017 the brand Suerox
was the donation leader for
Civil Society Organizations**



Natural Disaster Relief

"Suerox helped to keep rescuers hydrated to fulfill their mission in the best possible way."

As a response to the disasters caused by the earthquakes in Mexico on September 7 and 19, 2017, Genomma Lab helped those who were severely damaged in the State of Oaxaca, in coordination with the National Institute of Perinatology and the DIF State of Oaxaca, delivering:



In addition to these donations, we raised an internal collection for the affected contributors by the September 19, 2017 earthquake. It was possible to donate a total of 926,800 pesos by the contribution of Genomma Lab International, and for the contribution of 1 peso for every donated peso collected, contributing to the noble action of looking for the interest of our people.

We deployed a group of 300 people from Genomma Lab Mexico to the main affected places by the September 2017 earthquakes, to the collection centers and affected locations such as Mexico City, Puebla and Morelos. These teams delivered more than 85,000 pieces of Suerox with collaboration of Foundation Genomma Lab and the Mexican Red Cross. They were loaded by 7 Thorton during the early morning and delivered the next day of the events to rescuers and volunteers. This effort was performed in coordination with the areas of the Distribution Center, Sales, Finance and Social Responsibility.

Together Genomma Lab Foundation and Genomma Lab International with the CCIDTES A.C (Training Center for Investigation and technological development and sustainability), the CCIDTES A.C, the CEFESER S.C. (Business strengthening Center for Entrepreneurs of the Rural Sector), the CEDI Laboral Certifications S.C and "Pequeños Gigantes que Transforman A.C (Little Gigants that Transform), had brigades in different communities in the State of Puebla and Mexico City, to deliver 1,500 pieces of Kaopectate and nearly 40 lb. of clothes.





NATIONAL CREATIVE PROGRAM TALENTS

1st Generation “With ethical and social approach”.

During 2017 the company participated in the initiative of the National Program of Creative Talent 1º generation “With ethical and social approach” of the A Favor de lo Mejor organization, through which the university formation was sought. Participating in an applied experience with the objective of showing their knowledge and their positive transforming intentions of their country. The university students created an audiovisual project that could be of good use to a “Social Cause” that promoted a company or an organization, with a non-lucrative project and would stand out for the needs of the society. In 2017 Genomma Lab International participated in the categories of “Ethical and Responsible Sexuality” and “Empowerment of Mexico”.





“EMPRESA INCLUYENTE” AND “EMPRESA FAMILIARMENTE RESPONSABLE”



Four years ago, the company received the “Empresa Incluyente” and “Empresa Familiarmente Responsable” emblems, granted by the Ministry of Labor and Social Security, that recognizes us as a committed company with good Labor practices towards handicapped personnel or in vulnerable situations; just as keeping a good balance between life and work, remarking the importance of the family union. The company counts with policies and practical actions based towards equity and equality needed for men and women to develop with the same opportunities.



“ALEGRA UN CORAZÓN”



Like every year, the body of volunteers integrated by our employees accomplished the annual new toy collection through the “Alegra tu Corazon” campaign celebrate the day of the wise men.

In this occasion, the company decided to celebrate our employees’ children at the Distribution Center, giving them a total of 500 collected gifts and a party with a special visit of the wise men. Also, 75 toys were given to the communities of Villa Guerrero, State of Mexico, approximately 400 kids of the community where benefited through the civil association: Foundation Edmundo Rojas Soriano A.C.



PACT FOR THE CHILD MALNUTRITION IN COLOMBIA



(GRI G4-15)



Together for the child nutrition

"Adequate care in the early childhood, produces a greater social and economic equity, thus contributing to the progress of our country"

Felipe Gómez Ángel
Colombia Country Manager

One out of every eight Colombian kids suffer from malnutrition, a condition that affects their development for the rest of their lives.

More than 38,823 children under the age of five have been attended with the total social investment of 19,700 million, and Genomma Lab is proud to be part of this achievement.

Chronic malnutrition might provoke delayed physical and cognitive development. In Colombia 13% of the children under five years old suffer from chronic malnutrition. Since 2016, Genomma Lab Colombia contributes with Éxito foundation in the Gen Cero program, which strives to eradicate chronic malnutrition in Colombia by 2030 and achieve a Generation without malnutrition. Gen Cero is a stake thought as a commitment for the Country, inspired by the children welfare for the present and future generations.

The brands of Asepxia and Tío Nacho support the cause by donating a percentage of their total sales. Altogether, 10 companies participated with this Pact that promotes Exito Foundation.

“Let’s feel proud of working with an organization that supports a cause as important as this one, demonstrating that sustainability and the welfare of the communities where we operate is a priority.”
Felipe Gomez Angel Country Manager Colombia

More information in the website: <https://www.fundacionexito.org/gen-cero/que-es>

With this initiative the country contributed to the 1 goal of the Sustainable Development Goals.



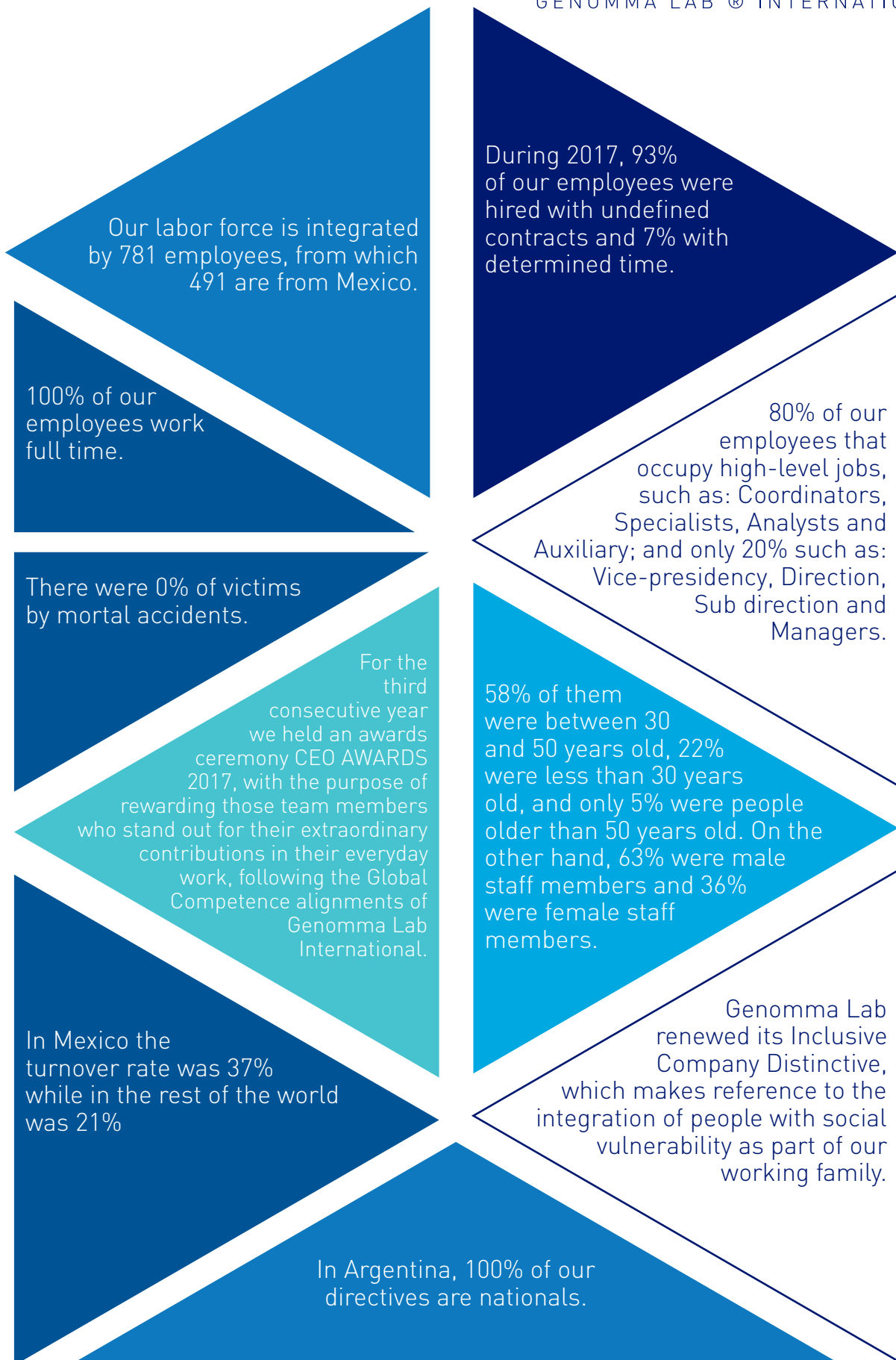
OUR TALENT

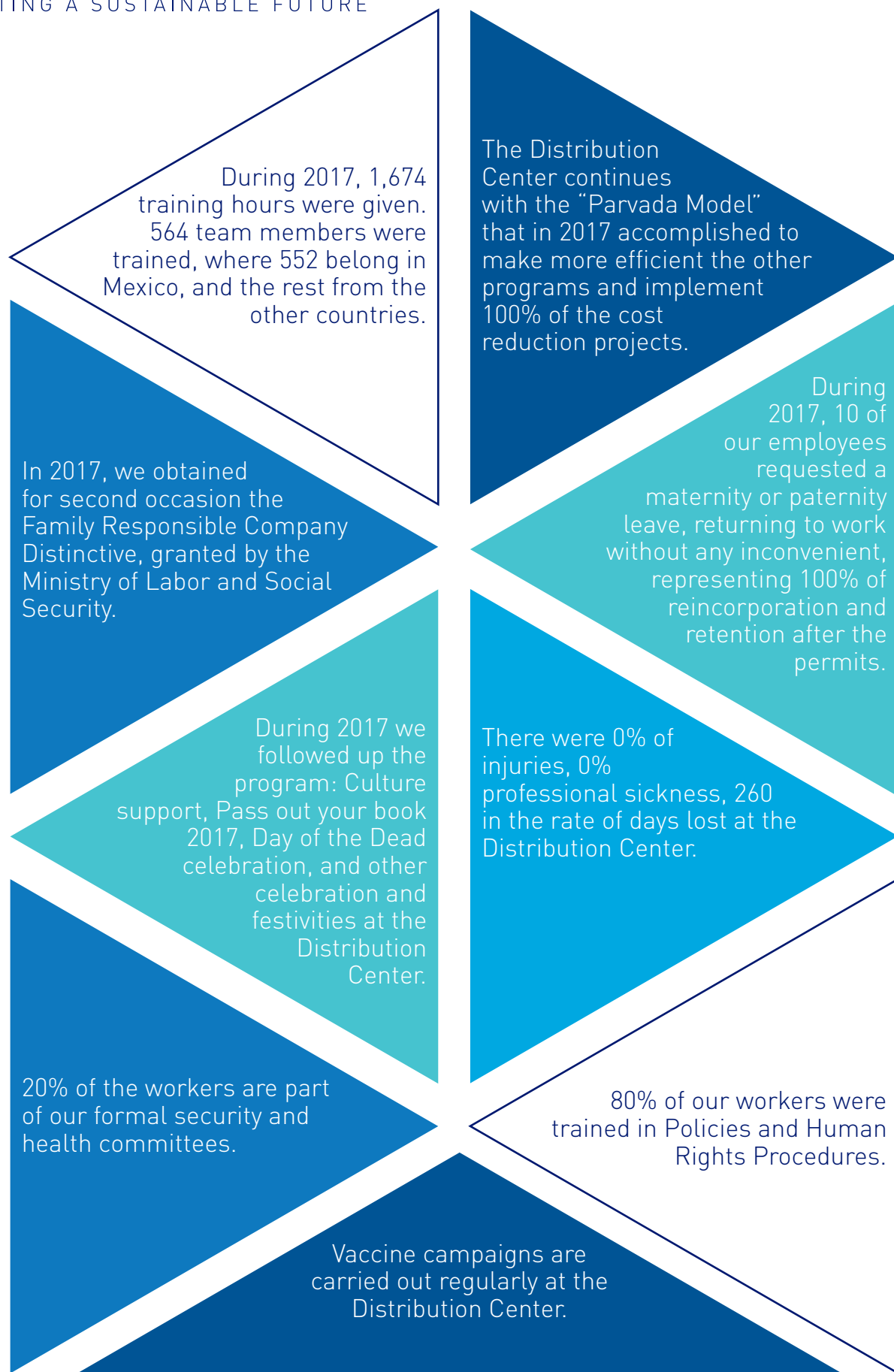
(GRI G4-LA1, G4-10, G4-LA4, G4-LA3, G4-EC6)



"At Genomma, we want to become an example of sustainability, opportunities are bigger every time. Our team works every day to implement more and better initiatives, aligned with our values, which are an evidence of our commitment. Let's create sustainability as a development strategy and growth for our business, our employees and our community"

Leticia Campos
Human Capital Management





For our company it is very important to value our teamwork since employees make our company possible with their effort on a daily basis. For us it is important to keep a healthy working environment and create opportunities to grow professionally.

Genomma Lab is rapidly transforming, so our teamwork must do so as well. In 2017 our business model required each time more global competitions. The human resources' main focus is to encourage our talents, strengthen our capabilities to build professionals that could help us achieve our company's objectives.

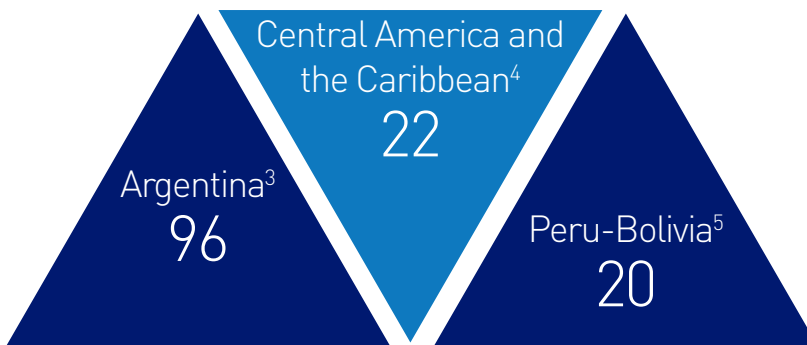




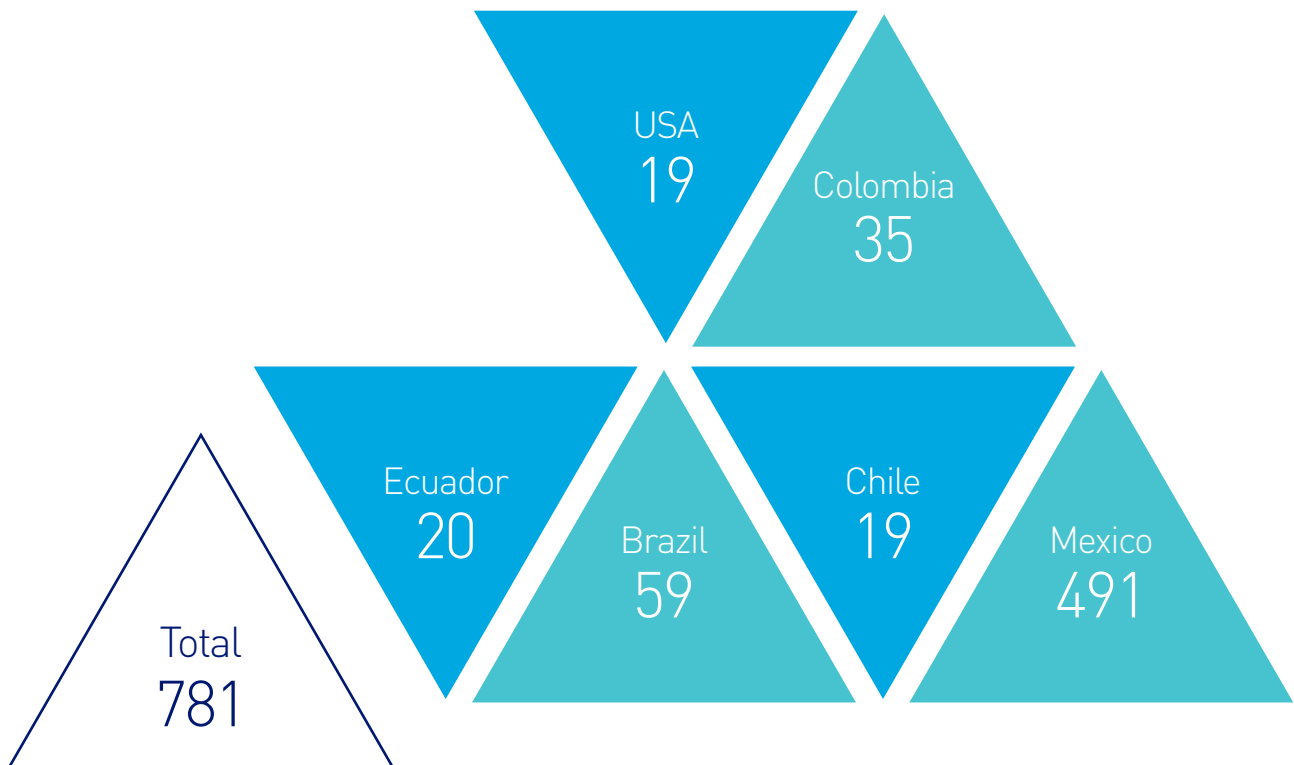
WORKFORCE INTEGRATION

The labor template of Genomma Lab International is made up of 781 employees that form our global talent, which export experience, knowledge, abilities, challenges and innovation proposals. This labor community is distinguished for its diversity and equity, and promotes strategic thinking, leadership and teamwork.

REGIONAL OFFICES



LOCALS OFFICES



2015 LABOR TEMPLATE	2016 LABOR TEMPLATE	2017 LABOR TEMPLATE
878	828	781

³ The region Includes: Paraguay and Uruguay

⁴ The region includes: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, the Dominican Republic and Trinidad and Tobago

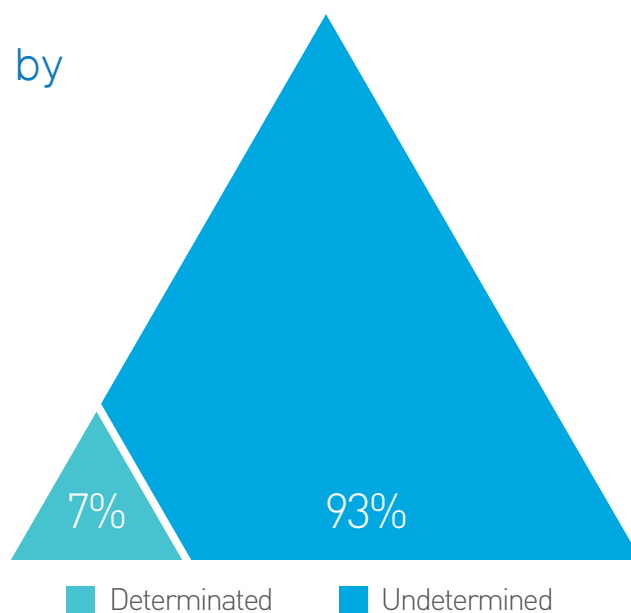
⁵ The region includes: Bolivia

CREATING A SUSTAINABLE FUTURE

Our commitment is to improve our relations with our employees, thus we elaborate labor contracts for undetermined time or for a determined time. During 2017, 93% of

our employees had contracts for undefined duration and the remaining 7% where contracts for a defined time.

Total employees by contract form



The total distribution of employees by hierarchies is distributed in 80% occupying positions as: Coordination, Specialists, Analysts and Auxiliaries; and the other 20% of employees occupying positions as: Vice-president, Direction, Sub direction and Management. In the case of Argentina, 60% of the personnel occupying management positions are woman.

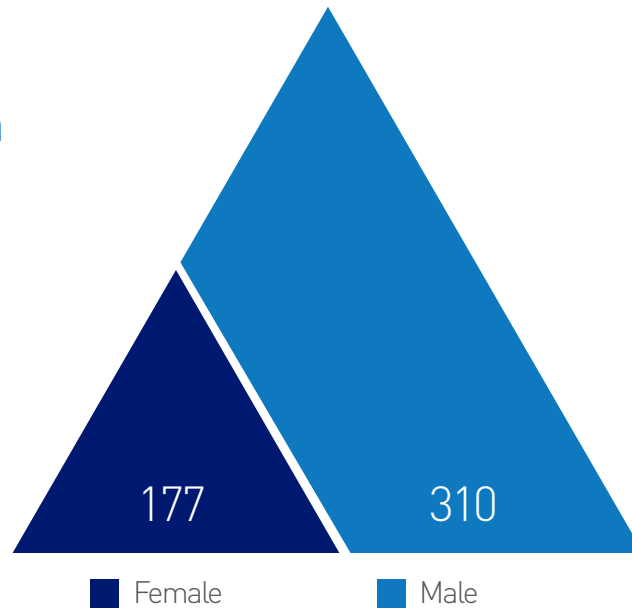
Regarding the origin of senior managers, in Argentina 100% comes from the local communities, in Colombia 85%, in Brazil 50%, and in Chile 25% of senior managers come from their country.

We strengthen talent attraction and retention continually, as well as help our people to develop through time to reinforce their permanency. The main factor that

determines our hiring is focused on talent, without making distinctions of gender or age.

Regarding the hiring in 2017, 58% of them were between 30 and 50 years old, followed by 22% that were less than 30 years old, and only 5% were older than 50 years old. On the other hand, 63% were male staff members and 36% were female staff members.

Hiring breakdown by gender at a global level

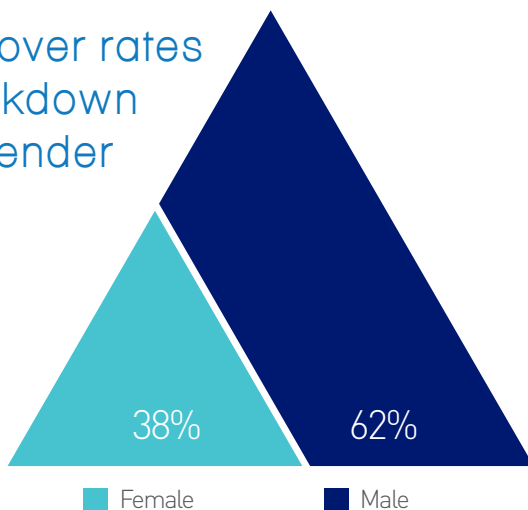


Turnover rate: 37.78%

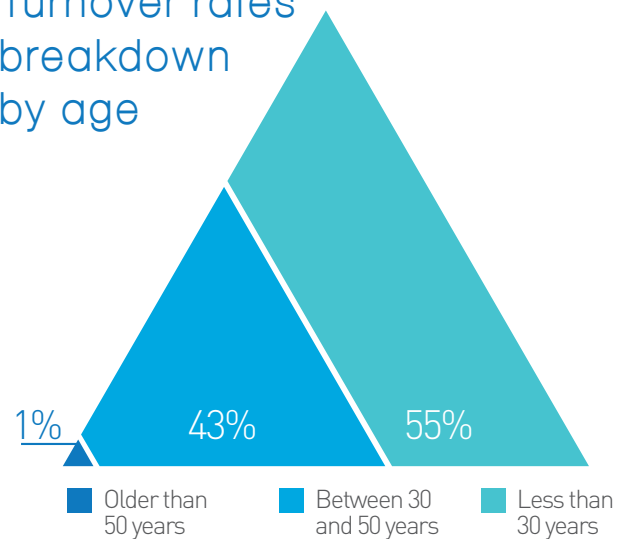
In Mexico the turnover rate was 37%, the rest of the world was 21%.

From the total turnover rate, 184 people abandoned the company, 61% were male and 39% female. Likewise, the higher rotation percentage was in function of age, presented by a group of people younger than 30 years old, by 55%.

Turnover rates breakdown by gender



Turnover rates breakdown by age



Between 2016 and 2017 the turnover rates of people older than 50 years old has been significantly reduced. Nonetheless, the turnover rates for employees 30 years old or younger has grown. The company is currently working on getting better turnover rates and become a company where the employees can develop widely and attract the best talent.



DIVERSITY, INCLUSION AND GENDER EQUALITY



At Genomma lab we are convinced that diversity and inclusion create a more innovative and effective company.

For this reason, one of our main tasks is to create a distinguished team of members from their diversity and equity, where their likes and preferences can be respected, and discrimination can be avoided at all times.

Our Code of Conduct and Ethics establishes the guidelines and norms that regulate the employees' performance in the company. The company also has a diversity policy and committee.

Constantly, we are searching and updating our tools to help us guarantee equal access to opportunities within the company. Policies, regulations and codes that we have today, help us apply these principles in the processes of recruitment, selection, evaluation and development of human capital.

In relation to our commitment to gender equity, the number of men and women that make up the workforce in 2017 was made up of 63% male and 36% female.

In addition, the company has an Inclusion badge, which considers people with some motor disabilities, older adults, single parents or mothers, among others.



TALENT MANAGEMENT: GENOMMA LAB INTERNATIONAL GLOBAL COMPETITION

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

During 2017 we followed up on the talent management mechanisms that started since 2015. Our culture performance has favored the development of our human capital, encouraging and supporting them in their personal and professional plans to set goals to grow within the company. Our strategy for its development is based on a global competition that seeks to empower the talent of our employees, aligned with the objectives of Genomma Lab International.

The mechanisms implemented for the retention of talent motivate us to continue promoting these initiatives. For the third year in a row the CEO AWARDS 2017 were given out, their objective is to reward those employees who stand out for their extraordinary contributions in their everyday work, following the Global Competence alignments of Genomma Lab International.

GENOMMA LAB INTERNATIONAL GLOBAL COMPETITION

LEADERSHIP

Capacities that inspire employees to:

Envision: recognize the opportunities presented.

Attachment: achieve others' commitments.

Energize: motivate your partners.

Empower: make it possible and eliminate obstacles.

Execute: develop and establish arrangements to achieve goals and strategies.

VALUES

Strategic Thinking

Change adaptation

Team work

Effective communication

Aptitude and creation capacity





TRAINING AND DEVELOPMENT

(GRI G4-LA9)

Our employees' talent and performance with which they carry out their activities is strengthened through the development of abilities, knowledge and skills that are promoted through training allowing our team to work optimally.

We teach courses, certifications and programs for all Genomma Lab employees, focused on their specific activity and level. During 2017, 1,674 hours of training were given. 564 employees were trained, of which 552 belonged to Mexico and the rest to the other countries.

Training hours in 2017 by country

Mexico: 1674 h / 564 personas

Chile: 52 h / 11 personas

Brazil: 440 h / 34 personas

Colombia: 409 h / 36 personas

Ecuador: 56 h / 20 personas

Total training hours: 2,631

Total members trained: 665

Training hours

2015
3,925

2016
5,473

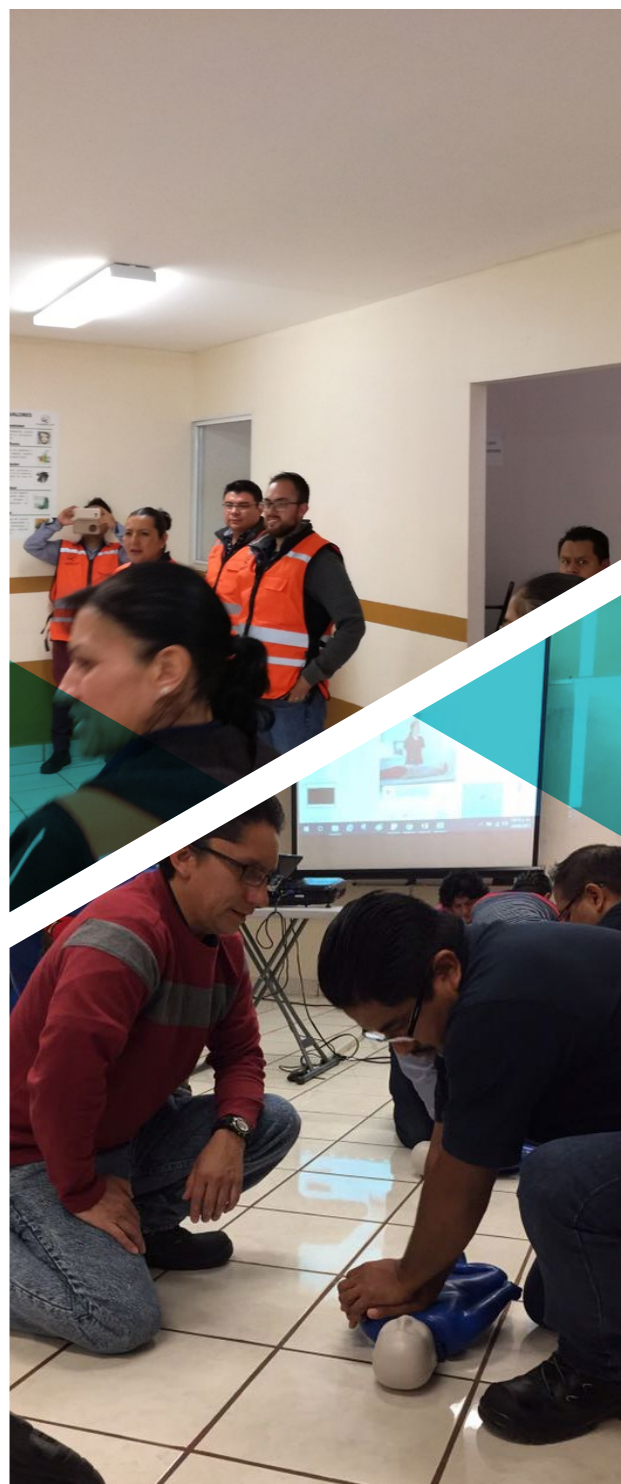
2017
2,631

Regarding the total hours taught by hierarchical level, 11% correspond to the high levels categorized in the Vice-presidency, Direction, Sub director and Management, while 89% correspond to the Coordination, Specialist, Analyst and Assistant levels.

Training needs vary from one employee to another, which is why we conduct assessments to determine the allocation of courses, graduate and postgraduate courses related to their different business areas. In countries such as Colombia, financial support was provided for employees to attend seminars, graduates, professional training and postgraduate courses; with the purpose that the staff have updated information and better knowledge in their working area.

Training in health and safety issues has been offered to promote a self-care culture and thus develop safe activities when carrying out their work.

Chile's employees had the opportunity to take certificate courses and participate in the internal training programs. In Brazil and in Ecuador, the technical issues addressed in training are: products, regulatory issues and tax updates. New employees in Brazil



are constantly trained in the Code of Conduct and Ethics; there is also an integration and coaching program by their direct supervisor. In Colombia, programs are carried out to improve the employees' capacities; they have been carried out through financial support and facilities for seminars, graduates, professional training and postgraduate courses. The purpose is for the employees to have updated information and updated knowledge in their working area. Training in health and safety issues has been offered to promote a self-care culture and thus develop safe activities when carrying out their work.

In Ecuador, some of the training programs focus in topics such as courses with experts, which have allowed employees to update their knowledge in the accounting, tax, and safety and hygiene areas.

In Mexico, induction courses for the company are given so that each new member has sufficient tools to perform the best work in their area.

The program aims to publish the necessary information about the company for a proper incorporation.





REGULATIONS

Code of Conduct

Human Rights Policy.

Procedures elaboration.

Good storage practices policy.

Good documentation practices policy.

Dress and personal protective equipment politics.

The objective of these programs is to provide guidelines or required processes by business regulations or regulatory entities to ensure their fulfillment.

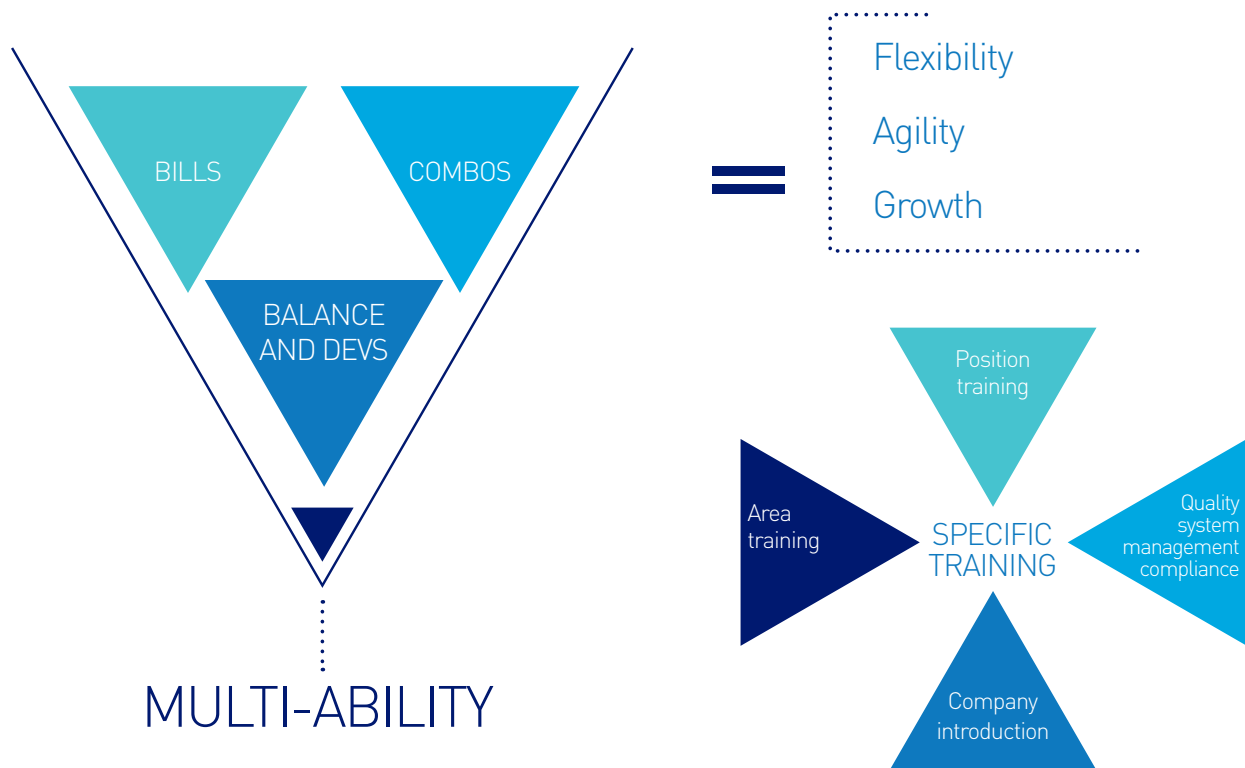
Genomma Lab International's training programs offer short and long-term benefits. Our employees are prepared for the challenges they face on a daily basis, but at the same time acquire expertise for their future professional life; thus, contributing to our employees empowerment. An example of specialized training within Genomma Lab International is the one in the Distribution Center (CEDIS).

PARVADA MODEL:

Specialized training at the Distribution Center

In 2017 we prioritized science in time and in the reduction or elimination of losses, which commits us to have a constant mapping process for a continuous improvement to establish action plans in productivity, quality, service and security, encouraging us to improve the productivity of the staff.

The “Parvada Model” was implemented at the Distribution Center, and the employees were trained in several functions carried out so that every member acquired the skills and acknowledgement to participate in every stage of the different processes.



The 2017 objectives:

1. Loading 100% of sales volume.
2. Implementing 100% of cost reduction projects.
3. Satisfying our customers.
4. Satisfying our people.
5. Complying with the internal controls and regulations.

Within the “Parvada Model” we have a monthly performance evaluation system in which we assess our employees in terms of quality, productivity, service and safety. From the results obtained we make a classification, and the best-evaluated members are invited to an event to recognize and reward them for their results. This has led to the healthy competition and solid growth of our workforce.

SOCIALLY RESPONSIBLE COMPANY

In recent years we have endorsed our public commitment with the corporate sustainability through an annual review of our responsible social management in the elements of quality of life in the company, community affiliation, business ethics, environmental conservation.



As a result, we have received, for the eleventh consecutive year the "Distintivo a Empresa Socialmente Responsable".

LIFE BALANCE POLICY

Our sense of responsibility towards the well-being of our human capital is supported through the Life-Balance Policy, that establishes the guidelines to reconcile work-life with family and personal life of our employees, and thus promote their performance in a good work environment and positive productivity within an environment of alliance, credibility and respect.

Our objective at Genomma Lab International, through our Social Responsibility and human capital development programs is to improve the environment in which our employees and families develop. In 2017, we were awarded the "Empresa Familiarmente Responsable" by the Secretaría del Trabajo y Previsión Social, reinforcing our commitment with the company towards the families of our employees.

"A Company that is Family-Responsible proves to be a promoter of good labor practices in gender equity, violence prevention and sexual harassment prevention, as well as creating actions and policies to encourage workers to attend their family responsibilities." (STPS)

In accordance with the labor provision of each country, the commitment with mothers within our workforce is, offering them various benefits, including compressed workweeks, flexible hours, work distance, agreed working hours and maternity leave.

In addition, we grant maternity and paternity leave to all our employees, in which men and women are able to request leave for the

established days by law, depending on the country where they are located. During 2017, 10 employees applied for maternity and/or paternity leave, reincorporating themselves to the company without any inconvenience, this represented a 100% reincorporation and retention during 2017.

HUMAN CAPITAL POLICY

The constant review, update, modification and renovation of our policies has helped us strengthen our recruitment processes, trainings, developments and talent retention, promoting continuous improvement in the management of our human capital.

1. Training, development and performance management policy:

We show the commitment to promote the professional development based on knowledge, skills, experience and trajectory.

2. Talent attraction policy:

Our commitment to allow access to employment respecting human dignity, human rights and determining our inalienable obligations, complying with legal framework and social security.

3. Compensation and benefits policy:

We show a commitment to guarantee benefits, agreements and compensation in addition to those required by law, which allows our employees to enjoy a better quality of personal and family life.

4. Policy for interns and trainees:

It is the commitment of our company to promote the recruitment and development of the best talent focused on the interaction between company and participation to achieve objectives in a responsible, inclusive and sustainable manner.

5. Work separation policy:

We show the commitment to grant the corresponding and additional bonuses to the employee that separate from the company.



EMPLOYEE BENEFITS

[G4-LA2]

A value added to the training, as part of the talent management for the company, is the benefits that we grant to the personal wellbeing of our employees. In Genomma Lab International we offer benefits above the law, granting competitive salaries along with compensation where we consider gender equality and nondiscrimination, all of this with the purpose of supporting our own employees to the achievement of their business, personal and professional goals.

The company offers benefits, such as life insurance and in some cases major medical expenses insurance, dining room service, transportation subsidy, educational support, daycare and parking rental, among others; which may vary between countries and job levels.

Likewise, we grant corporate bonds following the internal policies of Genomma Lab International according to the results obtained.

At Genomma Lab International, we fulfill our social obligations between employee-director inside the benefit plans, which may vary between countries depending on the local regulations; nonetheless, the bonus, vacations, saving fund for retirement and holiday bonuses are benefits that all our employees receive.





CULTURE PILLAR

In Genomma Lab we developed programs for our members focused on strengthening the labor culture, developing their talents and guiding them to achieving our objectives.

During 2017, we followed-up some social and cultural programs:

“PASS YOUR BOOK 2017”

For the fourth consecutive year in partnership with the Communication Council, the program promoted the reading habit in our

employees and their families, achieving a total of 39,317 reading hours with the participation of more of 200 employees.

DAY OF THE DEAD CELEBRATION

In our Distribution Center, the traditional “Offerings Contest (or altars) in which our employees and their relatives participate” was held. During this activity there was an

award ceremony for the winners and with that, the Mexican customs were preserved as well as coordination and teamwork strengthening.



FESTIVITIES AT THE DISTRIBUTION CENTER

As every year in the Distribution Center, the traditional end of the year celebration was organized. Our employees and their families have the opportunity to live together and celebrate the achievements obtained during the year. In this celebration a

Guadalupeana Mass was held, the traditional “posada navideña” and the “Concurso de Piñatas”. Likewise, as every year the soccer tournament is held, in order to promote a healthy lifestyle.





OCCUPATIONAL SAFETY AND HEALTH

(GRI G4-LA6, G4-LA5, G4-LA8)

For Genomma Lab International our employees are the core part of the company, by which we value and protect their health and physical integrity. It is important for us, so they can achieve their objectives and professional or personal goals.

The work efficiency and performance of our employees depend in large part of their mental health, that is why we care about their health integrity and that of their families. Likewise, we recognize that our employees are exposed to musculoskeletal diseases due to repetitive movements and stress. Consequently, we are committed in offering and preserving a safe, healthy and risk-free work environment through programs that provide health information, self-care and that motivate them to develop their workplace and personal abilities.

During 2017 we registered and monitored the accidents that arose in the corporative offices as well as in the Distribution Center.

The following courses correspond to the Safety and Hygiene trainings during 2017:

Corrective and preventive actions of the procedure PNO-007 Safety and Hygiene.

Safety and hygiene, and occupational health regulation update.

Warehouse access control for internal and external staff.

Control of access and exit of the Distribution Center for employees, suppliers and visitors.

Forklifts safe handling.

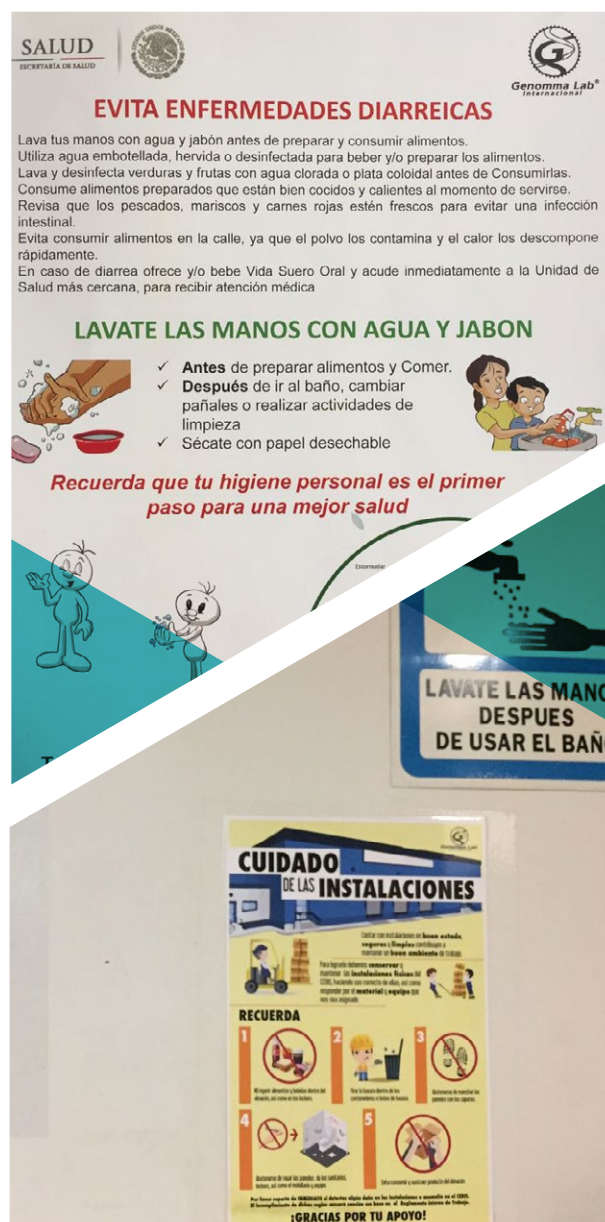
General maintenance of the facilities and own equipment.

Forklifts and electric skate regulation.

Personal protective equipment usage.

Quality status assignment of the product.

Programs aimed at employees to provide the elements that allow them to take care of their personal safety in the work areas and prevent accidents..



HEALTH AND SAFETY KPIS

	CORPORATE		DISTRIBUTION CENTER	
	MALE	FEMALE	MALE	FEMALE
Accidents with Injuries	0	0	2	0
Rate of occupational diseases	0	0	0	0
Lost days rate	0	0	260 days	0
Absence rate	0	0	0	0
Mortal victims	0	0	0	0

INTERNATIONAL DATA

In Brazil the absence rate was 3%

Genomma Laboratories Mexico S.A. de C.V. had 2 accidents: from a male 1 and from a female 1.

In Chile the absence rate is 6%

20% of the workers are part of our formal security and health committees.

There are no workers that develop professional activities with an incident or a high risk of determined diseases.

During 2017, there were no claims about labor practices that have been submitted through the reporting channel during the period covered by the report.



HUMAN RIGHTS TRAINING

80% of the workers had training about political and procedurals related with human rights, with a total of 112 hours.

100% of the security personnel have received specific formal training on the policies or procedures of the organization in the field of human rights and its application to security

BASE SALARY AND REMUNERATION RATIO BY EMPLOYEE CATEGORIES 2017

LOCATION	VP/DIRECTOR/SUB DIRECTOR/MANAGER	COORDINATOR/SPECIALIST/ ANALYST/AUXILIARY
Corporate Management	20%	43%
Administrative Distribution Center	13%	39%

Among other activities, this year with assistance of the Ministry of Health, we carried out the vaccination campaign against flu as part of our health and safety programs, applicable in the Distribution Center. Additionally, it is important to highlight that all employees are represented in the Health, Safety and Hygiene Committees, and in the collective contracts that the company manages. In the case of Brazil, the health and safety care conditions for the employees are contemplated as part of the Company.

On the other hand, our commitment with the security of our Distribution Center is reflected through the different mechanisms, such as damage insurance, which protects our facilities, furniture, machinery and products, in case of a sinister, natural disaster or other vulnerable conditions that our valuable capital could face.



COMPLEMENTARY INFORMATION

ABOUT THIS REPORT

SCOPE AND LIMITS

[GRI G4-28, G4-29, G4-23, G4-17]

The information in this report covers the period from January 1st to December 31st, 2017 and in some specific cases we make a comparison in relation to previous years. We present the performance of our operations in Mexico and incorporated relevant data for our international operation in which the following areas are considered, the regional office of Lima, Peru, also serves to Bolivia. The office located in San Jose, Costa Rica, monitors the operations of Central America and the Caribbean: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, the Dominican Republic, and Trinidad and Tobago; a regional office in Argentina, also serves Paraguay and Uruguay. In addition to our local offices located in Brazil, Colombia, Ecuador and Chile, the United States offices provide services to Puerto Rico. Our report is aligned with the requirements of organizations that set the guidelines for the revelations of Sustainability Reports, under the guidelines of the Global Reporting Initiative (GRI), reporting for the fourth time under the version of the GRI G4 Guide under the compliance essential option.

We also reaffirm our commitment to responsible practices to strengthen, respect and protect human rights, environmental conservation and permanent work with anticorruption principles, which is why we endorsed our membership of the United Nations Global Compact initiative since 2007 and the alignment to the Sustainable Development Goals.

During 2017, we strived to strengthen our Social Responsibility and Sustainability corporate strategy through a link with the Social Responsibility Faculty at the Universidad Anahuac, Institution that has given us constant advisory, the same that has helped us build this document.



GRI KPI TABLE (GRI G4-32)

BASIC CONTENT	CONTENT	REFERENCES OR ANSWERS	SDGs
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-maker of the organization	Message from the Executive Director p. 6	
G4-2	Description of key impacts, risks, and opportunities	Message from the Executive Director p. 7, 8, 9	
ORGANIZATIONAL PROFILE			
G4-3	Organization's name	About Genomma Lab International pg. 21, 22	
G4-4	Primary brands, products, and services	Our Products and Operations p. 21, 25	
G4-5	Location of the organization headquarters.	Contact p. 21, 199	
G4-6	Number of countries where the organization operates	About Genomma Lab International pg. 21, 22	
G4-7	Nature of ownership and legal form	About Genomma Lab International p. 21, 22	
G4-8	Markets served	About Genomma Lab International p. 21, 22	
G4-9	Organization dimensions	About Genomma Lab International p. 21, 22	
G4-10	Scale of the organization	Our Talent p. 158, 163	SDG 8
G4-11	Percentage of protected employees by a collective agreement.	Does not apply	
G4-12	Organization's supply chain	Our Supply Chain p. 103	SDG 12
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	About Genomma Lab International p. 21, 22	
G4-14	Precautionary approach or principle is addressed by the organization	Environmental Conservation and Climate Change p. 77	

G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Pact against child malnutrition in Colombia p. 156	SDG 1, 2, 3, 12
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	Participation in Initiatives, Associations, Awards and Adhesions p. 47	SDG 4, 17
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organization's consolidated financial statements	Our Priorities p. 50, 51, 187	
G4-18	Process for defining the report content and the Aspect Boundaries	Our Material Issues p. 50, 52	
G4-19	Material Aspects identified in the process for defining report content	Our Material Issues p. 50, 52	
G4-20	Aspect Boundary within the organization	Our Material Issues p. 50, 52	
G4-21	Aspect Boundary outside the organization	Our Material Issues p. 50, 52	
G4-22	Effect of any restatements of information provided in previous reports	Our Carbon Footprint p. 84,85	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Complementary Information p. 187	
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organization	Our Stakeholders p. 44	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Our Stakeholders p. 44	
G4-26	Organization's approach to stakeholder engagement	Our Stakeholders p. 44	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Our Stakeholders p. 46	

REPORT PROFILE			
G4-28	Reporting period	Complementary Information Scope and Limits p. 187	
G4-29	Date of most recent previous report	Complementary Information Scope and Limits p. 187	
G4-30	Reporting cycle	Complementary Information Scope and Limits p. 187	
G4-31	Contact point for questions regarding the report or its contents	Contact p. 199	
G4-32	Level reaches, GRI indicators and External Assurance Report	GRI KPI Table p. 187, 188	
G4-33	Organization's policy and current practice with regard to seeking external assurance	About this Report p.187	
CORPORATE GOVERNANCE			
G4-34	Governance structure of the organization, including committees	Governance, Ethic Management, Management Focus p. 55, 60-64	SDG 12
G4-35	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 55, 60-64	SDG 12
G4-36	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 55, 60-64	SDG 12
G4-37	Consultation between stakeholders and the highest governance body	Board of Administration Report p. 55, 63	SDG 12
G4-39	Chair of the highest governance body is also an executive officer	Board of Administration p. 55, 60	SDG 12
G4-40	Nomination and selection processes for the highest governance body and its committees	Board of Administration p. 55, 61	SDG 12
G4-41	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 41, 53, 55, 64, 68	SDG 16
G4-42	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55	SDG 16
G4-43	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55	SDG 16
G4-44	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55	

G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	Board of Administration Report p. 53, 55	
G4-46	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55, 64	
G4-47	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55, 64	
G4-48	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55, 64	
G4-49	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55, 64	
G4-50	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55, 64	
G4-51	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55, 64	
G4-52	Governance structure and Composition	Governance, Ethic Management, Management Focus p. 53, 55, 64	
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals	Director Nomination and Selection p. 53, 55, 65	
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	Does not apply	
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees	Does not apply	
ETHICS AND INTEGRITY			
G4-56	Declaration of mission, vision and Codes of Conduct	Code of Conduct and Ethics p. 68	SDG 16
G4-57	Grievance Mechanism	"RESGUARDA" Reporting Channel p. 72	
G4-58	Grievance Mechanism	"RESGUARDA" Reporting Channel p. 72	

BASIC SPECIFIC CONTENT			
MATERIAL ASPECTS	MANAGEMENT INDICATOR INFORMATION	REFERENCE OR ANSWER	SDGs
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Disclosure on Management	Our Business in Numbers p. 30	
G4-EC1	Direct economic value generated and distributed	Our Business in Numbers p. 30	SDG 8 SDG 13
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Our Carbon Footprint p. 85	
G4-EC4	Financial assistance received from government	Does not apply	
G4-EC5	Minimum Wage	Does not apply	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Our Talent p. 158, 160-164	SDG 8
ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-EC7	Development and impact of infrastructure investments and services supported	Product Manufacturing Supervision and Audits p. 104	SDG 12
G4-EC8	Significant indirect economic impacts, including the extent of impact		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation		
MATERIAL ASPECTS	MANAGEMENT INDICATOR INFORMATION	REFERENCE OR ANSWER	SDGs
CATEGORY: ENVIRONMENTAL			
ASPECT: ENERGY			
G4-DMA	Disclosure on Management	Environmental Management p. 77, 80	
G4-EN1	Materials	Use of Waste and Materials p. 92	
G4-EN2	Materials	Use of Waste and Materials p. 92	
G4-EN3	Energy consumption within the organization	Our Carbon Footprint p. 84	SDG 13

G4-EN4	Energy consumption outside of the organization	Our Carbon Footprint p. 84, 86	SDG 13
G4-EN5	Energy intensity	Our Carbon Footprint p. 84, 86	SDG13
G4-EN6	Reduction of energy consumption	Our Carbon Footprint p. 84, 90	SDG 13
G4-EN7	Reductions in energy requirements of products and services	Our Carbon Footprint p. 84, 90	SDG 13
G4-EN8	Total water withdrawal by source	No Information	
G4-EN9	Water sources significantly affected by withdrawal of water	No Information	
G4-EN10	Water	Water Consumption Commitment p. 98	SDG 6
ASPECT: BIODIVERSITY			
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Guava Leaves p. 110 Environmental Conservation and Climate Change p. 77	SDG10 , 12
G4-EN 12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Does not apply	
G4-EN 13	Protected or recovered habitats	Does not apply	
G4-EN14	Endangered Species	Does not apply	
ASPECT: EMISSIONS			
G4-EN 15	Direct greenhouse gas (GHG) emissions (Scope 1)	Our Carbon Footprint p. 84, 86	SDG 13
G4-EN 16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Our Carbon Footprint p. 84, 86	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Our Carbon Footprint p. 84, 86	
G4-EN18	Greenhouse gas (GHG) emissions intensity	Our Carbon Footprint p. 84, 86	
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Our Carbon Footprint p. 84, 87	

G4-EN20	Emissions of ozone-depleting substances (ODS)	Our Carbon Footprint p. 84, 88, 89, 90	SDG 13
G4-EN21	NOx, SOx, and other significant air emissions	Our Carbon Footprint p. 84, 88	
G4-EN22	Effluents and waste	Water Consumption Commitment p. 98	
ASPECT: EFFLUENTS AND WASTE			
G4-EN23	Total weight of waste by type and disposal method	Use of Waste and Materials p. 92	SDG 13
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Environmental Conservation and Climate Change p. 77	SDG 13
G4-EN28	Products and Services	Does not apply	
ASPECT: COMPLIANCE			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Conservation and Climate Change p. 77	
ASPECT: TRANSPORT			
G4-EN30	Transport	Our Carbon Footprint p. 80, 84, 86	SDG 13
ASPECT: SUPPLIERS			
G4-EN31	Environmental Investments	Water Consumption Commitment p. 98	SDG 6
G4-EN32	Supplier Environmental Assessment	Product Manufacturing Supervision and Audits p. 104, 105	SDG 12
G4-EN33	Supplier Environmental Assessment	Product Manufacturing Supervision and Audits p. 104, 105	SDG 12
ASPECT: GENERAL			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	None during the reporting period	

MATERIAL ASPECTS	MANAGEMENT INDICATOR INFORMATION	REFERENCE OR ANSWER	SDGs
CATEGORY: SOCIAL			
SUBCATEGORY: LABOR PRACTICES AND DECENT WORK			
ASPECT: EMPLOYMENT			
G4-NGO DMA	Disclosure on Management	Our Talent p. 158	SDG 8
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Our Talent p. 158	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Employee Benefits p. 176	
G4-LA3	Return to work and retention rates after parental leave, by gender	Employee Benefits p. 158, 160	
ASPECT: TRAINING AND EDUCATION			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Talent Management: Genomma Lab International Global Competence p. 167	SDG 8, 4
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Talent Management: Genomma Lab International Global Competence p. 167, 168	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Performance Evaluation p. 167, 170	SDG 8

SUBCATEGORY: SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Social Impact p. 146	SDG 10
G4-S02	Operations with significant actual or potential negative impacts on local communities	Incidents p. 136	
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Not answered	
G4-S04	Communication and training on anti-corruption policies and procedures	Incidents p. 136	SDG 8
G4-S05	Confirmed incidents of corruption and actions taken	Incidents p. 136	SDG 8
G4-S06	Total value of political contributions by country and recipient/beneficiary	Incidents p. 136	SDG 8
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Incidents p. 136	SDG 8
SUBCATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: CUSTOMER HEALTH AND SAFETY			
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Product Quality p. 139	SDG 8, 9, 12
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	Product Quality p. 139	

G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements	Product Quality p. 139	SDG 3, 8, 9, 12
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	Product Quality p. 136, 139	
G4-PR5	Results of surveys measuring customer satisfaction	Product Quality p. 139	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Product Quality p. 136-139	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Product Quality p. 136-139	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Product Quality p. 136-139	
SUBCATEGORY: HUMAN RIGHTS			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Anticorruption Measures and Human Rights Protection p. 75	SDG 16

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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	Talent Management: Genomma Lab International Global Competence p. 167	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Talent Management: Genomma Lab International Global Competence p. 75	SDG 5
ASPECT: CHILD LABOR			
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	Product Manufacturing Supervision and Audits p. 104	SDG 12
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Product Manufacturing Supervision and Audits Supplier Audits p. 104	
ASPECT: SECURITY PRACTICES			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Anticorruption Measures and Human Rights Protection p. 75	SDG 16
ASPECT: INDIGENOUS RIGHTS			
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions take	Does not apply	
ASPECT: ASSESSMENT			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Product Manufacturing Supervision and Audits p. 104	SDG 8

ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Product Manufacturing Supervision and Audits p. 104	SDG 8
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions	Product Manufacturing Supervision and Audits p. 104	SDG 8
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Incidents p. 136	SDG 8

CONTACT

GRI G4-31

The 2017 sustainability report presents our annual sustainability performance. In addition to the information referred in the body of the report, we are attentive to the comments or suggestions you wish to share regarding its content.

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