

# 2023

## EXPANSION IN OUR CORE

A N N U A L R E P O R T



**Genomma Lab.®**  
Internacional



**Genomma Lab.®**  
**Internacional**

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# HOW TO READ THIS REPORT

We are pleased to share our 2023 Integrated Annual Report, which covers our financial performance along with our management of our impacts on the environment, society, and corporate governance.

This report serves as evidence of our dedication to transparency and accountability toward all of our stakeholders.

Each section begins with the codes for the different metrics used, preceded by their acronyms, such as GRI (**Global Reporting Initiative**) or SASB (**Sustainability Accounting Standards Board**). At the end of the report, we provide a specific index for each tool used.



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# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CEO (GRI 2-22)

## *To all our stakeholders,*

We are pleased to present our 2023 Integrated Annual Report, where we share our achievements as well as our commitment to the continuous pursuit of corporate excellence and the create value for our environment.

We achieved amazing success in 2023 thanks to our greatest strength: the tireless hearts of each member of this team. We thank all our employees for their resilience. We have worked hard with a clear focus on two core axes: prioritizing major brands and integrating productivity into our working culture, which yielded outstanding results in an array of areas. First and foremost, our portfolio's most important products had an amazing 16.7% in sales (excluding Argentina) in constant exchange rate.

Another significant outcome of our efforts has been the expansion of our Suerox® brand into Latin America, including Peru, Chile, Argentina, Central America, Ecuador, the United States, and Brazil, establishing it as a top brand in the isotonic beverages category. All of this points to high demand and a strong competitive position in the market. Along these lines, we would like to highlight that the EBITDA margin was a solid 20.9%, which represents an increase of more than 50 basis points year over year (bps), indicating efficient operating profitability.

Effective cash flow management was also evident, with an extraordinary cash generation of 2,219 million mexican pesos and the optimization of the cash conversion cycle, which also improved to 83 days





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compared to the previous year. I would also like to share with you that our main markets continue to growing; in fact, 80% outperform local inflation rates. It is worth noting that the following countries that had a notable performance: Mexico +15% (supported by a strong performance of the innovation plan, point-of-sale execution and television advertising), U.S.A. +19%, Brazil +10%, and Colombia +20%. This can translate into significant success in terms of expansion and consumer demand.

***The Company has made significant progress in its productivity initiatives, establishing in February 2023 a savings target of 1.8 billion mexican pesos by 2027.***

Genomma has already secured 674 million mexican pesos in projected annual savings, with the initiatives implemented by the end of the third quarter of 2023. These efforts highlight not just our capacity to optimize resources and improve efficiency, but also our ongoing commitment to innovation, an

essential component of our DNA. During our “Investor Day 2023”, we committed to making the most of our manufacturing facility to support our goal of achieving significant productivity savings by 2027. Now, our industrial complex’s capabilities come into play, supporting optimal agility and speed in core operations like manufacturing, product innovation, and increased serviceability. This will not only reduce manufacturing costs, but also ensure adequate inventory levels, thus helping to improve our cash conversion cycle in the medium term.

On August 5, 2023, Genomma announced that COFEPRIS granted sanitary license approval for oral liquids, topical liquids and tablet coatings operations at our manufacturing facility in the State of Mexico. With this, the phase of applying for an Operating License for over-the-counter medicines was concluded, allowing all manufacturing lines to produce a wide range of pharmaceutical products. In 2024, the Company will focus its efforts on securing





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the next step of the remaining regulatory permits for oral liquids, topical liquids and tablet coatings: the GMP License for the Mexican market and, by extension, the international markets.

***Our manufacturing plant's performance led to cost-of-sales savings aligned with expectations. Projects in 2023 included streamlining logistics and distribution routes to reduce transportation costs and optimize truckloads, among other improvements.***

Regarding the management of our environmental, social, and corporate governance impacts, our 2025 Sustainability Strategy focuses on 10 strategic pillars, which are translated into concrete actions and specific goals. In environmental matters, we are working on the implementation of circular economy practices, waste reduction and management, and sustainable redesign of products, packaging, and containers. We promote supply chain best practices,

focusing on projects that protect local biodiversity, such as pollinator species, and adopt sustainable technologies at our manufacturing plant.

With regard to the social pillar, we continue to seek strategic alliances in order to strengthen our positive impact on the most vulnerable communities. Our priority is health, with a focus on the empowerment of women and girls, indigenous communities, and native peoples, as well as people affected by natural disasters, among other activities. In relation to our employees, we foster an organizational culture based on meritocracy and equal opportunities, which is why in 2023 we reached a significant milestone, promoting more than 300 people, representing 20% of our workforce. All of this, inspired by the need to build a more sustainable environment and contribute to the fulfillment of the United Nations Sustainable Development Goals (SDG's).

As a result, we have been included for the fourth consecutive year in the Dow





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Jones Sustainability Index MILA, linked to S&P's Corporate Sustainability Assessment. In addition, our MSCI ESG index rating was upgraded from "BB" to "BBB", as recognition of our initiatives in environmental, social and governance (ESG) risk management in the pharmaceutical industry.

We are more than a company; **We are People with Purpose!** Our main goal is to offer iconic solutions for health and wellness. We are a community committed to evolution, constant effort, and the achievement of clear goals.

We excel every day, turning our mission and vision into a tangible reality to maximize the value we provide to each of our stakeholders.

We sincerely appreciate the dedication of every member of our team and look forward to continuing this journey together toward success and shared prosperity.

Sincerely,  
**Rodrigo Herrera Aspra and Marco Spavieri**





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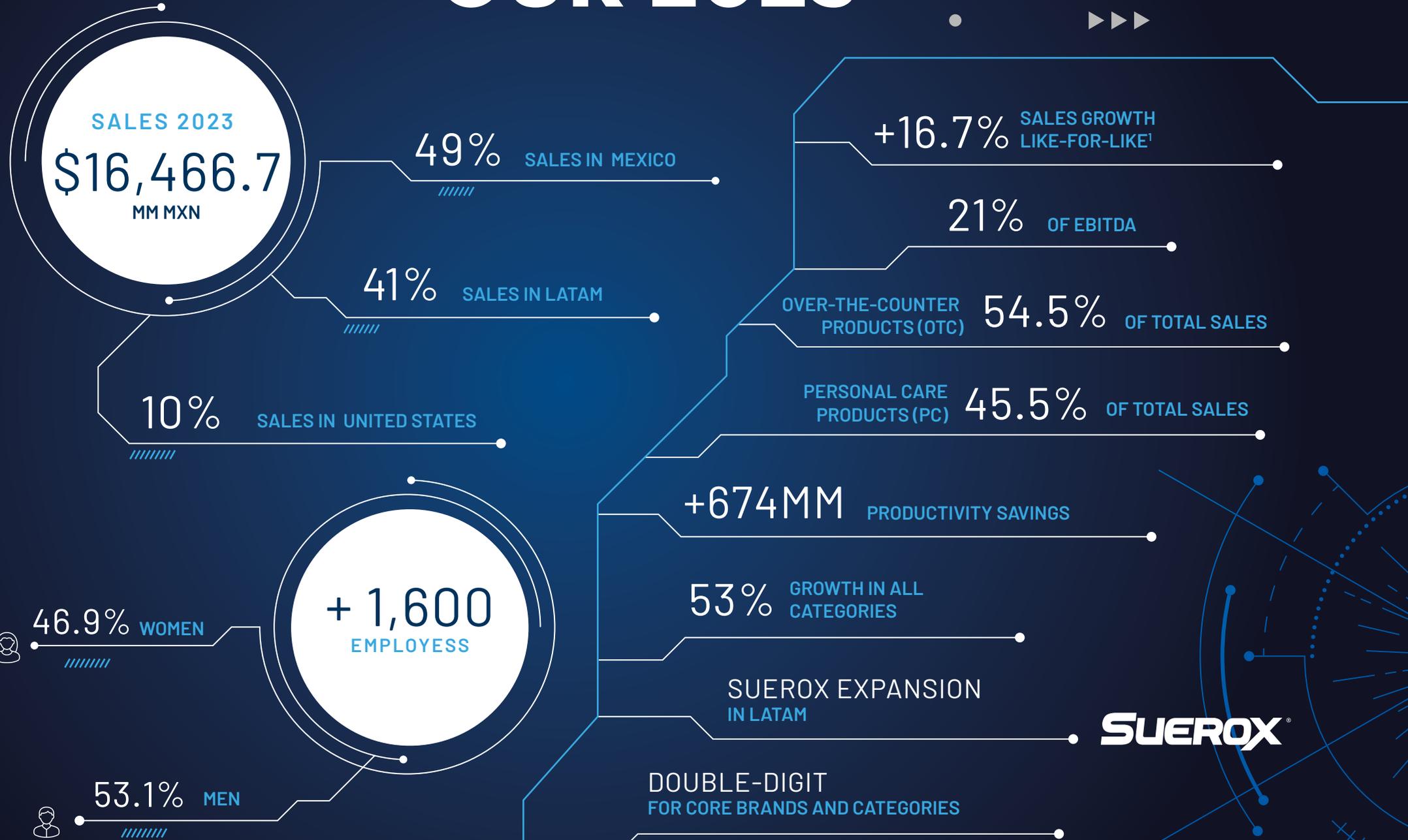
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# OUR 2023



1. "Like-for-like": Consolidated sales growth (excluding Argentina) in constant exchange rates.





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# OUR 2023



TÍO NACHO IS A LEADING BRAND IN PACKAGING WITH SUSTAINABLE FEATURES

INCLUDED IN S&P GLOBAL'S "THE SUSTAINABILITY YEARBOOK 2023"

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

S&P GLOBAL CSA DJSI MEMBERS

488 VOLUNTEERS



ALIANCE WITH UBEES FOR BIODIVERSITY

58 BENEFITED INSTITUTIONS

1,080,701 DONATED PRODUCTS

IFC WORLD EDGE CERTIFICATION



MSCI ESG RATINGS



MSCI ESG RATING IMPROVEMENT



+ 650,000 POINTS OF SALE





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# FINANCIAL SUMMARY

## Million mexican pesos

Results	Annual Growth	2023 <sup>(1)</sup>	%/Sale	2022 <sup>(1)</sup>	%/Sale
Net Sales	(2.1%) o +16.7% Like-for-Like	16,467.1	100.0%	16,819.9	100.0%
Gross Profit	(0.8)%	10,083.2	61.2%	10,163.5	60.4%
Operating Profit	+0.4%	3,259.7	19.8%	3,245.2	19.3%
EBITDA <sup>(2)</sup>	(0.2)%	3,444.9	20.9%	3,453.1	20.5%
Net Profit	(21.9)%	1,084.9	6.6%	1,389.2	8.3%

Balance	Annual Growth	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>
Total Assets	(6.1)%	20,738.5	21,606.5
Total Debt	(2.6)%	6,192.2	6,377.7
Capital Stockholder's Equity	(11.1)%	9,441.3	10,152.5
Cash Conversion Cycle	-17 days	83	100

Stock Market Data	Annual Growth	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>
Earnings per Share	-19.0%	\$1.13	\$1.40
Book Value per Share	-4.5%	9.26	9.68
Outstanding Shares (millions of shares)	<b>28 million shares cancelled</b>	1,020.0	1,048.0

Operation	Annual Growth	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>
Employees	-12.2%	1,633	1,861

<sup>1</sup> Figures in millions of nominal pesos and under IFRS, except for cash conversion cycle, share, number of units and employees.

<sup>2</sup> EBITDA - operating profit before depreciation and amortization.





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# ABOUT US

**(GRI 2-1, 2-6)**

Genomma Lab Internacional S.A.B. de C.V. is a mexican company with a growing international presence, dedicated to the development, sale and marketing of a wide range of premium brand products, several of which are leaders in their category.

We currently operate in 18 countries and proud to be regarded as the ideal ally for Latin America and the Hispanic population in the United States, providing innovative and high-quality products tailored to the unique needs of these markets.

During 2023, our main markets had strong growth, with 76% of our business exceeding local inflation. Mexico reported +19% growth, U.S.A. +23% and LATAM +8.1%.

We have an extensive product portfolio that encompasses 18 mega brands and more than 60 brands organized into eight main categories.





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# OUR OPERATION

## SALES GROWTH 2023



“Strong performance across all regions”

18 POWER BRANDS

+650,000 POINTS OF SALE

+ 1,600 EMPLOYEES





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# + 10 BN BUILDING BLOCKS

# + 10,000 MM

ISOTONIC BEVERAGES



**+2,850 MM**

Grow SOM  
Geographic Expansion  
Product Innovation

GASTRO



**+1,140 MM**

Grow SOM  
Geographic Expansion  
GTM

SKINCARE



**+1,000 MM**

Grow SOM  
Product Innovation

HAIR CARE



**+950 MM**

Grow SOM  
Product Innovation

ANALGESICS



**+810 MM**

Grow SOM  
Product Innovation  
GTM

COUGH AND COLD



**+800 MM**

Grow SOM  
Product Innovation  
GTM

INFANT NUTRITION



**+500 MM**

Grow SOM  
Geographic Expansion

RAZORS & BLADES



**+150 MM**

Grow SOM  
Geographic Expansion

OTHERS

**+1,800 MM**





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## ISOTONIC BEVERAGES



## SKINCARE



## ANALGESICS



## GASTRO



## HAIR CARE





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# COUGH AND COLD



# RAZORS



# INFANT NUTRITION



# OTHERS





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Every year, we work on an innovation plan in each category. In 2023, we focused on **product reformulation** with the goal of providing expanded benefits to our consumers. Additionally, we launched **line extensions** designed to address more specific needs, thereby strengthening our commitment to health and wellness. On the other hand, the introduction of **new formats or presentations** expanded our reach and accessibility, allowing us to reach a wider number of people. At the same time, we are **redesigning our packaging** with the goal of decreasing our environmental impact and expenses, proving our dedication to environmental management.

*This has allowed us to obtain great results, with **53% of our businesses gaining market share in their respective categories. Suerox<sup>®</sup> experienced a notable growth of +42% in comparable currency, excluding Argentina, followed by Tío Nacho<sup>®</sup> with +23%, Groomen<sup>®</sup> with +36%, Novamil<sup>®</sup> with +44%, Cough and Cold with +19%, Gastro with +12%, and Analgesics with +24%.***





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# VALUE CREATION MODEL

(GRI 2-23, 2-24, 3-3: Economic Performance)

The essence of our value creation model lies in the synergy of our growth strategy, our operating model, and our sustainability model. This strategic combination is the foundation of our sustainable success, providing a comprehensive balance that drives both operational excellence, our commitment to responsible business practices, and our stakeholders' requirements.





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# VALUE CREATION MODEL

## OUR DNA, ORIGIN AND PATH

PURPOSE

VALUES AND PRINCIPLES

VISION

MISSION

## OUR GROWTH STRATEGY

Product Innovation



Perfect Go-to-Market



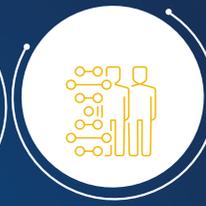
Manufacturing and Supply Chain



Comprehensive Communication and Marketing



Strategic Alliances



Organization, Corporate Culture and Sustainability



## OPERATIONAL MODEL

Operational and support areas

Manufacture



Promotion and sales



Innovation and development



Logistics and distribution



Corporate



Sustainability

## SUSTAINABILITY MODEL

Responsible Business



Environment



Society



## OUR STAKEHOLDERS

Employees



Consumers



Communities



Customers



Suppliers and Business Partners



Investors



Authorities



NGO and Academy



Chambers and Sectoral Associations



Multilateral Organizations





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# OUR PURPOSE

“Iconic Solutions for Your Health and Well-being”

## OUR PRIORITIES

We have the firm will not to lose focus.

## OUR VALUES & PRINCIPLES

How we do things to achieve results

## OUR BEHAVIOURS

How we act and relate to others

## OUR DNA

Our origin and our path

We are **Trustworthy**. We always do the right thing, with honesty, respect and responsibility

We are **Transparent**. We always tell the truth in an open and honest way.

We are **Inclusive**. We value diversity and accept our differences, as they make us stronger.

We believe in **Meritocracy**. We methodically recognize the achievements of our people based on our purpose, DNA, values and behaviors.

**We care**. We need you, we hear you, you belong here, what you do is important.

We are **Transformational leaders**, who develop and inspire through example; we help our team to be successful.

We are **Humble**. We recognize our vulnerabilities. We learn from our mistakes. We are not afraid to seek support from others.

We have **Fun**, We work in a joyful environment, where the most important thing is our supreme well-being and in good spirits.

**We innovate** with iconic solutions and empower our team to challenge the status quo.

**We have an entrepreneur spirit**. We all act as owners.

**We make decisions and take risks** based on information and analysis.

**We are brave**. We always get out of our comfort zone searching for the best future for our company.

**We train ourselves**. If we are part of Genomma Lab we always have to have an affirmative and concrete answer to the following questions: What book are your reading? What course are you taking? How do you stay up to date?

**We generate trust** externally and internally, because we always fulfill our commitments.

**We are focused** on the most relevant priorities to reach our company's objectives and we make things happen.

**We are passionate** about what we do because we know we are creating a greater good.

**We always collaborate** united as one team; we do not want any heroes; we only acknowledge success if achieved together.

**We learn quickly** We identify the best, we decode it, we surpass it.





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# MISSION

To improve and preserve the health and well-being of people through innovative, safe, and effective products, 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 categories of medicines and personal care products and to be recognized for having a positive impact on the health and well-being of people, the community, and the environment.



# OUR GOAL

In line with our mission, we aspire to be the healthiest company in the world, as health and wellness are at the core of our business strategy.





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**Product Innovation**

We have 18 mega brands. We highlight Suerox®, the world leader in isotonic beverages. Tio Nacho® successfully launched its “anti-gray” line and introduced the 950 ml. family size. We also launched high-end products through Cicatricure®, Gold Lift.

**Perfect Go-To-Market**

We have an extensive network of over 650,000 points of sale. We are particularly focused on the growth of the traditional channel, which includes over 300,000 points of sale. Strengthening our e-commerce presence.

**Strategic Partnerships**

During 2023, we maintained our partnerships with UP International and Edgewell Personal Care.

**Comprehensive Communication and Marketing**

+25 years developing the largest multimedia content in Latin America.  
#1 TV Advertiser in LATAM.

**Organization, corporate culture and sustainability**

We have more than 1,600 employees. We promote diversity and equal opportunities. The basis of our sustainability management is our 2025 Sustainability Strategy.

**Manufacturing & Supply Chain**

Through the implementation of new production lines, our San Cayetano site allows us to achieve vertical integration, increase quality control in the manufacturing process and reduce costs, in 2023, we successfully saved 52 million dollars.



**OUR GROWTH STRATEGY**





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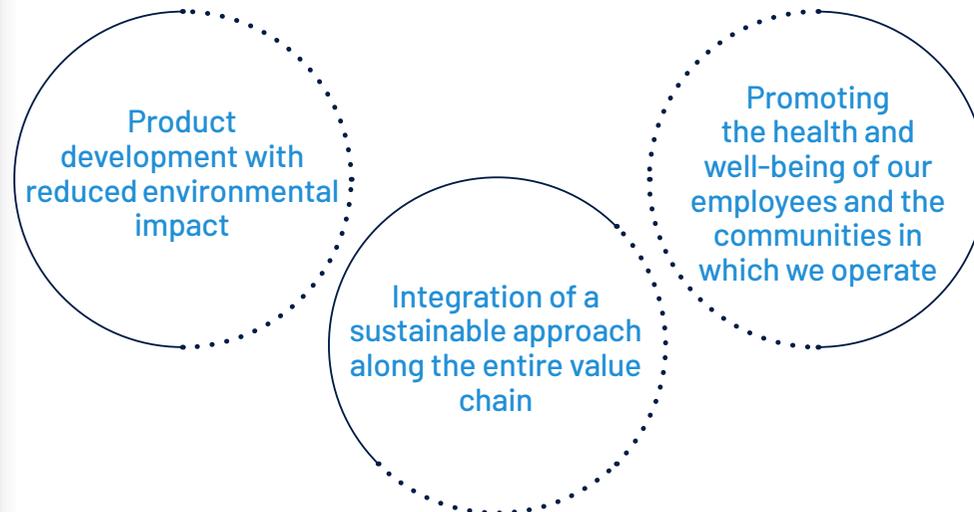
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# SUSTAINABILITY MODEL

Our **Sustainability Model** sets the guidelines for the management of **environmental, social and corporate governance** aspects. Over the past few years, we have emphasized the transversal integration of sustainability throughout our business model. This endeavor has been expanded throughout the company and has been led from the top by the **Chairman of the Board of Directors, Rodrigo Herrera Aspra, the Board of Directors, the General Management, and the Executive Committee.**

In this sense, the sustainability strategy is supported by three key actions:





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# 2025 SUSTAINABILITY STRATEGY

For Genomma Lab Internacional, sustainability is a tool that allows us to generate shared value to all our stakeholders and at the same time manage our risks in the value chain. Being consistent with our corporate purpose, **“Iconic solutions for your health and well-being”**. During 2020 we consolidated the Global Sustainability Committee, which is led by the Chairman and Vice Chairman of the Board of Directors and the Chief Executive Officer, and also includes key leaders from strategic areas.

As a result of this Committee, an action plan was drawn up to address the Company’s and our stakeholders’ priority material issues in terms of sustainability in the short, medium and long term: **Our 2025 Sustainability Strategy**

This is a roadmap that defines our environmental and social goals, considering 10 areas of action that have been prioritized according to our business model and aligned to contribute to the fulfillment of the Sustainable Development Goals (SDG’s) of the United Nations, such as No. 3: Health and Wellness and No. 12: Responsible Production and Consumption.

Every year, we track our progress against set goals. These achievements can be visualized in the annual reports, as well as in [Our Progress Report](#). 





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# SUSTAINABLE DEVELOPMENT GOALS



**Our products**



**Our Value Chain**



**Our Manufacturing Plant**



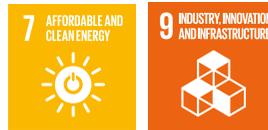
**Our Waste Management**



**Our Water Management**



**Our Climate Change Actions**



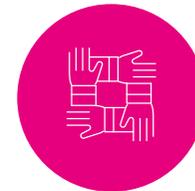
**Our Logistics**



**Our Comprehensive Management**



**Our team**



**Our contribution to society**





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# INNOVATION AND RESPONSIBLE MANAGEMENT OF OUR PORTFOLIO

(GRI 3-3: Product innovation and research)

Innovation is a fundamental part of our organizational culture and constitutes one of the pillars of our business model and growth strategy. That is why we work tirelessly to develop value-added formulas, introduce new brands to the market, develop line extensions, and launch new presentations of our

products, ensuring that they are always available and accessible to all people. This has made it possible for us to successfully navigate the many political and economic obstacles that have arisen during this time, achieving great results.





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# NEW PRODUCT DEVELOPMENT PROCESS

In a challenging global context and in line with our purpose of **“Providing iconic solutions for your health and wellness,”** at Genomma Lab Internacional, we are committed to provide innovative, safe, and effective products. Likewise, we approach our consumers with affordable prices and an exceptional shopping experience. All of this is frame within our renowned **“Success Formula”**, where the common good, passion for innovation in the field of health and wellness, and business profitability converge.

This process is essential to boost the economic growth of the Company, as it allows us to provide excellent-quality products at more affordable prices than those offered by our competitors, as well as to expand and strengthen our portfolio. In addition, it helps us build loyalty with our current customers and attract new consumers.

The Innovation Sub-Committee, composed of the Chairman of the Board of Directors, the Chief Executive Officer, and the Executive Vice President of Finance and Administration, will also include the individuals who hold the positions of general managers of the

countries or regions of the Company’s subsidiaries and/or affiliates, as well as the individuals who serve as the leaders of the different business units of the Company’s subsidiaries and/or affiliates.





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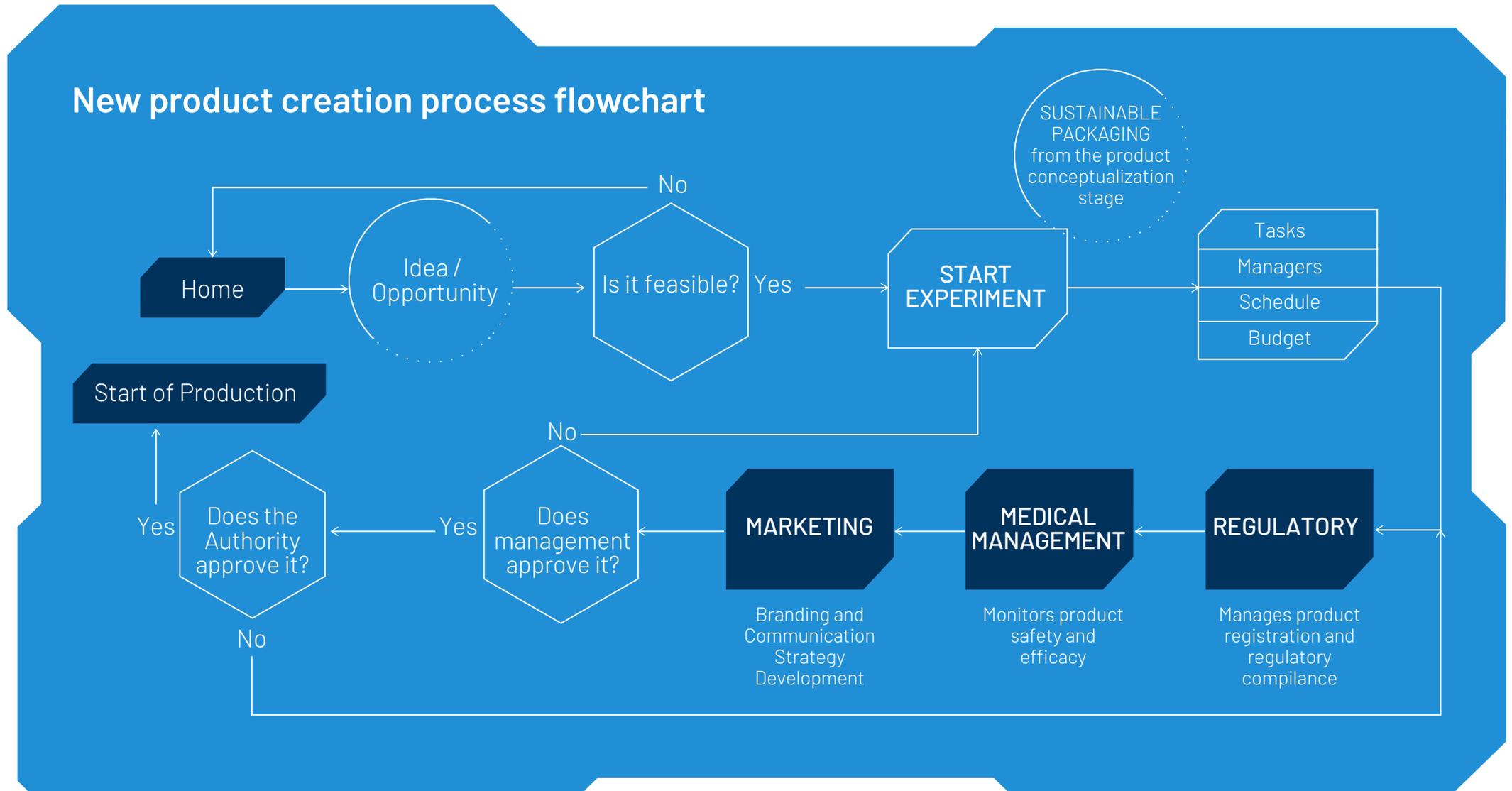
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# NEW PRODUCT DEVELOPMENT STAGES

## New product creation process flowchart





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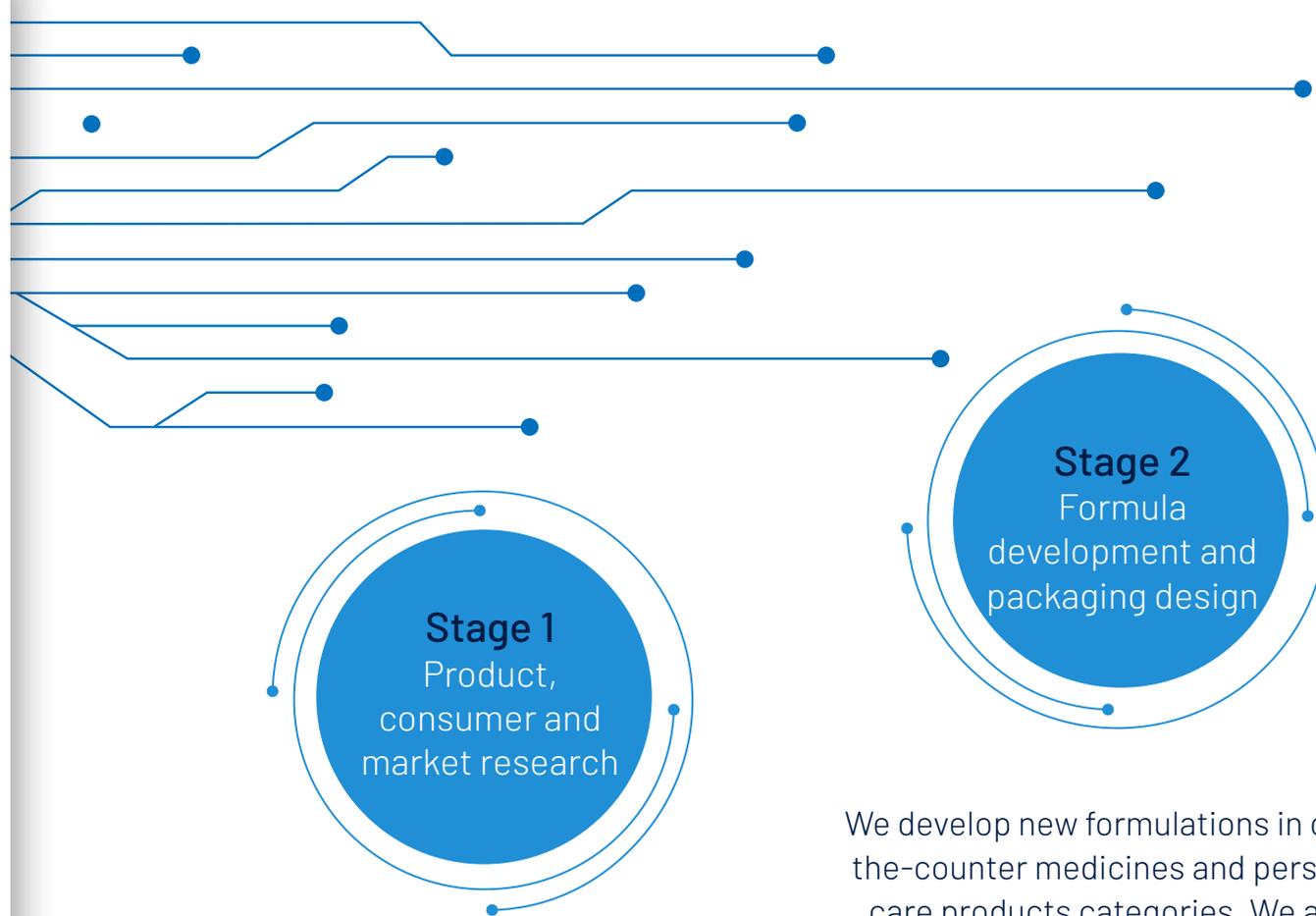
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**Stage 1**  
Product,  
consumer and  
market research

We seek to lead trends in our industry by attending international exhibitions and deploying research teams to different cities to discover product opportunities, follow market preferences, and learn about innovative active ingredients. This approach also applies to monitoring improvements in packaging design.

**Stage 2**  
Formula  
development and  
packaging design

We develop new formulations in over-the-counter medicines and personal care products categories. We also focus on packaging design, a key material to add value to our brands and positively influence consumers' purchasing decisions. This process is described in detail in the "Accessibility and affordability of our products" chapter of this report.

**Stage 3**  
Formula  
standardization

We offer safe and innovative products thanks to our Regulatory Affairs Management System, which assists all our business units in the evaluation of new formulations and ingredients. This process ensures compliance with regulations in each country where we operate, including legislation related to registration, production, packaging, advertising, and export. In addition, audits are conducted to verify regulatory compliance in our suppliers' manufacturing processes. This process is detailed below in the section on Regulatory Compliance.





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# INNOVATION MODELS

Here is a description of each of the innovation models we apply to our products:



## New Products (NP)

It consists in the development and launch of new brands in our portfolio.



## Line Extensions (LE)

It implies some kind of variation in the formulation or presentation of products from a previously existing brand within our categories in order for us to adapt to the specific needs of our consumers.



## Expansion of international presence (EIP)

It refers to successful brand launches in the different countries where we operate.



## Affordability (A)

It considers the search, diversification and adaptation of formats and presentations of our products to facilitate customer access to our products in the different sales channels.



## Environmental Performance (EP)

It considers the reduction of our products' environmental impact by acting in accordance with the goals established in our 2025 Sustainability Strategy.



For more information, please refer to the chapter on environmental management in this report.





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# PERSONAL CARE PRODUCT INNOVATION

Following our commercial strategy established for 2023, we have focused on strengthening our mega brands.

As a result, Tío Nacho® has experienced remarkable growth during this period (+23%), mainly due to the successful launch of the “anti-canas” (anti-gray hair) line extension and the introduction of a new 950 ml presentation. As a result, it has been able to expand its market share in the countries where it is present.

During the third quarter, and in order to improve our market positioning, we launched the Cicatricure® *Porcelana* line extension under our Cicatricure® brand, an innovative concept for the anti-dark spot category. Results from this launch were excellent, as there was a +15% growth in the fourth quarter.

Here are some of the most significant innovations in our personal care products during 2023:





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## TÍO NACHO® ANTI-CANAS



Launch in Peru, Bolivia and Colombia



## TÍO NACHO® 950ML



Launch in Peru, Bolivia and Chile



## TÍO NACHO® DOY PACK



Launch in Argentina





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# TÍO NACHO® SUSTENTABLE



Launch in the United States



# TÍO NACHO® HENNA



Launch in Chile and Ecuador



# TÍO NACHO® GINSENG



Launch in Chile





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# CICATRICURE® PORCELANA CREAM



Launch in all markets



# CICATRICURE® PORCELANA CREAM



Launch in all markets



# CICATRICURE® ANTI-WRINKLES CREAM (30GR)



New format launched  
in Chile





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# CICATRICURE® ANTI-SCARS GEL (30GR)



New format launched  
in Chile



# CICATRICURE® MOISTURIZING ANTI-AGING SERUM



Launch in Chile



# CICATRICURE® ANTI-SPOTS



Launch in the  
United States





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## TEATRICAL® CONCHA NÁCAR



Launch in Colombia,  
Peru and Chile



## TEATRICAL® SÉRUM JALEA REAL



Launch in Chile



## TEATRICAL® SÉRUM AH



Launch in Chile  
and Argentina





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# TÍO NACHO® BEE LAB

At Genomma Lab Internacional, we are proud to have iconic brands that not only provide quality products but are also actively committed to sustainability and environmental preservation.

This is the case of Tío Nacho, one of our most emblematic brands, which continues to lead this commitment by entering into an alliance with **UBEES®**  an organization dedicated to promoting sustainable beekeeping practices worldwide, for the construction of the “Tío Nacho Bee Lab”.





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Together, Tío Nacho® and UBEES® have built this beekeeping laboratory with the aim of protecting more than one million bees and pollinating more than 300 hectares in a first phase in the region of Antioquia, Colombia. This project not only seeks to protect bees but also to empower farming communities in this region of Latin America.

At Genomma Lab Internacional, we celebrate this collaboration, which not only demonstrates our commitment to sustainability, but also highlights the fundamental role that our brands can play in the preservation of biodiversity and the protection of natural resources.





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# OVER-THE-COUNTER MEDICINE INNOVATION (SASB HC-BP-000.B)

The focus on our core brands continue paying off. In the analgesics category, we achieved solid growth (24%), driven by the successful launch of X-Ray® in Colombia, which consolidated the brand's position as the third leader in the country. In addition, we launched Tafirol® Espasmo in Argentina, a brand that, despite the challenges of the economic situation, maintained its market share position in Argentina<sup>3</sup>.

The "Cough & Cold" category experienced 19% growth thanks to the pre-launch strategy for key products in innovative formats. Thus, in Argentina, we launched Next® Softgel (the first of its kind on the market) and the Tukul® Buc line extension. In Mexico, Tukul® Softgel succeeded in positioning itself in value-added segments such as "antivirals and gel caps".

Also noteworthy is the expansion of the Silka® brand's market share in the U.S. market through the introduction of new SKU's , such as Silka®<sup>4</sup> Nail and Silka® Spray. The relaunch of Silka® Spray in Mexico during the 2023 summer season led the brand to reach the first position in market share. In the gastro category, we launched our QG5® brand in Chile and Peru, and the Nikzon® brand grew 10% annually in Mexico.

Here are some of the most significant innovations made in the OTC category during 2023:

<sup>3</sup> 15 percentage points compared to its pre-COVID share.

<sup>4</sup> SKU or Stock Keeping Unit codes are one of the fundamental elements of keeping track of and managing the stock in the warehouse. SKU is the unique reference number of a product, as registered in the company's system.





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## X RAY®



Launch in Colombia



## X RAY® PINEAPPLE FLAVORED COLLAGEN POWDER



Launch in Chile



## X RAY® CAPS COLLAGEN CAPSULES



Launch in Chile





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## X RAY® 48 CAPSULES PRESENTATION



Launch in Ecuador



## TUKOL® DAY & NIGHT SOFT GEL



Launch in the US



## TUKOL® SORE THROAT CANDIES



Launch in Argentina





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## NEXT®



Launch in Chile



## NEXT® SOFTGEL



Launch in Argentina



## NEXT® NOCHE



Launch in Colombia





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## BUFFERIN® 500 AND 1000MG



Launch in Chile



## LOMECAN® OVULES



Launch in Ecuador



## MEDICASP®



Launch in Ecuador





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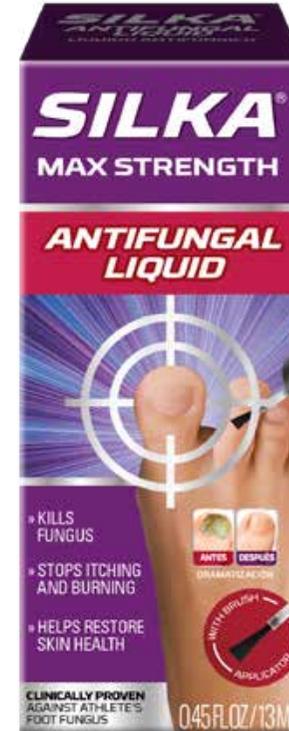
# GENOPRAZOL®



Launch in Brazil and Mexico



# SILKA® NAIL



Launch in the US



# TAFIROL® ESPASMO



Launch in Argentina





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# QG5®



Launch in Chile and Peru



## ALIVIA LOS 5 SÍNTOMAS DE LA COLITIS:



**NFLAMACIÓN**



**DOLOR**



**GASES**



**DIARREA**



**CÓLICOS**





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# RESEARCH BY INNOVATION PHASE

(SASB HC-BP-000.B)

As part of the New Product Development process, the Medical Management area conducts studies in all innovation phases, including efficacy and cosmetic safety studies, studies that support the messages used by the business

units and for product communication, and any other studies required by local or global regulatory requirements.

Here is the approximate percentage of the total innovation budget invested by phase:

Innovation phase	Share of R&D budget invested (%)	Average length (time)	% of products moving to the next phase	Amount of medicines
<b>Preclinical research</b>	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Clinical research / approval pathway</b>	18%* * Bioequivalence by innovation study	10 months	In progress	5
<b>Launch</b>	82%* * Costs of generating new dossiers	2.5 years	80%	16
<b>Total</b>	<b>100%</b>			





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The following is an approximation of the revenue percentage that our products in different innovation categories generated in 2023:



In conclusion, we maintain a diversified strategy in terms of product innovation, including the launch of new products, the optimization of existing products, and the continuous

offer of proven products in the market. This balanced approach helps us stay competitive and meet changing consumer needs.





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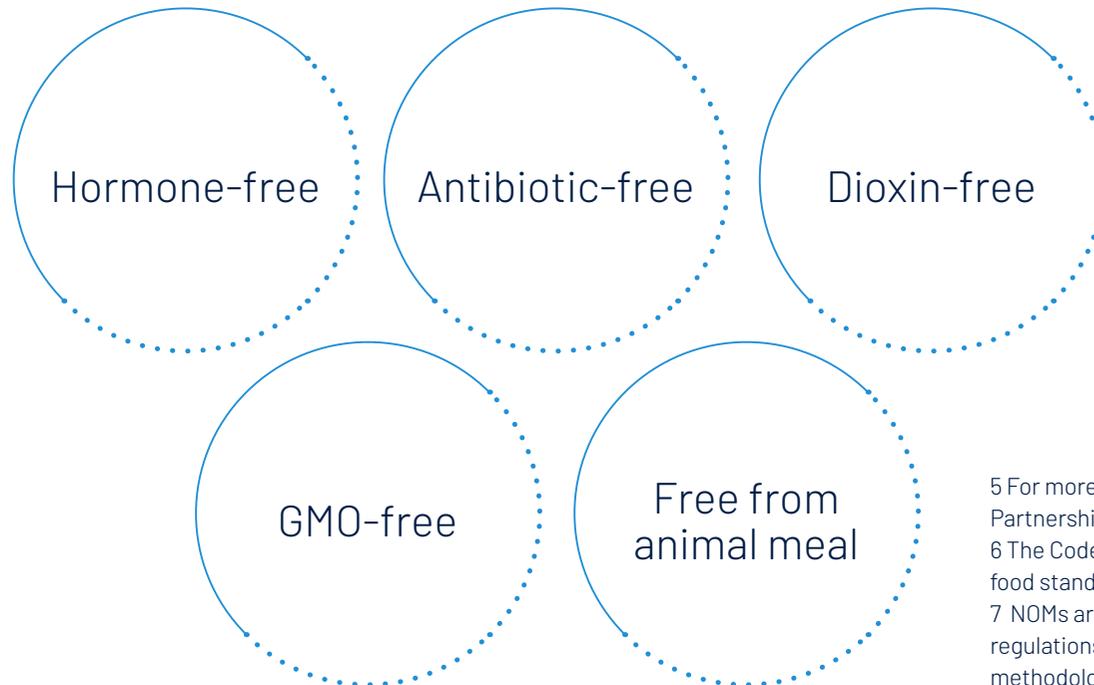
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# INNOVATION IN INFANT NUTRITION PRODUCTS

Thanks to our strategic collaboration with UP International, we have the unique rights to offer the whole line of infant nutrition products under the Novalac® and Novamil® trademarks in Mexico<sup>5</sup>.

The formulas comply with the recommendations of the European Society of Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN), CODEX<sup>6</sup> and the Mexican Official Standards (NOM)<sup>7</sup>. They also have the Agriconfiance<sup>5</sup> certificate, which guarantees a product:



<sup>5</sup> For more information about our partnership with UP International, please see the “Strategic Partnerships” chapter of this report.

<sup>6</sup> The Codex Alimentarius Commission is the United Nations body responsible for establishing food standards.

<sup>7</sup> NOMs are issued by different Mexican governmental agencies to establish technical regulations containing information, specifications, procedures, measurement instruments and methodologies that goods and services must comply with in order to be marketed in Mexico.

Website: <https://www.agriconfiance.coop/en/who-we-are>





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During 2023, the **ARD Pax line extension was completed for Novamil® Mexico**, and the Company continued its strong performance with year-over-year growth of +46% in the fourth quarter and +44% for the year. In every significant variation, Novamil® has grown steadily, increasing its market share within each of its targeted markets.

In compliance with the General Health Law on Advertising and its regulations, as well as applicable regulations, we are committed to informing our consumers about the importance of exclusive breastfeeding and the proper use of infant formulas through our communication pieces and product labeling.

We recognize the importance of promoting the health and wellness of infants and mothers through accurate and reliable information. For more information about our commitment to ethical communication, please refer to the "Our Communication with Customers" chapter of this report.





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# SUEROX®

## SÍ A LA HIDRATACIÓN! NO AL AZÚCAR Y CALORÍAS



- NARANJA MANDARINA
- FRESA KIWI
- LIMA LIMÓN
- MANZANA
- UVA
- MORA AZUL HIERBA BUENA
- COCO

# MALE CARE AND ISOTONIC BEVERAGE INNOVATION

During 2023, our brands experienced a major expansion internationally. Groomen® was successfully launched in Colombia and Paraguay, while Suerox® ventured with excellent results into the markets of Peru, Ecuador, Chile, Argentina, CARICAM, and the U.S. In the United States, within 9 months of its launch, Suerox® captured 20% of the market share, consolidating its position as the Company's third most important brand in the retail sector.

With a global innovation rate of 36% for this business unit, this year was marked by the introduction of innovations in every country where we are present. Examples of this include Suerox® line extensions, the introduction of disposable sku's and the Groomen® razor cartridge line. These initiatives resulted in impressive sales results, with 42% growth for Suerox® and 36.5% growth for Groomen®.





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## SUEROX®



Launch in Peru, Ecuador, Chile, Argentina, CARICAM, U.S., and Brazil



## GROOMEN® RAZORS



Launch in Colombia and Paraguay



## GROOMEN® RAZOR CARTRIDGES



Launch in Chile





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# RESPONSIBLE MANAGEMENT OF OUR PORTFOLIO

## QUALITY MANAGEMENT SYSTEM

**(GRI 3-3: Product Safety and Quality)**



According to the Genomma Lab Internacional Quality Manual, the Quality Management System ensures operational control by implementing and verifying best practices and local and international regulations. Quality Committee objective is to ensure the quality, safety, and effectiveness of our products.

This committee issues quarterly reports to monitor key aspects of the system and ensure compliance with established policies. In addition, we have a specialized team dedicated to ensuring compliance with this system, and we work together with our suppliers to ensure production standards at all times.

Here is a representation of the Quality Management System's continuous improvement model:





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# QUALITY MANAGEMENT SYSTEM CONTINUOUS IMPROVEMENT





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# SAFETY AND EFFICACY OF OUR PRODUCTS (GRI 416-1) (GRI 3-3: Customer Health and Wellness)

## PRODUCT EVALUATION

By performing functional research on our products through clinical and cosmetic efficacy studies, our Medical and Cosmetic Efficacy Management team guarantees that 100% of our products are safe and effective.

The process is designed to ensure that our products are safely marketed. To accomplish this, we identify risks and implement corrective or preventive measures to ensure a positive experience for our customers. Furthermore, this team provides scientific support to the messages developed by the Brand Operations and Creativity areas, resulting in responsible, ethical, and truthful communication.





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# MACRO PROCESS

## PHARMACOVIGILANCE, TECHNOVIGILANCE AND COSMETOVIGILANCE AT GENOMMA LAB

**Main Goal:** Creating and supporting our safety profile.



### Routine activities

Monitoring, Clinical Trails for all Phases, Cosmetic Efficacy and Safety Studies, Brand Development and Design.

- Clinical Trail Reporting**
- Adverse Event Reporting**
- Preparing and presenting the Risk Management Plan**

**Support for regulatory requirement, global or local regulation**

**Compliance**

### Routine activities

Implementing the Risk Management Plan, Periodic Safety Report, Pharmacovigilance report, Technovigilance reports, Monitoring and Reporting on the individual Case Safety Report, Reporting System, Customer Service, Warning Generation, Training Program, Information and Literature search.

### Additional activities

Follow-up development and implementation.

PATIENT SAFETY, REPORTING TO THE AUTHORITY, COMPANY COMPLIANCE

## PRODUCT LIFE CYCLE

**AE**-Adverse event

**RMP**-Risk Management Plan

**PSR**-Periodic Safety Report

**PVR**-Pharmacovigilance Reports

**TVR**-Technovigilance Report

**ISCR**-Individual Case Safety Report





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## RELEASED PATENTS

(SASB HC-BP-240b.1)

All of the medications we offer are available for purchase over the counter and are manufactured under patents that have been released. Therefore, during 2023, the Company has not patented or enforced patents on any formulation intended to treat diseases within the Access to Medicine Foundation's Access to Medicine Index (ATMI). We have also not made any payments to delay the entry into the market of authorized generic products during the period covered by this report. As a result, there is no pending or resolved litigation related to this topic.

## CLINICAL TRIALS

(HC-BP-210a.1)

We market patent-released over-the-counter medications, and we do not conduct clinical trials<sup>8</sup> nor do we have a database of treated patients. However, as part of the product innovation and development process, if necessary, the Medical Management area conducts clinical studies<sup>9</sup> in external accredited laboratories (physicochemical, microbiological and cosmetic) to establish specifications within the safety limits established by regulatory agencies. These studies comply with Good Clinical Research Practices, which include safeguarding the physical and mental integrity of the subjects participating in them, and whose protocols are authorized by COFEPRIS<sup>10</sup> and health authorities in the countries where we operate.

<sup>8</sup> Any research that is conducted in humans with the intention of discovering or verifying the clinical, pharmacological and/or any other pharmacodynamic effects of investigational product(s) and/or identifying any adverse reactions to product(s) being researched and/or to study the absorption, distribution, metabolism, and excretion of product(s) being researched, with the aim of testing their safety and/or efficacy.

<sup>9</sup> Observational studies serve to verify that the efficacy criteria that the medicine has previously shown in the clinical trial are also met in routine medical practice. The aim is to 'prove' in real patients who are undergoing treatment that the results obtained also occur in day-to-day medical practice.

Source: <https://www.tucuentasmucho.com/aprende-las-diferencias-entre-un-ensayo-clinico-y-un-estudio-observacional>

<sup>10</sup> The Mexican Federal Commission for the Protection Against Health Risks (Comisión Federal para la Protección Contra Riesgos Sanitarios, COFEPRIS), as a decentralized body of the Mexican Ministry of Health, is in charge of exercising its powers in matters of health regulation, control, and promotion under the terms of the Mexican General Health Law and other applicable legal provisions.





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# PHARMACOVIGILANCE

Genomma Lab Internacional S.A.B. de C.V. is dedicated to improving and/or preserving our customers' health and wellness by providing innovative, safe, and effective products that meet the highest quality standards while adhering to applicable national and international regulations.

For this purpose, Pharmacovigilance, Technovigilance, and Cosmetovigilance practices, actions, and activities are established to allow us to monitor the safety profile of our products during their development, authorization, and commercialization periods. Their primary goal is monitoring, analyzing, establishing, and/or confirming the adequate safety profile and thus seeking our consumers' wellness and safety.

The pharmacovigilance process is governed by various international standards, such as the WHO (World Health Organization) Uppsala

Monitoring Center, the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), the European Medicines Agency (EMA) and the 2011 Good Pharmacovigilance Practices for the Americas.

We also comply with the local regulations of each country where we do business. Some of these are: the Mexican Official Standard NOM-220-SSA1-2016 and its most recent modifications issued by COFEPRIS; Resolution No. 2004009455 dated May 28, 2004, of INVIMA Decree 667; and external circular 3000-0471-2021 for adverse reaction reporting. Also the Ministerial Resolution No. 1053-2020-MINSA in Peru, Pharmacovigilance Health Standard No. ARCSA-DE-020-2016-YMIH T-N-19-RM0250-SNVYC in Ecuador, and other regulations from regulatory agencies such as ANMAT and ANVISA.





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As part of the pharmaco, techno and cosmetovigilance actions to monitor the safety profile, we have established the **“Reporting System for Adverse Reactions, Adverse Events or any safety problem”** that may occur during the marketing period.

As a result, if an adverse reaction or event occurs while using any of our products, it is possible to report it through our official communication channels, which are:

## Our call center:

 **Telephone line:** 800 7171 305

 **Telephone line:** 800 3436 662

 **Our email:**

[farmacovigilancia@genommalab.com](mailto:farmacovigilancia@genommalab.com)

or



## Genomma Lab Internacional's local Pharmacovigilance Units

Country	Pharmacovigilance Unit (customer service)
Argentina	0 80044443666
Brazil	0 8007700566
Bolivia	800101149
Costa Rica	0 800 0521647
Guatemala	18008350438
Nicaragua	18002260509
Honduras	80027919096
El Salvador	8006605
Panama	00 8000521458
Dominican Republic	18887600140 + farmacovigilancia.chile@genommalab.com
Chile	800835977
Colombia	18009520777- 5924569
Ecuador	1800000426 + farmacovigilancia.ecuador@genommalab.com
Mexico	800 7171 305 + farmacovigilancia@genommalab.com
Paraguay	00 98005410048
Peru	80000791 + farmacovigilanciaperu@genommalab.com
Uruguay	000 4054571
U.S.A.	18779943666





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## Our process



An agent from our call center will answer, take the report data and assign the report to the Pharmacovigilance Unit of the country where the person filing the report is located.



The Pharmacovigilance Unit will assess the case and issue a response through the communication channel previously authorized by the person who filed the report.



The report will be submitted to the Regulatory Authorities according to the corresponding regulations and within the times established in the applicable international or local regulations, as the case may be.





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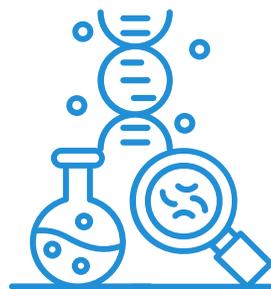
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## Security Assessment Team

During 2018, we established the Safety Assessment Team (SAT), which assists with the safety assessment of our products, particularly in circumstances when regulatory guidelines are insufficiently specific to ensure the quality and safety of our products, as is the case with personal care products.



## HAZARDOUS PRODUCTS MANAGEMENT

**(GRI 2-27)(GRI 416-2)(SASB CG-HP-250a.1, CG-HP-250a.2, CG-HP-250a.3, HC-BP-250a.1, HC-BP-250a.2)**

The Regulatory Affairs area examines the components of our formulations according to the standards of the countries in which we operate, as well as the safety and efficacy criteria established by recognized oversight agencies and relevant legislation. It also considers the opinions of international bodies, mainly from the United States, and the key requirements of the **European Union's Registration,**

### Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation.

The primary goal of this process is to improve human health and environmental protection from the risks associated with chemical substances, to ensure compliance with local regulations, and to assess the toxicological profile of our products under normal and foreseeable conditions of use.





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In addition, for new ingredients, our evaluation process can be activated in two ways:

- **Changes in the regulated ingredient lists issued by the authorities of each country:** In this case, the specifications of the affected ingredients are updated and an exhaustive review of the entire portfolio is carried out to detect whether a reformulation or change of any product is necessary.
- **Request for addition of new ingredients by the innovation team:** In this case, information is received and reference listings are reviewed to add the specifications assigned to the material in the product safety evaluation database.

We also detail some tools that complement the product safety assessment:

- **Brain:** This is a tool that offers the possibility of setting parameters for about 1,200 ingredients used in cosmetics from a toxicological point of view. This allows establishing the margin of safety (MOS) of cosmetic ingredients in a formula, as well as alerting the innovation team to possible regulatory restrictions that need to be considered.
- **Innovation Assessment:** This process involves the assessment of an idea or innovation, taking into account the nature of the functional ingredient, its regulatory classification, and the global context of Genomma Lab Internacional in terms of sales conditions.



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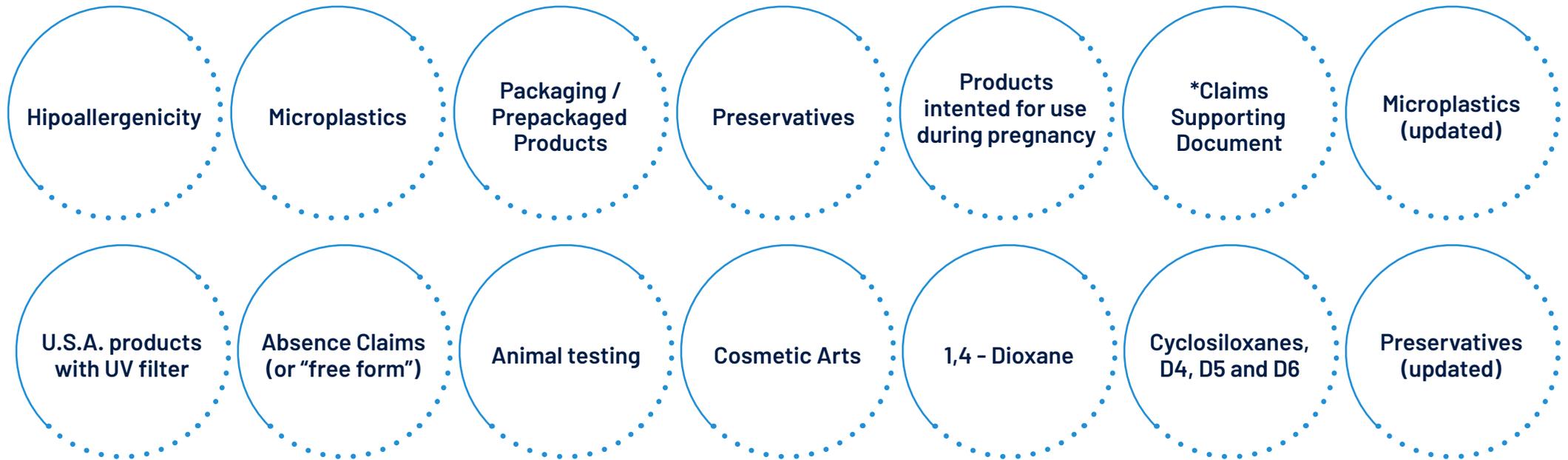
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- **Product Assessment:** The safety assessment of a formulation is carried out, taking into account the nature of the functional ingredients and the minimum and maximum quantities allowed. Allergen mapping and other requirements related to product safety, such as toxicology, fragrance, GMO, REACH and irradiation, if applicable, are also considered. In addition, internal guidelines have been established to continuously improve the overall safety of our products, which are described below:



\*Proclaims





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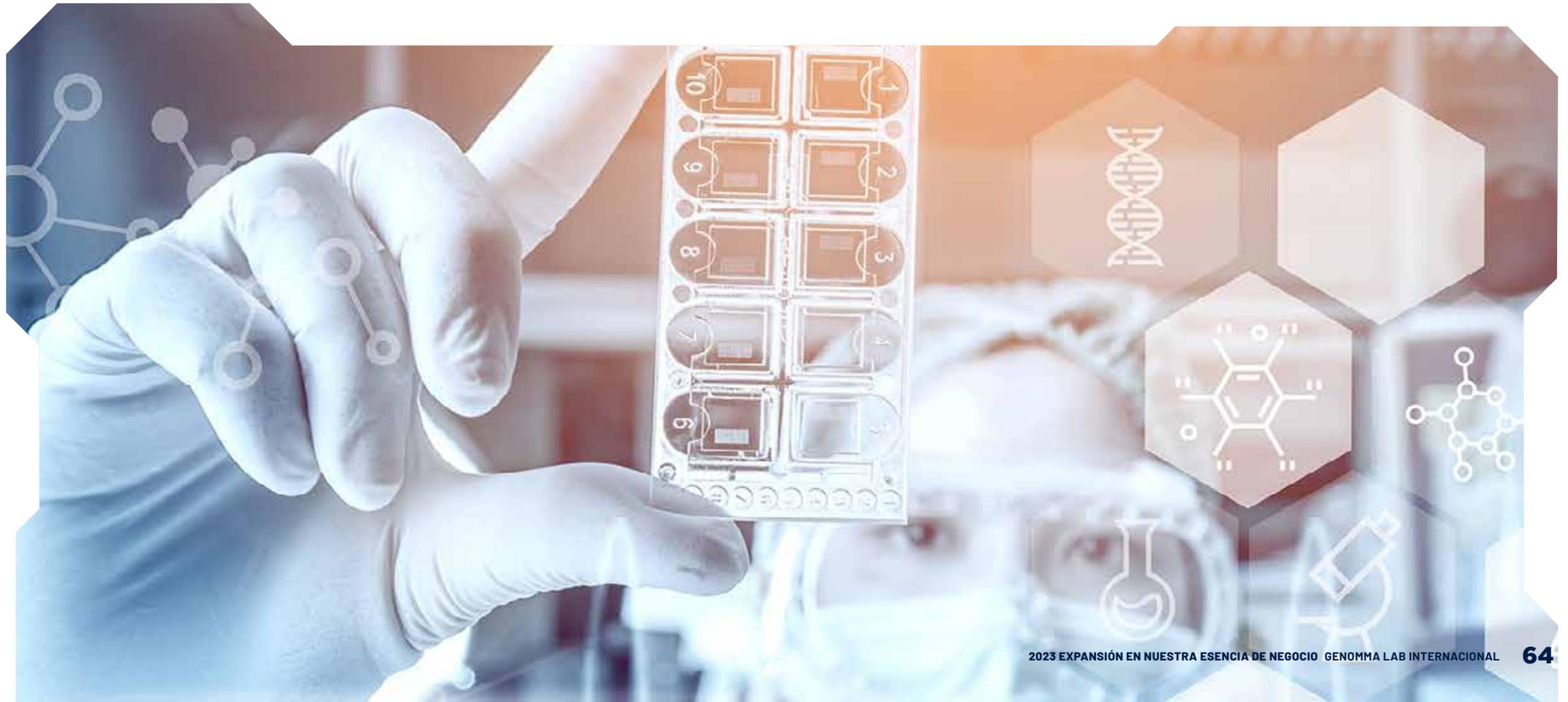
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As our products are regulated and therefore formulated with permitted ingredients that are safe for health and the environment, we declare that none of our inputs are subject to the control of the California Department of Toxic Substances Control (DTSC), do not contain substances of very high concern (SVHC) under the REACH regulation, nor are they listed in the FDA's MedWatch database of safety alerts for human medical products. Consequently, we have not identified any income from products that could pose

a health risk to the customer, nor have there been any reported cases of death due to the consumption of products manufactured or distributed by the Company.

Thus, during the reporting period, we have not failed to comply with voluntary standards or codes regarding the impacts of our products on the health and safety of consumers.





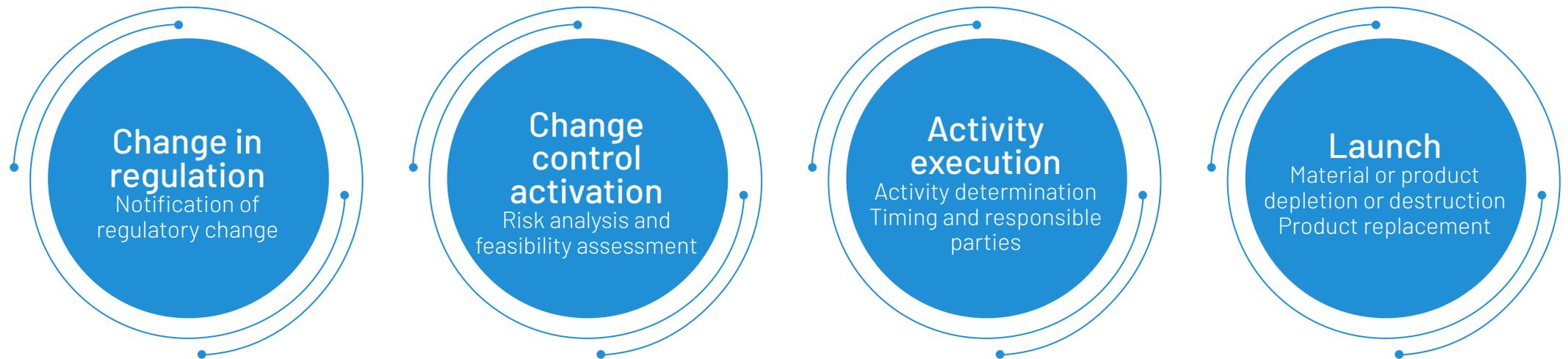
# PRODUCT REMEDIATION PROCESS

(SASB HC-BP-250a.2)

The product remediation procedure is initiated when a “non-conformity” is detected during audits performed by the Regulatory Affairs area or when the health authorities of each country in which we operate periodically update their established standards. This process is carried out continuously, as each time the list of restricted or prohibited substances for the manufacture of products is updated, it is necessary to review and remediate our formulations.

It is the responsibility of the Regulatory Affairs area to inform about the changes and formally request the development area to remediate formulas containing these ingredients, respecting the deadline established by the authority to deplete stocks and make the transition to the elimination or regulation of these substances.

## Product remediation process





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# PRODUCT RELEASE INTO THE MARKET

The holder of the sanitary registration performs the final approval of the product through its internal procedures and based on the information provided by the Industrial Complex or the supplier of the finished product.

As part of our strict quality control process, a thorough review of the batch file is carried out at the production site to verify compliance with all established GMP regulations, procedures, limits, and quality specifications, following the "Finished product release" procedure. In addition, we conduct regular audits of our finished product suppliers or maquiladoras to assess input and product handling and control, in order to ensure their quality.

# PRODUCT RECALL

(SASB HC-BP-250a.3)

If a recall process is required, it is performed by the holder of the sanitary registration, i.e., it can be performed by Genomma Lab Internacional or by any of its suppliers of finished product or maquiladoras. These responsibilities are set out in the Technical Quality Agreement.

During the reporting period, we have not recalled any product from the market on our own initiative, by request or order of the United States Food and Drug Administration (FDA) or by any other corresponding authority in the countries where we operate.





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# TRACEABILITY

**(GRI 3-3: Traceability) (SASB HC-BP-260a.1, HC-BP-260a.2, HC-BP-260a.3)**

All our products are uniquely labeled to ensure traceability throughout the supply chain. In addition, our packaging has specific data such as sanitary registration, batch number, and expiration date, as well as safety elements such as holograms and safety seals, among others. Each country also has an inventory control for each batch received, detailing important data such as input codes, manufacturers and product origin, among others.

The local quality area reviews the documentation for each batch prior to release for marketing. If a counterfeit is suspected, the quality control department analyzes the product according to established standards and, if necessary, retains it. Usually, each country's competent authority is in charge of discovering possible counterfeits. In the event of a finding, they are responsible for communicating it to the Company and to the public through the different communication channels available.

All this is framed under national procedures, for example, "Product counterfeit detection", which is aligned with the "Supplement for establishments engaged in the sale and supply of medicines and other health care supplies" published by the Pharmacopoeia of the United Mexican States<sup>11</sup> (FEUM). **During the reporting period, we were not required to take any action regarding product counterfeiting.**

## Annual Product Review

The Annual Product Review (APR) is carried out jointly between our Industrial Complex or the supplier of the finished product, and the holder of the sanitary registration. This method provides information about the product, its performance, and the consistency of the processes in relation to regulatory and legal requirements, allowing for continuous improvement of the product and process.

<sup>11</sup> The Pharmacopoeia of the United Mexican States (FEUM) is the official document that sets out the specifications, tolerances and procedures for medicines and their raw materials in Mexico, especially those included in the Mexican Basic Formulary.





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# LABELING AND ADVERTISING

**(GRI 3-3: Responsible marketing and labeling)**

Our product labeling complies with national and international regulations in all market categories in which we participate. We created a labeling support, management, and review system to ensure regulatory compliance and support for the information displayed on packaging.

Regulatory assessment has two stages:

- 1 The first stage defines proclaims for promoting the product and providing the best support possible.
- 2 The second stage analyzes the product formula's safety and recommends consumer safety precautions.
  - Personal care products have parameters set to ensure their safety when used.

• Allergens and other ingredients in food and beverages are clearly labeled as a precaution.

• For over-the-counter medicines, labeling is done according to the pharmacological monograph and/or the information approved by the health authorities of each country. Labels include dosage, warnings, and contraindications, among others, as well as possible adverse reactions and precautions for sensitive populations such as pregnant women and children.

This is how we ensure that our labels have the necessary information for their intended usage, as well as customer service numbers, to establish open and effective communication with them.





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Our **“Reporting System for Adverse Reactions, Adverse Events, or any safety issues,”** which includes Pharmacovigilance, Technovigilance, and Cosmetovigilance, contributes to the responsible labeling process by detecting and evaluating potential risks that have not been described or products that have evidence to be dangerous.

In such cases, changes will be made to our product labels, either on our own initiative or at the request of the appropriate regulatory authority. To learn more about our activities related to Ethical Advertising and Marketing in 2023, please refer to the chapter “Our communication with clients and consumers” in this report.





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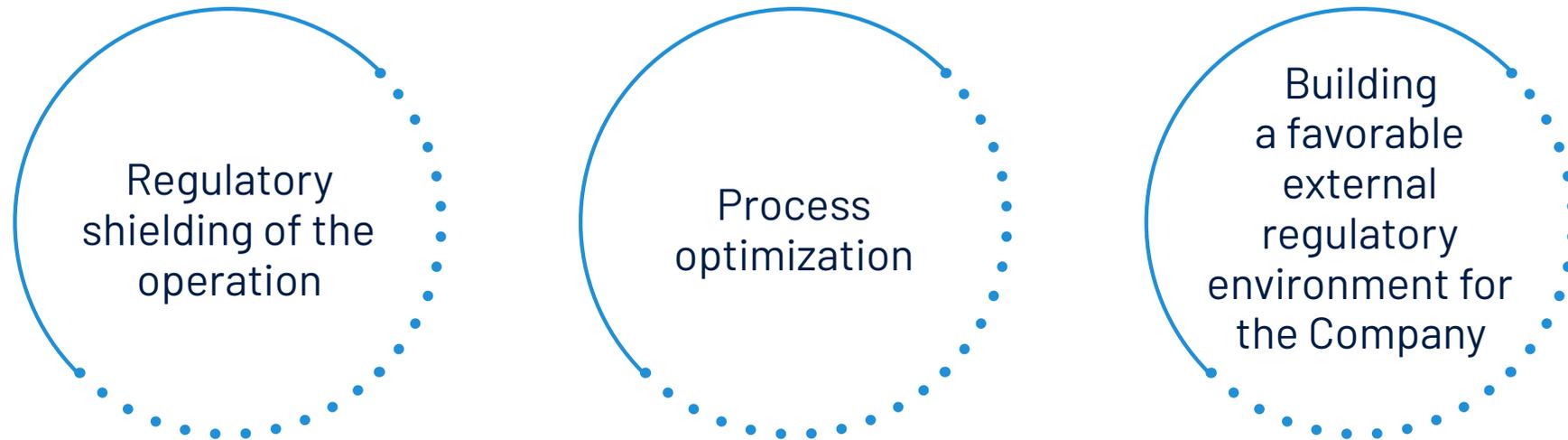
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# REGULATORY COMPLIANCE

## REGULATORY AFFAIRS MANAGEMENT

The Regulatory Affairs management system is fundamental to guarantee the quality and safety of our products in all the countries where we operate. In that sense, in 2023, we implemented a new strategy focused on the following pillars:



For this purpose, we have made major improvements in the area, giving countries more freedom to adjust regulatory processes to local specificities, thereby speeding up the response to each market's unique demands. At the same

time, global internal controls were enhanced to assure consistency and regulatory compliance while also mitigating risks and identifying opportunities for process improvement.





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In addition, we modernized our processes by implementing a worldwide technological platform for real-time control and monitoring of all procedures, records, alerts, and management indicators in the region, resulting in a considerable boost in overall team productivity. In addition, we work closely with regulatory authorities and industry chambers to build strong, collaborative relationships that facilitate regulatory compliance and promote a favorable environment for our operations.

As a result, we were able to register Suerox<sup>®</sup> trademark products in 16 countries where the brand's expansion was planned. We also obtained the approval of 16 sanitary registrations for the Cicatricure<sup>®</sup> brands. Importantly, our overall effectiveness rate reached 99%<sup>12</sup> in the Personal Care category and 95% in the OTC category, and we exceeded our innovation entry targets in most of the markets in which we operate.

# INNOVATION AND EXTERNAL INFLUENCE

(GRI 2-28)

The pharmaceutical and personal care industry in Latin America and the US is constantly being updated. Belonging to industry chambers or sector associations is of great importance, as it allows us to express our concerns and promote the exchange of information and knowledge about the regulations and policies of the sector in each country where we operate. It also allows us to collaborate with authorities to monitor these policies and ensure that they are viable, fair, and beneficial to the sector and the community as a whole.

At present, we belong to approximately 26 regulatory and scientific-technical commissions or forums in prestigious chambers and entities in the region, prioritizing those that deal with topics relevant to the categories where we compete. It is worth noting that in 2023, we invested approximately **\$4,516,441.17 MXN** in memberships to chambers and sectoral groups internationally. A list of the chambers and associations to which we belong is provided in the Appendix "Sectoral Associations."

<sup>12</sup> Effectiveness was calculated as follows: procedures approved / procedures completed.



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# PRODUCT ACCESSIBILITY AND AFFORDABILITY





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# ACCESSIBLE AND AFFORDABLE PRODUCTS

(GRI 3-3: Accessibility and Affordability) (GRI 2-6, 203-2)

We seek to ensure that our products are available and accessible to all people. To achieve this, we have worked hard to expand our presence in the traditional channel, maintaining our multichannel strategy and focusing on achieving solid visibility in our more than **650,000 points of globally sale.**

Furthermore, the e-commerce channel has enabled us to offer our products to a potential population of over 600 million people living in the 18 countries in which we operate.

Mexico's sales percentage broken down by channel is shown below:



\*Number of Self-service and Department stores, according to ANTAD





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# TRADITIONAL CHANNEL DEVELOPMENT

We started growing the number of points of sale in other countries where we are present while also expanding the traditional channel in countries like Guatemala and the United States (more especially, southern California and Puerto Rico).

During 2023, we strengthened our participation in this channel through our exclusive salespeople, who are in

charge of serving “small retailers” directly by implementing various strategies, such as reward programs, special offers and training. We also continue to adapt our mega brands to formats and dosages that are more accessible to consumers buying through this sales channel.

Some examples by category are:

## Personal Care

In Peru, the traditional channel experienced a 42% growth as a result of our strategic focus on affordable formats (sachets) for our main brands, such as Tío Nacho® and Medicasp®.

## Over-the-counter medicines

In Colombia, the successful launch of the X-Ray® brand resulted in a 122% increase<sup>13</sup> in sales through the traditional channel, achieving a 7.8% share in stores and accounting for 16% of Genomma Lab Colombia’s total sales.

## Isotonic Beverages - Suerox

In Argentina, we developed the traditional channel through the launch of Suerox®, reaching more than 20,000 points of sale.

<sup>13</sup> Compared to 2021.





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# SALE PRICES

(SASB HC-BP-240b.2, HC-BP-240b.3) (GRI 2-6)

We understand that our products can only make a difference if our customers have access to them. As a result, our pricing strategy aims to promote the accessibility and affordability of our innovations in all countries where we operate, while taking into account each country's unique, complex, and dynamic contexts. In that regard, we provide a diverse portfolio of value-added products in a variety of formats and prices, ensuring that our products are accessible to all of our customers.

It is important to highlight the notable improvement in Cost of Goods Sold (COGS) resulting from the productivity initiatives executed across the entire organization in 2023. These projects included cost analysis, supplier renegotiations, volume concentration, and packaging redesign. For instance, under our Vanart® brand, the vertical integration of processes like container blowing and injection has greatly reduced costs in Mexico, resulting in a 52% reduction in COGS, which is expected to produce annual savings of 90 million pesos.

In terms of our brands' price stability, Argentina showed the biggest increase<sup>14</sup> in net price and sales price over the previous period, offsetting the impact of the sudden devaluation of the Argentine peso at the end of December 2023 and keeping up with the rate of local inflation during the period.

In the United States, the total product portfolio experienced an average net selling price variation of 5.2%.



14 El precio neto es el precio de venta final de un producto, después de haber aplicado impuestos y descuentos.



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# VISIBILITY IN THE POINT OF SALE

## PERFECT STORE

We remain committed to improving our customers' shopping experience through the use of the "Perfect Store" concept. To this end, we have implemented different strategies, including offering affordable prices and ensuring product availability. Furthermore, we have focused on effectively displaying our products and developing communication materials that are appealing and drive purchase decisions.





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Some of our progress in the execution of our “Perfect Store” strategy is the following:

## Product availability

- We improved our full line-up distribution<sup>15</sup> in chain pharmacies, with excellent execution.
- We registered product availability in record time.
- We implemented a strong route-to-market in independent pharmacies, improving our weighted coverage<sup>16</sup>.



## In-store as Media

- We improved the organization of the development, production and installation processes of point-of-sale materials.
- We focused our commercial investment on our priority brands.
- We improved control and efficiency of commercial spending, which includes spending on in-store facilities.
- In Brazil, we deployed marketing materials for our Cicatricure<sup>®</sup> brand across 1,500 points of sale, which helped us boost the brand’s growth by 35% in the second half of the year in the Raia Drogasil<sup>®</sup> chain pharmacy.
- In Argentina, we achieved visibility in 5,000 pharmacies by focusing on Farmacity<sup>®</sup> with our priority brands: Tío Nacho<sup>®</sup> and Cicatricure<sup>®</sup>.
- In Mexico, we implemented the over-the-counter medicine display plan.



<sup>15</sup> The availability of a brand’s whole product line at points of sale.

<sup>16</sup> The term “weighted coverage” refers to the extent to which a certain product or brand is available at specific points of sale, taking into consideration each point of sale’s proportional value in terms of overall sales or market influence.





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# GEN EXPERTOS PROGRAM

We continue to make history with our service model for the pharmacy channel through our Gen Expertos loyalty program. The primary goals of the campaign are to increase **Visibility, Distribution, and Recommendation**—the three key sales pillars. It aims to motivate the sales teams of our distributors and business partners, as well as the pharmacy channel staff, to increase the availability and visibility of our products.

**The program currently runs in Mexico, Argentina, Chile, Brazil, Brazil, Peru, Colombia, Ecuador and Central America.**

With the goal of having the best human talent, trained and equipped with all the skills to perform quality work in every pharmacy they visit, Gen Expertos brought together the

pharmacy program’s exclusive salespeople from eight countries in 2023. Their focus was not only on selling, but also on advising, training, and supporting pharmacists so they could expand their businesses and offer the best service and advice to their customers.

The ten-hour educational program for 2023 included global sales expert speakers, doctors, and our brand team, who were in charge of educating the attendees on sales procedures and strategies, dosage and formulas, branding, and perfect pharmacy execution to boost sales. Additionally, we hosted “Gen Expertos Webinars,” where pharmacists participating in the program receive training from our team of experts on various conditions, products, and dosages. Attendees also received consumer vouchers and products.





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**Consequently, leveraging a global team of 129 “Gen Expertos” –all of whom had geo-referenced routes, were tracked, and had effectiveness levels above 70% we were able to positively impact 21,000 pharmacies.**



**11,000 Pharmacies** featuring components that increase visibility for Genomma Lab Internacional’s brands



**50% Pharmacies** recommend Genomma Lab Internacional’s products

The Gen Expertos stores outperformed the pharmacy channel by 11% in 2023.





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# DIRECT DISTRIBUTION

(GRI 203-2)

We are able to grow our market presence by directly distributing to small local merchants in communities with a population of 50,000 to 100,000 people, where conventional distribution routes do not operate. By giving individuals in underprivileged areas access to healthcare and supplying in-demand products from our catalog, this strategy boosts small businesses' sales and benefits the local economy.

We keep about 2,000 non-exclusive and 500 exclusive routes throughout Mexico, which together cover about 200,000 points of sale. Similarly, in Argentina, we have established direct distribution in around 3,000 independent pharmacies, whereas in Colombia, we maintain catalog sales through our client Novaventa®, who has a sales force of over 50,000 women.





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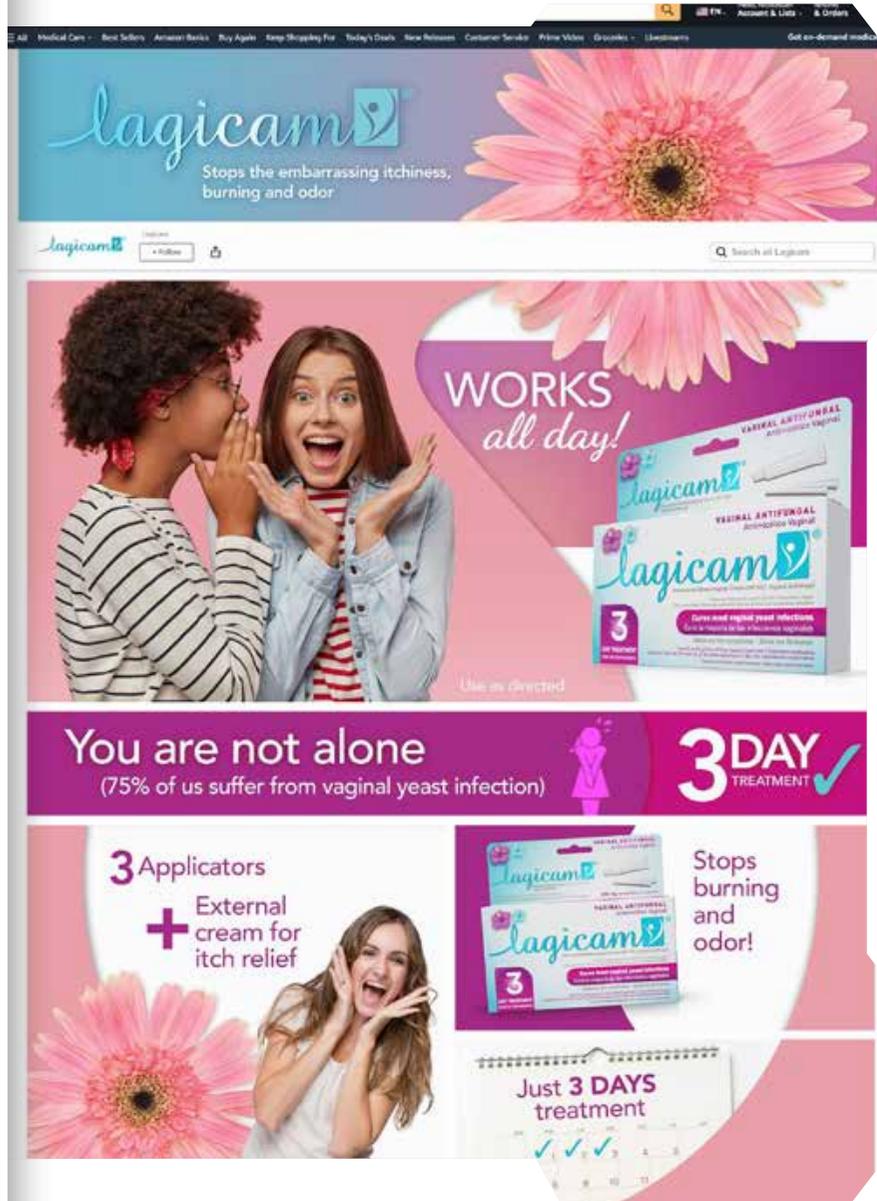
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# OUR E-COMMERCE



Genomma Lab Internacional's profitability has increased as a result of our ongoing efforts to streamline our sales approach through digital channels. The channel's overall sales make up roughly 2.5% of Genomma Lab Mexico's total sales, which is a 0.5% increase over the previous period. Furthermore, we provide the Novamil® portfolio at affordable prices through our [www.novamil3.com](http://www.novamil3.com) platform, guaranteeing its availability at all times and offering outstanding customer service.

In the U.S.A., this channel recorded an increase of more than **80% in 2023, representing approximately 11%** of total sales in the country. Additionally, the **B2B channel<sup>17</sup> saw a 50% increase in sales, mostly via the [www.mygenommalab.com](http://www.mygenommalab.com) website.** In Argentina, **e-commerce grew exponentially by 300%, accounting for roughly 3.62% of Genomma Lab Argentina's total sales. In Peru, sales through this channel increased by 22% compared to the previous period.** Lastly, since 2021, sales through digital channels in Colombia have tripled, growing by almost **200% and accounting for 15% of Genomma Lab Colombia's overall sales.**

<sup>17</sup> B2B is short for business-to-business and refers to the exchange of services, information, and/or products from one company to another. It thus differs from the business-to-consumer (B2C) concept.





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# OUR CLIENTS AND CONSUMERS

(GRI 2-6)

True to our purpose of **“Providing iconic solutions for health and wellness”**, in Genomma Lab Internacional we create products for a wide range of consumers, including those interested in their personal care and general wellness, those seeking solutions for specific health issues, and parents concerned about their children’s upbringing. We have two types of clients who help us reach our consumers:

## • Direct clients

Which include businesses like self-service stores, chain pharmacies, department stores, convenience stores and e-commerce that deal directly with consumers.

## • Indirect clients

This includes those who distribute our products to other clients, most of whom serve end consumers. Some examples are drugstore wholesalers, grocery wholesalers, and traditional channel distributors.





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In Mexico, our clients are spread across the country and serve people of all socioeconomic backgrounds. **Three different store formats** are available in our nationwide self-service stores, enabling them to cater to consumers from all areas. Furthermore, chain pharmacies exist in **95% of the country's municipalities**, while smaller municipalities are served by distributors or wholesalers.

We invest significant resources in the innovation and development of new products and line extensions for our clients and consumers, working closely with local governments and regulatory authorities to ensure consumers have access to our innovations.

During 2023, Genomma Lab Mexico achieved the following results:





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# CONTRIBUTING TO HEALTH NOVAMIL®

We collaborate with private hospitals and medical associations towards the promotion of ongoing medical education. Said organizations include the National Confederation of Pediatrics of Mexico (*Confederación Nacional de Pediatría de Mexico, CONAPEME*), the Mexican Association of Pediatrics (*Asociación Mexicana de Pediatría, AMP*), the Mexican College of Pediatricians Specializing in Clinical Immunology and Allergy (*Colegio Mexicano de Pediatras Especialistas en Inmunología Clínica y Alergia, COMPEDIA*), and the Mexican Association of Gastroenterology (*Asociación Mexicana de Gastroenterología, AMG*). As a result, we took part in about **20 national and international congresses and shared updates on pediatrics and nutrition with over 1,000 physicians.** In addition,

we attended the “Novacumbre” event, which featured national and international speakers discussing high-level scientific topics. In addition, as part of the Novamil® ARD PAX launch campaign, we held a Speaker Tour, reaching out to physicians in over 15 cities across Mexico to provide the most recent updates on the treatment of reflux, cow’s milk protein allergy, and constipation.

Furthermore, through our “Alianzas por el Bienestar” program, we provided support to foundations, associations, and health care professionals, resulting in the donation of over one million pharmaceutical products and personal care items to diverse sectors and vulnerable groups.





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Additionally, it is worth noting that some of our products, such as Tafirol<sup>®</sup> and Tafirol<sup>®</sup> Artro, are on the list of medicines covered by Argentina's Integral Medical Care Program (*Programa de Atención Médica Integral*, PAMI<sup>18</sup>), which allows its affiliates to access these medicines at a reduced cost or for free, depending on the program's coverage policies and specific benefits. To learn more about the numerous projects we carry out to benefit the community, please refer to the "Our People and Communities" chapter of this report.

Examples of our contribution to health and wellness topics, by stage:

**Goal**

Disease prevention

**Products**

- Novamil<sup>®</sup> AE
- Shot B<sup>®</sup>
- X-Ray<sup>®</sup> Collagen Tablets

**Objective**

Our Novamil<sup>®</sup> AE formulas provide a crucial source of nutrition for babies, allowing them to develop a strong immune system that protects them from infections and diseases.

Shot B<sup>®</sup>, a vitamin supplement containing a variety of powerful ingredients such as B vitamins, minerals, and natural extracts, can play an important role in preventing illnesses. These components work

together to promote energy metabolism, nervous system health, and immune function while fighting oxidative stress. Hydrolyzed collagen is a protein that improves joint and musculoskeletal health while increasing joint mobility. X-Ray<sup>®</sup>'s composition, which includes vitamin C, B12, and Zinc, boosts the immune system, while Coenzyme Q10 functions as an antioxidant.

**Novamil<sup>®</sup>**

**SHOT B<sup>®</sup>**

**X RAY<sup>®</sup>**

18 Argentina's health program that provides medical coverage and health services to the country's senior citizens, retirees, and pensioners. It offers a variety of medical services, including primary medical care, medications, hospital care and specialized services, with the objective of guaranteeing access to medical care for the elderly population.





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**Goal**

Symptom treatment

**Products**

Allivix<sup>®</sup> (Pain Relief)  
 XL-3<sup>®</sup>, Next<sup>®</sup> (Anti-flu)  
 Nikzon<sup>®</sup> (Hemorrhoid treatment)

**Objective**

Analgesics alleviate pain associated with a variety of conditions, improving patients' quality of life and allowing them to function better.

Anti-flu medications help to alleviate cold symptoms such as nasal congestion and fever, allowing the body to fight off the underlying virus.



Lomecan<sup>®</sup> and Silka Medic<sup>®</sup> (Antifungal)  
 QG5<sup>®</sup> (Colitis treatment)

Hemorrhoids and vaginal infections treatments target specific conditions to alleviate discomfort and promote healing.

QG5 is a 100% natural extract treatment that relieves menstrual cramps, colitis, acute non-infectious diarrhea, and their associated symptoms.



\*El diagnóstico no aplica a nuestro portafolio





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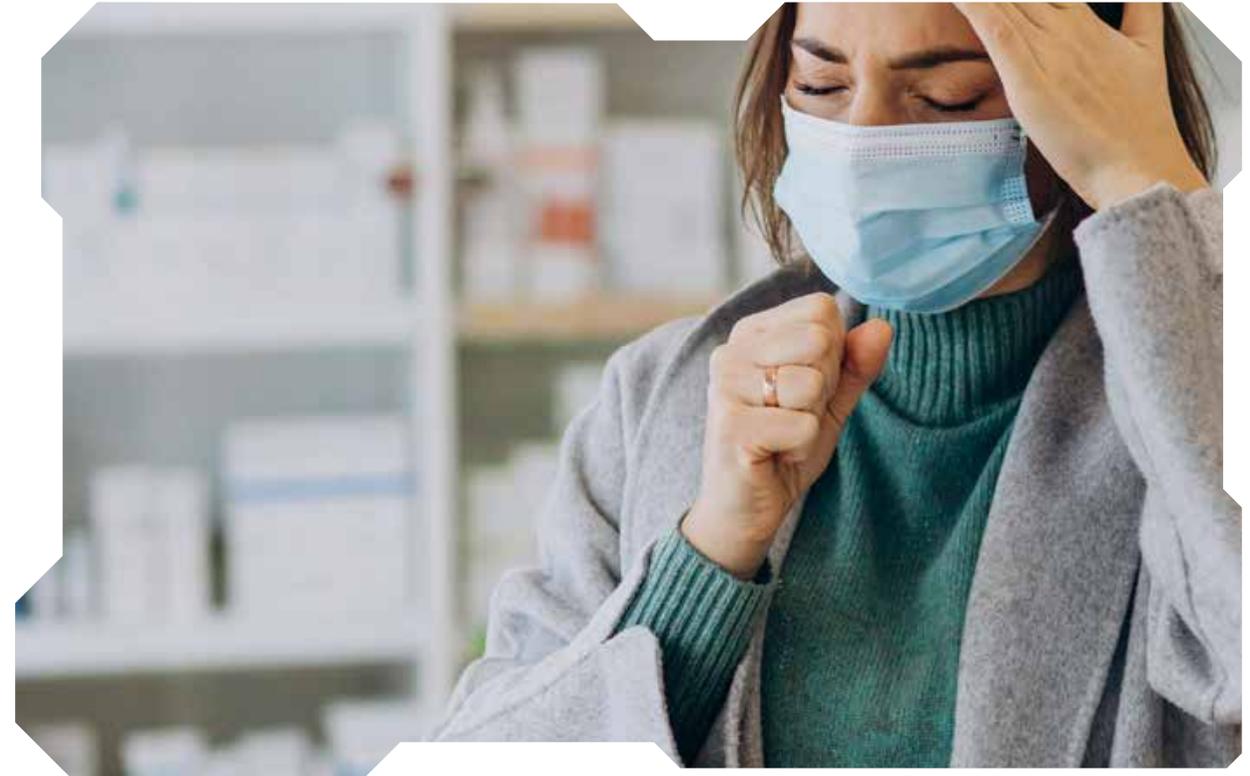
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# ACCESS TO PRODUCTS TO TREAT CRITICAL ILLNESS SYMPTOMS

**(SASB HC-BP-240a.1, HC-BP-240a.2)**

At Genomma Lab Internacional, our mission is to offer “Iconic Solutions for your Health and Wellness”, providing accessible and affordable products.

Our products’ production, distribution, and sale all contribute significantly to the relief of symptoms associated with critical diseases identified by the World Health Organization (WHO) in priority countries. The following examples demonstrate the positive contribution and impact of our products on the health of the most vulnerable populations.





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# TAFIROL® AND COVID-19

Tafirol® by Genomma Lab Internacional is an analgesic and antipyretic that contains paracetamol, which is commonly used to treat mild to moderate pain and fever. During the COVID-19 pandemic, Tafirol® played an important role in relieving symptoms such as fever, headache, and muscle aches, especially in areas with limited access to healthcare. Despite a global shortage of raw materials during and after the pandemic, we were able to keep this product in stock.



# KAOPECTATE® AND THE HEALTH RISKS ASSOCIATED WITH DIARRHEA

Kaopectate® by Genomma Lab Internacional is an effective medicine to treat diarrhea. Its formula combines three active ingredients: neomycin, kaolin, and pectin. It is indicated for infectious and non-infectious diarrhea. Its distribution in developing countries such as Mexico contributes to improving the health and quality of life of vulnerable populations by helping to prevent major complications connected with this gastrointestinal condition.

It is worth mentioning that our products are not currently on the WHO List of Prequalified Medicinal Products, as part of its Prequalification of Medicines Program (PQP).



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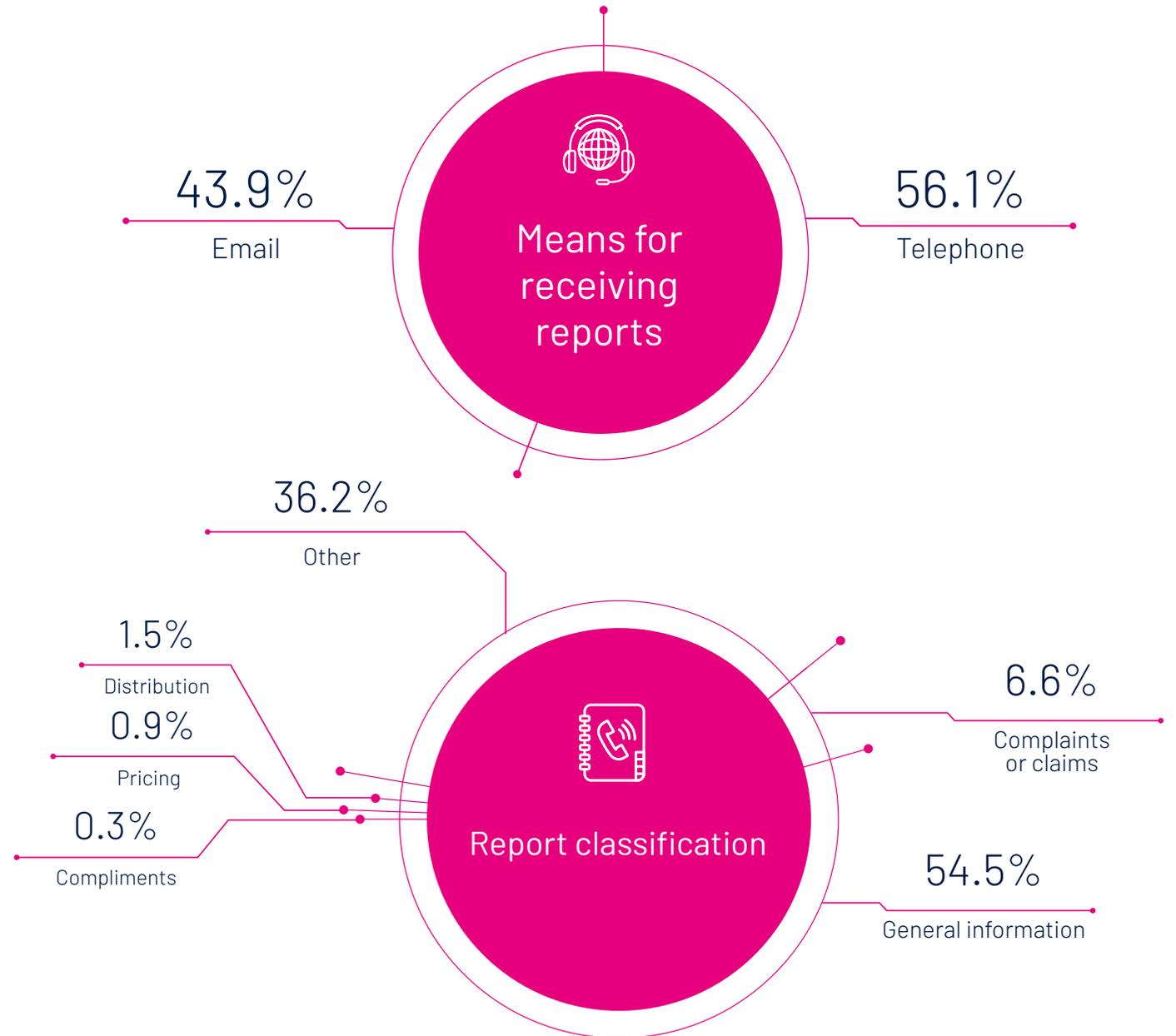
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# CUSTOMER SERVICE

(GRI 418-1)

Our customer service is available 24 hours a day, seven days a week, through different channels, including the email [atención@genommalab.com](mailto:atención@genommalab.com) and the telephone numbers specific to each country where we operate. It is important to note that calls are handled by an external agency.

**By the end of 2023, our customer service department received 5,287 calls and 4,132 emails.**





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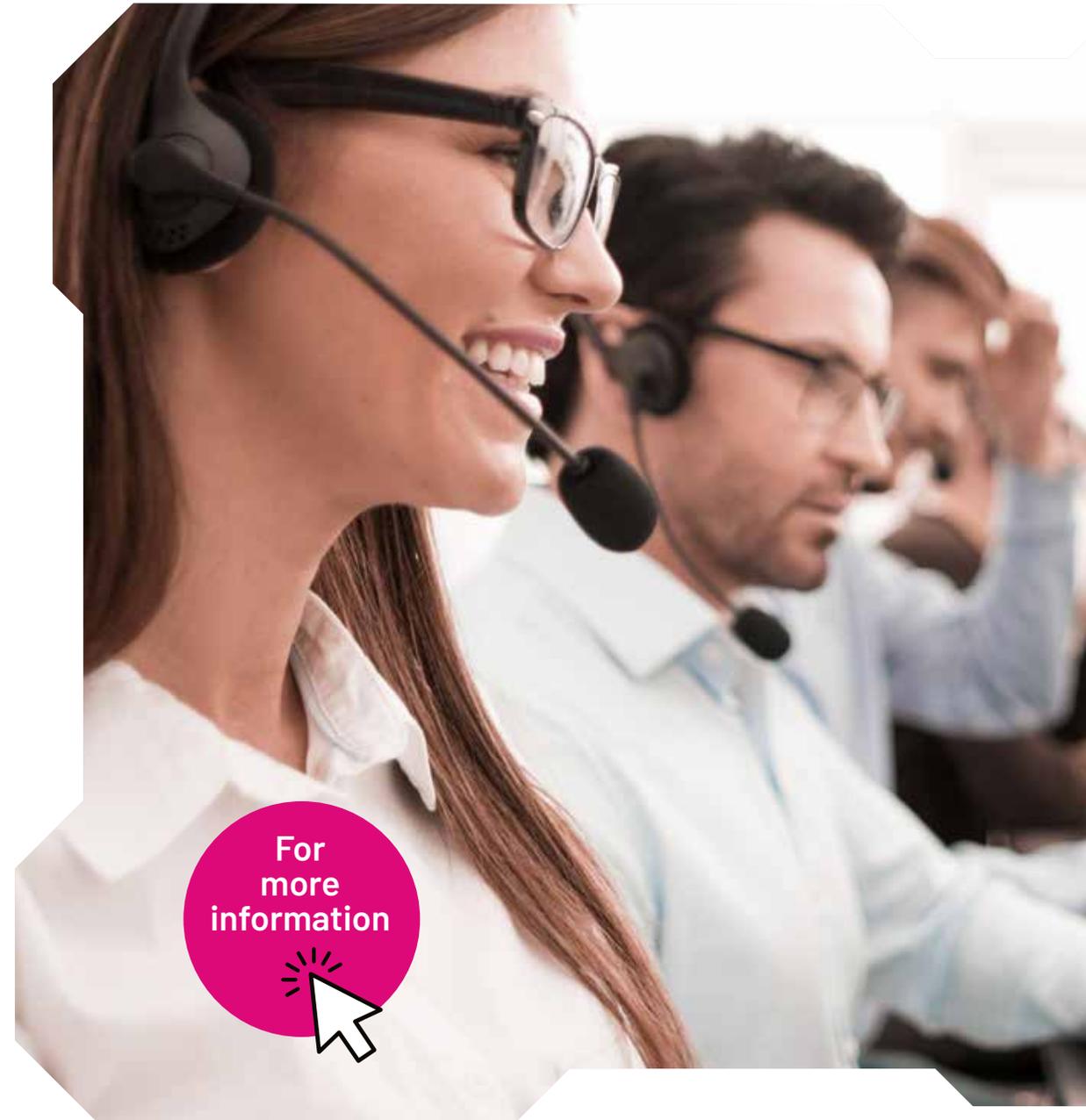
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Complaint follow-up calls might also be classified as “other”, along with:

- Information on discontinued or out-of-stock products.
- Information on product points of sale.
- Information on pricing and/or product promotions.
- Information on wholesale purchases.
- Request for communication with an officer or another Genomma location.
- Product/promotion/advertising suggestion.
- Request for sponsorship/donations.
- Confirmation of receipt and/or follow-up mail.
- Information on vacancies, service presentations, requests for employment references, or requests for certificates.

During 2023, we received no substantiated complaints regarding breaches of privacy or loss of client or consumer personal data.



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# COMPLAINT OR REPORT MANAGEMENT



Consumer and client complaints are managed according to the internal guidelines outlined in the “Complaint Management” procedure. By giving each case our full attention, **we hope to resolve it successfully and raise the bar for future work.**

If a problem regarding a product’s safety and/or efficacy arises, the country’s Pharmacovigilance Unit investigates the matter, issues a response, and follows up, as seen in the process diagram below:





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# ICSR MANAGEMENT (Individual Case Safety Report)



Once the investigation at the associated production plant is completed and the root cause of the incident has been determined, a corrective and preventative action (CPA) plan is developed. It is important to note that we keep retention samples of each batch of product manufactured and input

analyzed, in accordance with the Retention Sample Storage and Control Procedure. Such occurrences are reported to the Regulatory Authorities in accordance with the current regulations and the dates set by the applicable international and local standards.





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# SUPPLY CHAIN AND MANUFACTURING





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# EFFICIENT AND RESPONSIBLE MANAGEMENT

(GRI 2-6, 204-1) (GRI 3-3: Responsible value chain management)

Effective supply chain management is critical to maintain operational continuity as it allows us to achieve efficiencies, reduce costs, improve product quality, and respond more rapidly to market changes.

In 2023, we faced several challenges, including constant price increases from maquiladora suppliers, also known as finished product suppliers, as a result of exchange rate fluctuations and the economic context of some of the countries where we operate. However, we were able to secure the availability of our products through a diversified supply strategy that combined production in our Industrial Complex with that of suppliers.

In addition, we have conducted direct renegotiations with raw material, APIs<sup>19</sup>, excipients<sup>20</sup> and packaging suppliers to ensure a consistent supply in the short, medium and long term. Furthermore, our Genommalink platform enables us to better manage maquiladoras and suppliers when creating an annual plan based on demand estimates, making decisions in advance, and reducing the risk of shortages in the supply chain.



19 Active Pharmaceutical Ingredients (APIs) are compounds that may one day be used to make medicines.

20 A compound added to medicines to give them consistency, shape, flavor, or other characteristics that make them easier to use.





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# Genommalink Results 2023



We currently have approximately 600 suppliers globally<sup>21</sup>, 48% more than the previous year, which are classified in this way:

During this period, in Mexico there has been a reduction in the number of finished product suppliers, or maquiladora suppliers, as a result of the start-up of new production lines in our Industrial Complex.



<sup>21</sup> This calculation considers countries with significant operations, such as Argentina, Brazil, Colombia, Mexico, the U.S.A., and Peru. The chart includes suppliers in the categories of raw materials, packaging material, finished product (maquila) and transportation (logistics).





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In contrast, there was an increase in the number of suppliers in Argentina, Brazil, and Colombia compared to the previous year, related to the expansion of our Suerox® mega brand in Latin America. This implied a significant change in the operation of the warehouse and logistics areas as a result of this new product's particularities and its distribution channels. In addition, we sought alternative local suppliers in Argentina to overcome some trade restrictions.





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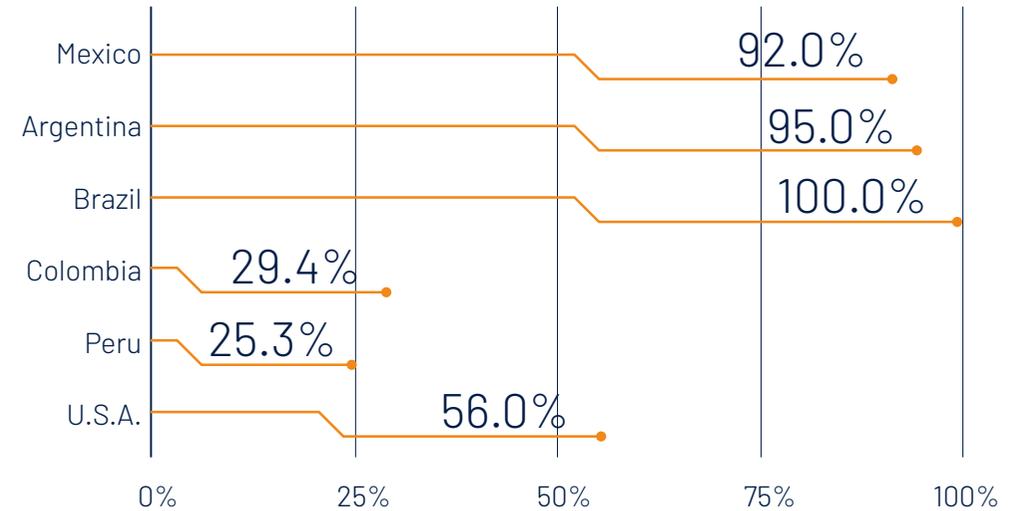
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## Local Suppliers (GRI 204-1)

One of our goals is to continue increasing our budget for purchasing from local suppliers, i.e. those located in the same country where the commercial agreement is made.

## Percentage of budget allocated to local suppliers



## Our critical suppliers by country



## Critical Suppliers

We define critical suppliers as those that can significantly affect the continuity of our operations and business model. This classification is based **on the supply volume and the availability of critical elements in our supply chain.**



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## Supplier Type

Suppliers	Mexico	Argentina	Brazil	Colombia	Peru	U.S.A.
<b>Total Tier 1 Suppliers *</b>	258	168	21	12	3	18
<b>Total Critical Tier 1 Suppliers</b>	97	66	3	12	2	6
<b>% of total expenditure Tier 1 Critical Suppliers</b>	49%	67%	85%	70%	86%	70%
<b>Total Critical Tier 2 Suppliers**</b>	0	35	2	32	1	0
<b>Total Critical Suppliers (Tier 1 and 2)</b>	97	101	5	44	3	6

\* A direct supplier is one who provides products or services to a company directly, without the involvement of other suppliers.

\*\*A supplier that provides products or services to a company but does not have a direct commercial relationship with the end customer. Instead, these suppliers provide Tier 1 suppliers.

## Guava Leaf

Quercetin, the active ingredient in our QG5 product for treating colitis, is extracted from guava leaves. Since 2010, we have an alliance with La Joya del Campo S.A. de C.V., a community guava leaf supplier in Veracruz, Mexico. In 2020, due to the unusual increase in rainfall, the guava leaf harvest was reduced. In preparation of potential shortages, we purchased a big quantity of raw materials in 2021. Therefore, in 2023, we purchased nine tons of guava leaves to maintain our production and keep a surplus in case of possible fluctuations in supply. In this way, we reaffirm our commitment to the economic development of local communities.





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# SUPPLIER QUALITY ASSURANCE

Quality control throughout the supply chain is crucial to ensuring our suppliers' consistency, reliability, and safety.

That is why we have a **Supplier Quality Assurance Process**, which involves audits, document examination, and analyses by approved third parties to ensure compliance with the quality requirements specified by local regulations and international standards.

For a detailed description of the process, please refer to page 63 of [Our 2022 Annual Report](#). 





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# SUPPLIER SUSTAINABILITY PROGRAM

(GRI 205-2, 308-2, 414-2)(SASB HC-BP-430a.1)

(GRI 3-3: Management of environmental impacts on the value chain)



Our Supplier Sustainability Program seeks to encourage ethical business practices, collaboration, and constant improvement among our raw materials, packaging materials, maquiladora (finished product), and transportation (logistics)

supply chain members. In 2023, we started this program in Chile and Peru.

The program consists of three stages:





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# SUPPLIER CODE OF CONDUCT AND ETHICS

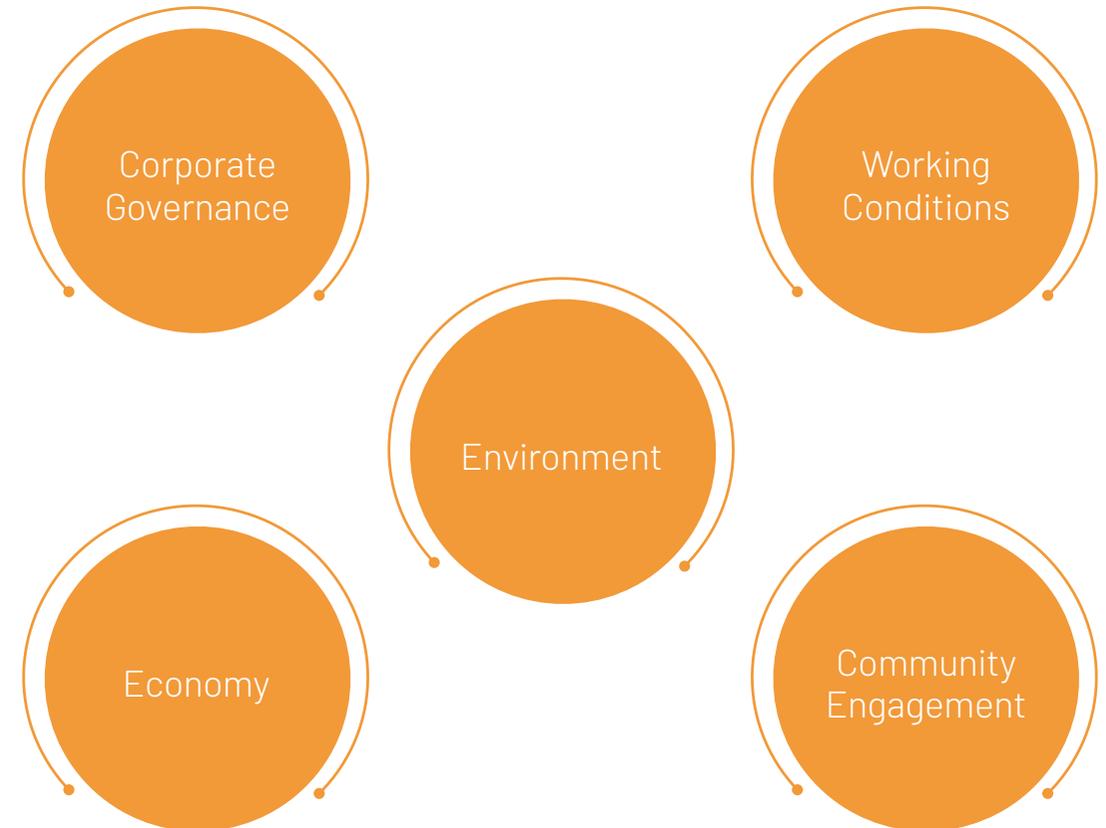
Our **Supplier Code of Conduct and Ethics**  sets clear negotiation standards and contributes to the fulfillment of our ethical, social and environmental commitments as defined in our sustainability strategy.

It is important to note that any supplier intending to establish or maintain a business relationship with Genomma Lab Internacional must adhere to our Supplier Code of Conduct and Ethics, as well as our Integrity policies.

In 2023, we reached our goal of having 100% of our raw material, packaging material, maquilas (finished product), and transportation (logistics) suppliers understand and sign our Code of Conduct.

# ASSESSMENT

The **Social Responsibility and Sustainability Self-Assessment** allows us to identify our suppliers' and business partners' level of maturity in the following topics:





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Its purpose is to recognize and encourage the implementation of good practices, compliance with regulations, and social responsibility. During this period, we updated the format and reduced the number of questions to make the process easier and generate more replies. The questions have a specific weighting based on the supplier's

classification, and the supplier must show proof to back up each answer.

We also provide guidance and assistance to our suppliers during the self-assessment, to ensure the quality of the information presented.

Item	Number of suppliers assessed
<b>Total suppliers assessed (document or on-site assessment)</b>	Mexico: 15.7% Argentina 100% Brazil: 100% Colombia: 100% Peru: 100% U.S.A.: 100%
<b>% Critical suppliers assessed</b>	Mexico: 26.6%* Argentina 100% Brazil: 100% Colombia: 100% Peru: 100% U.S.A.: 100%
<b>Number of suppliers assessed with potential/current substantial negative impacts</b>	Mexico: 0% Argentina 0% Brazil: 0% Colombia: 0% Peru: 0% U.S.A.: 0%

Item	Number of suppliers assessed
<b>% Suppliers with potential/current substantial negative impacts having a Corrective Action Plan</b>	Mexico: 0% Argentina 0% Brazil: 0% Colombia: 0% Peru: 0% U.S.A.: 0% At the moment, we have not identified suppliers with substantial or potential negative impacts on sustainability.
<b>Number of suppliers with potential/current substantial negative impacts with whom the business relationship was terminated</b>	Mexico: 0 Argentina 0 Brazil: 0 Colombia: 0 Peru: 0 U.S.A.: 0 At the moment, we have not terminated any business relationship with suppliers due to substantial or potential negative sustainability impacts.

\*The assessment includes only Tier 1 suppliers.

During 2023, no suppliers with significant negative impacts on the community and the environment were identified.





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# TRAINING

This year, we encouraged our global suppliers to take part in the Mexican Stock Exchange's Supplier Sustainability Support Program, which included subjects such as best labor practices, diversity and inclusion, energy management, waste management, and water management, among others.

## Supplier Human Rights Management

**(GRI 3-3: Protection of Human Rights) (GRI 407-1, 408-1, 409-1)**

We are developing the “Human Rights Due Diligence” project. In early 2024 we will make progress in risk and impact identification and assessment, seeking to generate a plan to prevent, mitigate and remediate impacts in this matter.

**During 2023, we revised and reinforced our Human Rights Policy** with the goal of deeply reflecting the Company's values and setting clear commitments. We also performed a diagnosis to determine our level of maturity in terms of upholding and monitoring human rights management.

It is important to note that, during the period covered by this report, we did not identify any risks connected to child labor, forced labor, or restrictions on collective bargaining in our operations or supply chain.

## Palm Oil

**(SASB CG-HP-430a.1)**

Palm oil is among the ingredients of the Novamil® product line, for which we have exclusive marketing rights in Mexico and Latin America (except Brazil). Breast milk contains 17-25% palmitic acid, which is essential for infant healthy development<sup>22</sup>. The milk fat substitutes used in Novamil® products contain about 23.6% palmitic acid and a blend of adapted vegetable oils, all backed by extensive studies and in compliance with the highest nutritional standards.

100% of the palm oil used in our Novamil® infant formulas is certified by international organizations that support the growth and use of sustainable palm oil products based on global standards.

<sup>22</sup> Source: Delplanque et al.'s 2015 article, available via the US government's National Center for Biotechnology Information (NCBI).



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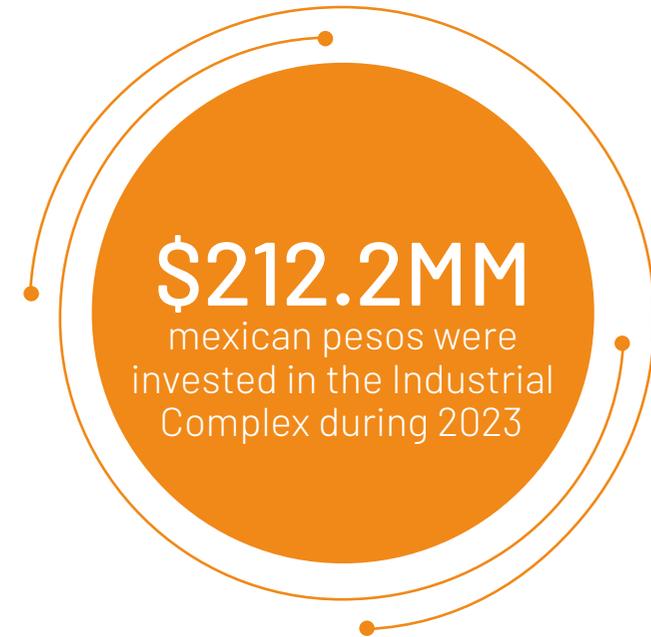


# MANUFACTURING

(SASB CG-HP-000.B)

## INDUSTRIAL COMPLEX IN MEXICO

Our industrial complex in Mexico was developed and built with sustainable infrastructure and technology in mind, making it easier to manage safer and more environmentally friendly industrial processes. We hold the Edge (Excellence in Design for Greater Efficiencies) certification, an eco-efficient construction standard and global certification system developed by the International Finance Corporation (IFC), the private arm of the World Bank, which recognizes 20% or greater efficiency in energy, water and materials consumption during construction.





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# OVER-THE-COUNTER (OTC) PRODUCT MANUFACTURING SITE

Our OTC Product Manufacturing Site currently features **five production lines: solids, semi-solids, oral liquids, topical liquids and coated tablets, all equipped with cutting-edge technology in their respective categories.**

## Over-the-counter (OTC) medicine manufacturing line results - 2023<sup>23</sup>

842,243 pieces

**BENGUE**

64,490 pieces

**XRAY**

144,421 pieces

**BENGUE**  
SIN OLOR

9,697,380 pieces

**NEXT**

1,598,413 pieces

**UNESIA**

2,974,610 pieces

**SILKA**

284,944 pieces

*lomecan*

**15,606,501 million units**



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One of the most significant achievements of the area during 2023 was obtaining the sanitary license for all the pharmaceutical forms of our product portfolio. This milestone allowed us to enable new production lines, which represents a significant advance in the Company's vertical integration plan.

We also had a visit from COFEPRIS<sup>24</sup> to ratify the GMP certificate<sup>25</sup> obtained the previous year. The inspection was successful and reiterated our dedication to the highest manufacturing standards, establishing us as a reliable and well-equipped site to export not only to the United States but also to Latin American countries.

## OTC Manufacturing Plant Permits Update

<b>International GMP's</b>					
<b>Mexico GMP</b>					
<b>Sanitary License</b>					

**Solid**

**Semi- Solid**

**Oral Liquid**

**Tropical Liquid**

**Coating**



Granted



Pending Approval



Not submitted



<sup>24</sup> The Federal Commission for Protection against Health Risks (Comisión Federal para la Protección contra Riesgos Sanitarios, COFEPRIS) is the Mexican authority in charge of regulating and controlling products and services that may pose health risks to the population.

<sup>25</sup> Good Manufacturing Practices (GMP) is an official stamp of approval issued by a regulatory authority that certifies that a manufacturing facility adheres to set standards and regulations to assure the quality, safety, and efficacy of the health-related products it produces.





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# PERSONAL CARE PRODUCT (PC) MANUFACTURING SITE (SASB-CG-HP-000.A)

During this period, our personal care and isotonic beverage manufacturing site made significant progress in its performance. First, we began production of Teatrical Lanolina® after purchasing and installing additional machinery on our existing balm line. We were also able to

automate the boxing process of the Tío Nacho® brand by acquiring, setting up and commissioning state-of-the-art machinery. Finally, we continued operating our five production lines: isotonic beverages, shampoos, ointments, facial creams and body lotions.

## Main results of our Personal Care (PC) production lines - 2023

14,766,400 pieces

*Vanart*

8,546,040 pieces



1,431,552 pieces

*Teatrical*

65,390,238 pieces

**SUEROX®**

**90,134,230 Million units**



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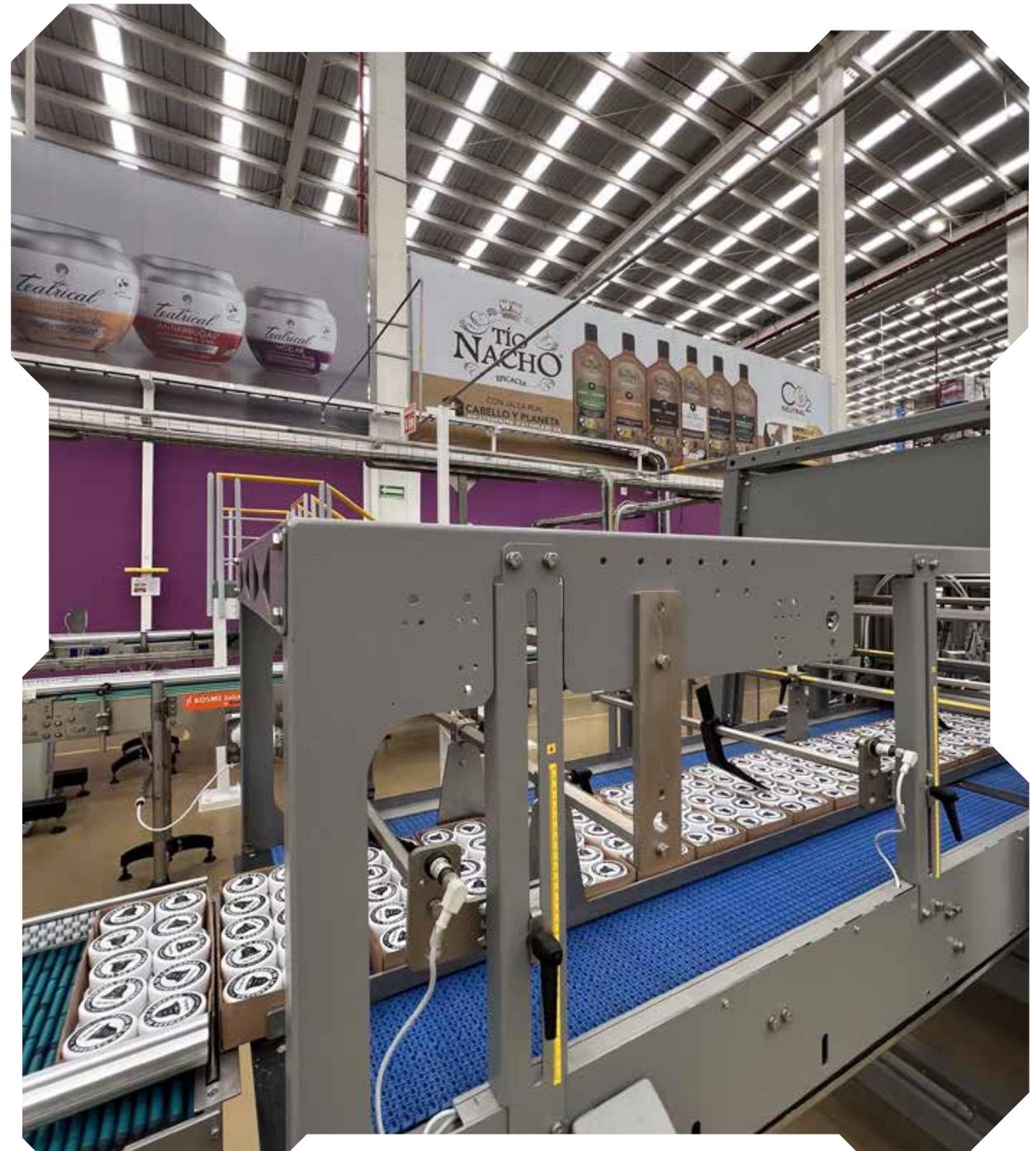
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**In 2023**, our Industrial Complex achieved significant cost savings, **totaling \$23.8 million mexican pesos**. In the same period, key productivity **projects were carried out, resulting in projected annual savings of \$166 million mexican pesos**. These projects include negotiations on raw material procurement, with a potential annual savings of \$84 million mexican pesos, as well as an optimization of capital expenditures (CAPEX<sup>26</sup>) for Tío Nacho<sup>®</sup> bottles that resulted in savings of \$12 million mexican pesos.

A redesign of Suerox<sup>®</sup> packaging was also implemented, with projected savings of \$70 million mexican pesos per year, and an increase in batch sizes to optimize production and analytical processes, resulting in not only a more efficient use of resources, but also energy savings.

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26 Refers to cash used by a firm to purchase, maintain, or upgrade physical assets such as real estate, equipment, machinery, and technology, among other long-term assets.





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# NEW FACILITIES

During the first quarter of 2023, the plastics line was set up and commissioned in our Industrial Complex. The purpose was vertically integrating some of our products, and it started with Vanart® bottles and caps. This new operation is being developed in collaboration with a plastic packaging supplier.

In this first phase, we installed three double-station blow molding machines and three injection molding machines for manufacturing caps. We also installed peripherals such as plastic grinding mills and an inspection laboratory.



These lines have an installed capacity of:



**In 2023, 7.2 million bottles were produced, equivalent to 400,000 kg of 30% Recycled Polyethylene (PCR-HDPE); and 6.5 million caps were manufactured, using 91,000 Kg of Polypropylene (PP Copolymer).**

Our goal is to integrate the supply of packaging materials into the other manufacturing lines, which will help us improve quality control, inventory management, and input delivery times.



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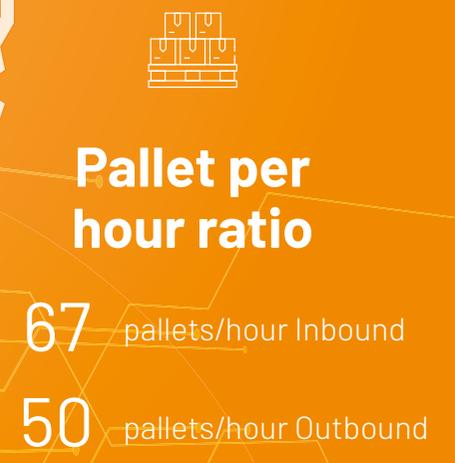
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# DISTRIBUTION CENTER MEXICO

## Main routes served



<sup>27</sup> Flat platform made of wood, plastic or other durable material, intended to support products during transportation and storage.





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# LOGISTICS

Logistics is critical to our business model since it contributes to increased customer satisfaction, cost savings, and effective risk management in product distribution. As a result, we review and identify the key areas for improvement using a variety of management tools.

During this period, we implemented the following productivity projects:

We centralized delivery at a single point and negotiated with our clients for them to handle the logistics to their CEDIS/ stores.

Minimum amount shipping policy, ensuring shipments carry more product and making them more efficient.

Implementation of intermodal logistics (truck-train-truck) for remote areas of northwestern Mexico.

73% increase in the use of recycled pallets in our Mexico operations.





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- Manufacturing
- Logistics

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# PRODUCT TRANSPORTATION

Our Sustainability Strategy reflects our ongoing commitment to improve logistics planning and energy efficiency in our operations. Working with our global transportation and warehousing suppliers<sup>28</sup>, we optimize routes and reduce greenhouse gas (GHG) emissions associated with logistics transportation.

In Mexico, 100% of our logistics suppliers are part of the “Clean Transportation” program. In Argentina, 100% are affiliated with the Ministry of Economy's Intelligent Transportation Program (*Programa de Transporte Inteligente, PTI*). In the U.S.A., they are committed<sup>29</sup> to the EPA's SmartWay program to promote sustainability in the supply chain. In Colombia, we have an alliance with a world-class supplier that supports us in terms of management and constant improvement. Finally, in Brazil, we audited 90% of all carriers. For more details on our energy efficiency actions, please refer to the Environmental Management chapter of this report.

Furthermore, by moving manufacturing lines to our Industrial Complex, we were able to reduce the volume of finished products delivered to the distribution center. We have also boosted product transportation occupancy through cross-docking<sup>30</sup>, which optimizes time and resources while lowering associated costs.

As part of our due diligence, we conduct internal audits and controls to prevent any actions contrary to our integrity policies. We manage our timetables and routes, and we constantly track our operators, to ensure that the highest security standards are met. Thanks to this management, we achieved 98% compliance with our product delivery schedule in Mexico and decreased customer returns to 1.8%.

<sup>28</sup> Genomma Lab Internacional outsources transportation and warehousing services globally, with the exception of Mexico.

<sup>29</sup> The EPA is the U.S.A. Environmental Protection Agency (EPA).

<sup>30</sup> This tool is designed to move trucks with large loads to small distribution centers and separate the cargo into smaller trucks for local transportation.





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# OUR COMMUNICATION WITH CUSTOMERS

(GRI 3-3: Responsible marketing and labeling)

It is our responsibility to build trusting relationships with our consumers through clear and honest communication. That is why we are committed to being fully transparent in our advertising and communications about our products' uses,

benefits, ingredients, innovations and launches, as established in our [Global Advertising and Communication Policy](#). This Policy is updated and reviewed by the Medical, Regulatory and Legal Departments.





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# ADVERTISEMENT CREATION PROCESS

## GEN COMMUNICATION SYSTEM

Consumer participation in our product and advertising concept innovation process



Using this information, our team of experts in branding, digital marketing, e-commerce, production, and post-production conducts the creative process and carries out communication campaigns across all points of contact. To close the process, the campaign is assessed for results upon kick-off.



As a result, we understand our customers' demands and receive feedback throughout the process, allowing us to create products and communication pieces that effectively convey the benefits of our products.





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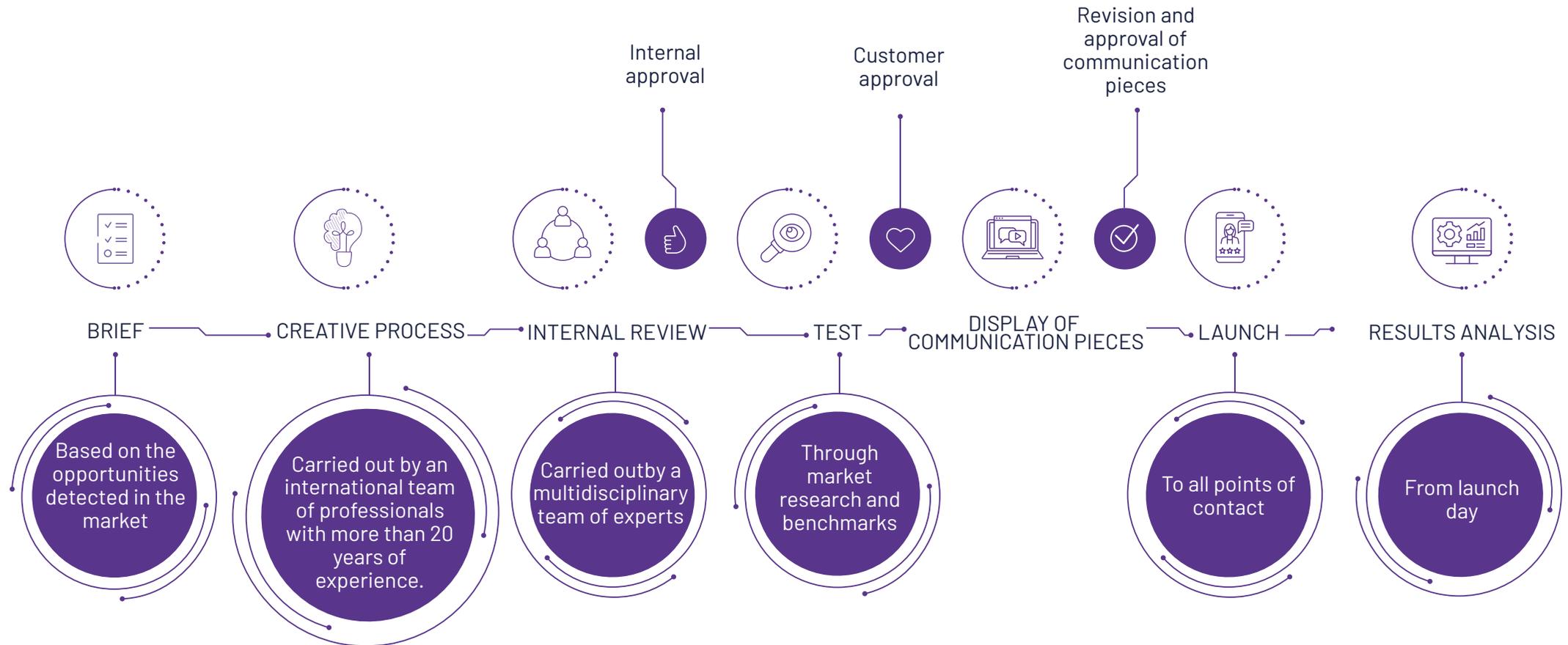
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# ALWAYS-ON ANALYTICS AND PRECISION MARKETING



Our disruptive way of doing communication, called **“GEN Communication System,”** continues to prove to be infallible. With an execution four times faster and a **70-80% cost reduction,** it allows us to achieve excellent results in terms of reach and interactions with the consumer. It has also

allowed us to evolve and adapt to the constant changes in the market, as well as to **new platforms and media.**





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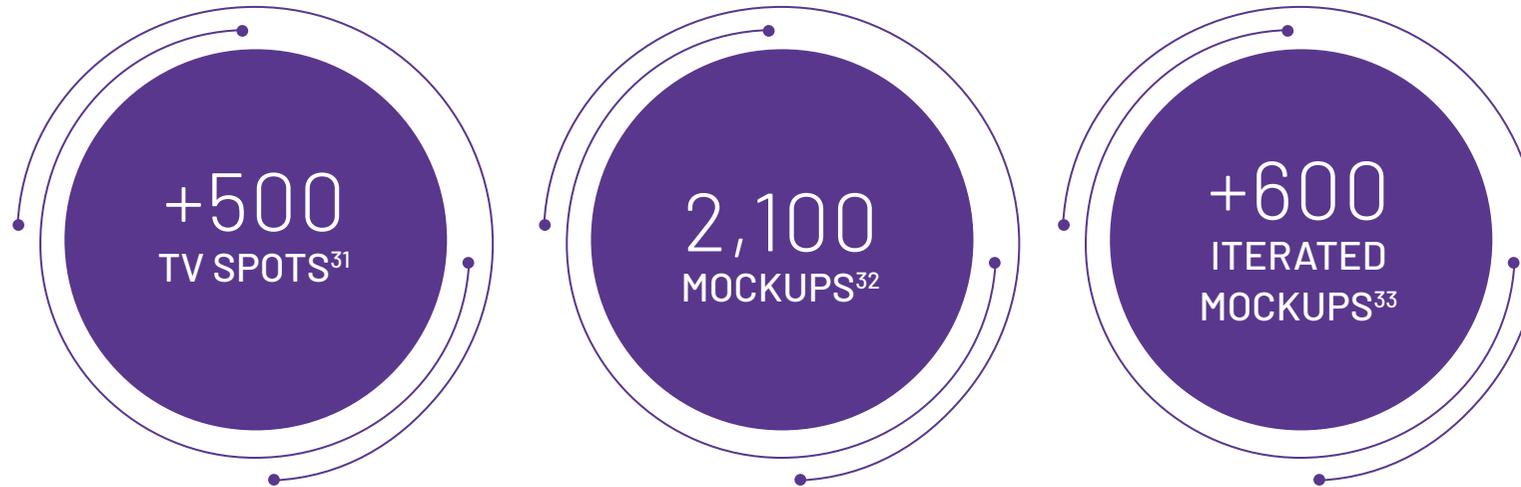
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# OUR MOST SUCCESSFUL 2023 CAMPAIGNS



**This represented a 222% increase in spot production compared to the previous period.**

It should be noticed that the execution of the main communication campaigns are focused on our mega brands and had the participation of great celebrities.



<sup>31</sup> TV spot is a television commercial or advertisement. It is an audiovisual support delivered to an audience through the electronic medium known as television.

<sup>32</sup> Mockup is a recording or simulation of what the final ad will look and sound like, using images, graphics, music and sound effects that are close to what is expected from the finished product. It is used to review and make changes to the original ad idea to make sure it fits the goals and messages of the ad campaign before final production. It can also be used to pitch and sell the idea to customers or consumers before investing in the full ad production.

<sup>33</sup> Evaluated by consumers





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## SUEROX



## Tukol Multi-Symptom



## Tukol Max Action



## Tukol Naturals



Furthermore, we continued implementing new technologies, such as artificial intelligence, in the creative process with the goal of optimizing media investment, generating customized images during our campaigns' pre- and post-production stages, and searching for information during the content planning and creative stages.

**During 2023, we invested approximately \$300,000,000.00 MXN in mass media and direct consumer marketing.**





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# OUR DIGITAL PLATFORMS

## SOCIAL MEDIA

We continue to be Instagram's largest and most important Health & Wellness account



## WEB SITES

# 8

Website Redesigns  
Cicatricure®, Next®, Tukul®, XL3®, Novamil®, Groomen®, Condones M® and soon Tafirol®.



### Interactions and website updates

We analyzed the data provided by platforms such as Google Analytics, Google Search Console, Google Tag Manager, Hotjar, Semrush and ChatGPT.



**ALL THESE ACTIONS AIM TO IMPROVE OUR WEBSITES' SEO** based on the Google Ranking Factors which are key to positioning the websites.



**Veredictas 2023 Anuaría Selection: ANUARÍA MEXICO AWARD** for the best new website design for a product or service.



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## Novamil® E-commerce

Our e-commerce site for the Novamil® brand has generated very good results since being launched. During 2023, sales it by more than 200% compared to 2022, and the average monthly growth for the year was 6.44%.

Novamil®  
.com





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## Website optimization

We redesigned eight web pages, adding sections with value-added content and new releases. We also made iterations to improve the SEO<sup>34</sup>, interaction, and time spent on the sites.

As a result, we achieved 41.9 million impressions on our brands' websites, increasing our video views by 47% and video impressions by 43% over the previous period, with an average viewing time of 43 seconds per video.

We were also included by Veredictas in the 2023 Anuaria Selection, being recognized with the ANUARIA MEXICO Award for the best new website design for a product or service.

# veredictas

excellence standards



<sup>34</sup> SEO (Search Engine Optimization) is the set of optimization strategies and techniques used to improve a website's visibility and user experience by making it appear organically (without paying) in online search results..





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# ETHICS AND COMMUNICATION

(GRI 417-1, 417-2, 417-3) (SASB HC-BP-270a.1, HC-BP-270a.2, HC-BP-510a.2)

## OUR PRINCIPLES

As mentioned above, our **Global Advertising and Communication Policy** expresses our commitment to communicate in a legal, ethical, decent, honest and truthful manner, respecting human dignity, free competition, equal opportunities and refraining from any form of discrimination. We also ensure that our campaigns do not contain representations that are disrespectful or dangerous to our consumers' health and safety.

We comply with all applicable international regulations and local standards for the advertising of our products in the countries where we operate, and we voluntarily abide by the codes of ethics of the industry chambers to which we belong.

- **Code of Advertising Self-Regulation and Ethics for Personal and Household Care Products** (Código de Autorregulación y Ética Publicitaria de Productos del Cuidado Personal y del Hogar – CANIPEC's COSMEP Code)
- **Code of Advertising Ethics of the Association of Manufacturers of Over the Counter Medicines** (Código de Ética Publicitaria de la Asociación de Fabricantes de Medicamentos de Libre Acceso, A.C.)
- **Code of Ethics and Transparency of the National Business Association of Colombia** (Código de Ética y Transparencia de la Asociación Nacional de Empresarios de Colombia, ANDI)
- **Code of Integrity, Ethics and Transparency of Health Care Supply Companies of the Pharmaceutical Industry Ethics and Transparency Board** (Código de Integridad, Ética y Transparencia de Empresas de Insumos para la Salud del Consejo de Ética y Transparencia de la Industria Farmacéutica, CETIFARMA)
- **Code of Ethics of the Cosmetic, Personal Hygiene & Home Care Industry Council of Latin America** (Código de Ética del Consejo de la Industria de Cosméticos, Aseo Personal y Cuidado del Hogar de Latinoamérica, CASIC)
- **Code of Advertising Ethics and Self-Regulation of the Cosmetic, Personal Hygiene & Home Care Industry Council of Latin America** (Código de Ética y Autorregulación Publicitaria del Consejo de la Industria de Cosméticos, Aseo Personal y Cuidado del Hogar de Latinoamérica, CASIC)
- **Advertising Practices for Nonprescription Medicines, Consumer Healthcare Products Association** (CHPA)
- **Consumer Commitment Code, Personal Care Products Council** (PCPC)



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# OUR COMMUNICATION

We make sure that when we promote our products, we don't use deceptive scientific terminology and that our advertising conforms with all relevant national and international laws.

Our Medical, Regulatory and Legal Department team verifies and approves the claims<sup>35</sup> in advertising spots, key visuals<sup>36</sup> and POP<sup>37</sup> material prior to launching. In this way, we validate that claims are supported by safety and efficacy studies conducted during product development. In terms of environmental communication, our Sustainability team reviews it internally to make sure it is clear, whether it is about the product, a specific component or the packaging.

Regarding labeling, the information on OTC medicines follows the pharmacological monograph and is approved by the relevant local health authorities. Labels include the dosage, therapeutic indications, warnings and contraindications according to the target group, as well as precautions for sensitive populations.

Regarding the personal care sector, we abide by the rules by disclosing ingredients, usage guidelines, and warnings on product labels to let customers know about product safety. Additionally, we list allergens and other components that require special warnings under the food or isotonic beverage category.

Therefore, 100% of our products are evaluated for compliance with labeling standards.

All labels bear the batch code to ensure traceability and we also provide customer service numbers to facilitate transparent communication. Furthermore, our **Pharmacovigilance System** supports responsible labeling by suggesting modifications in response to identified risks.



<sup>35</sup> A phrase used in product and service advertisements to evoke strong feelings in consumers in order to promote a particular message or uphold a brand's reputation.

<sup>36</sup> Guide or visual reference for campaigns.

<sup>37</sup> Point-of-purchase (POP) advertising material refers to printed or digital advertising placed near the advertised products in an attempt to get the customer to interact with the product.





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# OUR AUDIENCE

We ensure that our consumers and healthcare professionals interactions are always ethical and based on key principles. We provide information about our products and services in an open, transparent, and honest manner, in compliance with standards. We avoid offering undue advantages associated with the prescription of our products.

On the other hand, we pay special attention to advertising pieces that feature infants, children or adolescents, by representing them fairly and protecting their privacy when collecting their personal data. **Our advertising is not aimed at children.**

All the above is aligned with our **Code of Conduct** and Ethics, which is reviewed annually and shared throughout the Company to promote responsible behavior when communicating and generating content.

As a result of our integrated marketing and communication policies and processes, during the period covered by this report we haven't been

subjected to any fines for non-compliance with applicable advertising and labeling standards. At the same time, we consider the remarks related to voluntary codes as part of our continuous improvement efforts. Therefore, we have not incurred expenses related to fines or penalties in this matter.





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# STRATEGIC PARTNERSHIPS

We create business opportunities aligned with our Company's values and long-term objectives using our manufacturing, distribution and marketing capabilities. To achieve this, we have established collaborations with commercial partners to

introduce new categories, line extensions, and high-quality, affordable products for our customers, thus becoming the ideal partner for Latin America and the US Hispanic market.

Innovative products and services

Extensive Innovation and Development capabilities

Low capital investment

Leveraging existing manufacturing infrastructure





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# UP INTERNATIONAL

For the past four years, we have collaborated with UP International to market the whole line of infant nutrition products under the Novamil® and Novalac® trademarks in Mexico and Latin America<sup>38</sup>.

UP International is part of the Novalac Nutrition & Health Group, which has been developing specialized formulas for expectant and lactating women since 1991, as well as baby nutritional formulas that help control and treat common digestive disorders. Novamil® is marketed in 60 countries and is the number one selling brand in France and Australia, demonstrating its effectiveness in more than 40 clinical trials and studies worldwide.

It is important to note that UP International's manufacturing plants located in France, Germany, and Spain meet the highest quality standards, using around 700 chemical and microbiological controls.



38 .Except for Brazil.





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# EDGEWELL PERSONAL CARE

We continue our successful partnership with Edgewell, a leading razor company, under the Groomen® brand of razors. We were able to compete in a category with high potential in Mexico and Latin America, with a business opportunity worth over \$100 million US dollars.

Groomen® is here to transform the shaving industry by offering affordable, high-quality razors as part of its portfolio, designed to fulfill consumer expectations.

It should be mentioned that Groomen®, in partnership with Edgewell®, uses 50% recycled materials in the production of disposable razor handles.



New category with **growth potential for Mexico and Latin America**

Manufactured by PC Edgewell **(Strategic partnership)**

Market value opportunity of **>\$100mm USD**





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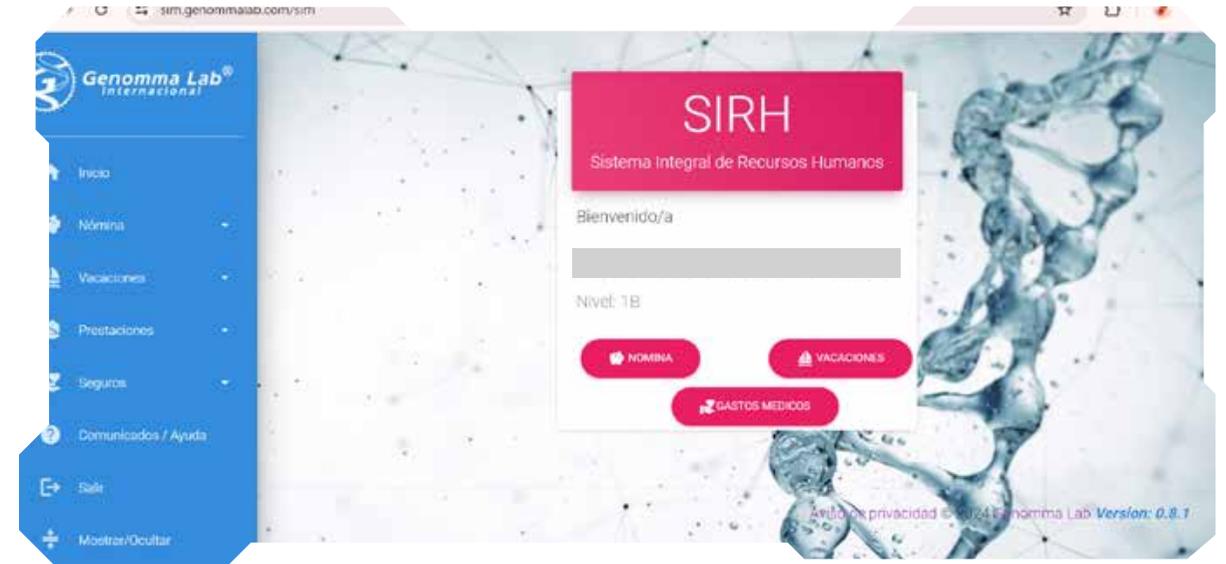
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# OUR PEOPLE

(GRI 3-3: Talent Attraction and Development)

Aligned with our **Sustainability Strategy**, we prioritize our employee's well-being and development, promoting equal opportunities as well as a safe and inclusive environment, in accordance with our **Diversity, Inclusion, and Gender Equity Policy** and **Human Rights Policy**. Furthermore, we provide all of our employees with the **Code of Conduct and Ethics**, as well as the **Gen Book**, which outline the parameters to be followed, promoting a legal culture throughout our operations.

Throughout 2023, we focused on improving the employee experience by automating HR operations and integrating communication and learning tools.





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# EMPLOYEES INFORMATION

(GRI 2-7, 405-1)

During 2023, we had a total of 1,633 employees, 12.2% less than the previous period<sup>39</sup>, with permanent, full-time contracts.

Here is the breakdown by country and gender:

## Total employees by gender and country

Country	Men	%	Women	%	Total
Mexico	688	55.66%	548	44.34%	1,236
U.S.A.	22	64.71%	12	35.29%	34
Brazil	28	43.08%	37	56.92%	65
Argentina	75	46.30%	87	53.70%	162
Colombia	16	38.10%	26	61.90%	42
Ecuador	8	38.10%	13	61.90%	21
Caricam	9	56.25%	7	43.75%	16

Country	Men	%	Women	%	Total
Chile	19	54.29%	16	45.71%	35
Peru	7	41.18%	10	58.82%	17
Uruguay	0	0.00%	1	100%	1
Bolivia	1	33.33%	2	66.67%	3
Paraguay	1	100%	0	0.00%	1
<b>Total</b>	<b>874</b>	<b>53.52%</b>	<b>759</b>	<b>46.48%</b>	<b>1,633</b>

\*The percentage was calculated based on the total for each country.

<sup>39</sup> In 2021, a change in Mexican legislation prohibited the practice of labor outsourcing, leading to all contractors being directly integrated into companies' payroll. However, the law was later modified to allow outsourcing only for activities that are not essential to the core business. This legal adjustment explains the reduction in payroll in the following two years. Nevertheless, to minimize any negative impact, we are committed to working exclusively with suppliers who fully comply with their obligations to their employees, ensuring respect for their rights and the promotion of a safe and healthy working environment.





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### Comparison of total number of employees by country

Country	2021		2022		2023	
	Total	%	Total	%	Total	%
Mexico	1,771	82.10%	1,446	77.70%	1,236	75.69%
U.S.A.	29	1.34%	33	1.77%	34	2.08%
Brazil	73	3.38%	75	4.03%	65	3.98%
Argentina	155	7.19%	171	9.19%	162	9.92%
Colombia	34	1.58%	41	2.20%	42	2.57%
Ecuador	23	1.07%	21	1.13%	21	1.29%
Caricam	15	0.70%	17	0.91%	16	0.98%
Chile	31	1.44%	35	1.88%	35	2.14%
Peru	20	0.93%	18	0.97%	17	1.04%
Uruguay	3	0.14%	1	0.05%	1	0.06%
Bolivia	2	0.09%	2	0.11%	3	0.18%
Paraguay	1	0.05%	1	0.05%	1	0.06%
<b>Total</b>	<b>2,157</b>	<b>100%</b>	<b>1,861</b>	<b>100%</b>	<b>1,633</b>	<b>100%</b>

\*The percentage was calculated based on the total for each year





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## Comparison of total number of employees by job category

Job Category	2021	%	2022	%	2023	%
Executive	4	0.19%	4	0.21%	3	0.18%
Country Manager	7	0.32%	8	0.43%	7	0.43%
Director	84	3.89%	77	4.14%	70	4.29%
Manager	195	9.04%	126	6.77%	126	7.72%
Supervisory Management	143	6.63%	42	2.26%	43	2.63%
Supervisor	64	2.97%	40	2.15%	15	0.92%
Coordinator	101	4.68%	72	3.87%	63	3.86%
Specialist, auxiliary, analyst, operative positions, etc.	1,559	72.28%	1,492	80.17%	1,306	79.98%
<b>Total</b>	<b>2,157</b>	<b>100%</b>	<b>1,861</b>	<b>100%</b>	<b>1,633</b>	<b>100%</b>

\*The percentage was calculated based on the total for each year.



## Employees by job category and gender

Job Category	Men	%	Women	%	Total
Executivo	3	100%	0	0%	3
Country Manager	5	71.43%	2	28.57%	7
Director	42	60.00%	28	40.00%	70
Manager	76	60.32%	50	39.68%	126
Supervisory Management	25	58.14%	18	41.86%	43
Supervisor	2	13.33%	13	86.67%	15
Coordinator	32	50.79%	31	49.21%	63
Specialist, auxiliary, analyst, operative positions, etc.	689	52.76%	617	47.24%	1,306
<b>Total</b>	<b>874</b>	<b>53.52%</b>	<b>759</b>	<b>46.48%</b>	<b>1,633</b>

\*The percentage was calculated based on the total by labor category.





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## Employees by job category and age group

Job Category	Under 30 years of age	%	Between 30 and 50 years of age	%	Over 50 years of age	%	Total
Executivo	0	0.00%	0	0.00%	3	100%	3
Country Manager	0	0.00%	5	71.43%	2	28.57%	7
Director	0	0.00%	53	75.71%	17	24.29%	70
Manager	6	4.76%	98	77.78%	22	17.46%	126
Supervisory Management	4	9.30%	35	81.40%	4	9.30%	43
Supervisor	1	6.67%	13	86.67%	1	6.67%	15
Coordinator	8	12.70%	48	76.19%	7	11.11%	63
Specialist, auxiliary, analyst, operative positions, etc.	457	34.99%	757	57.96%	92	7.04%	1,306
<b>Total</b>	<b>476</b>	<b>29.15%</b>	<b>1,009</b>	<b>61.79%</b>	<b>148</b>	<b>9.06%</b>	<b>1,633</b>

\*The percentage was calculated based on the total by labor category.



The age group with the highest number of employees is **30-50 years old.**





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# DIVERSITY AND INCLUSION: 2023 COMMITMENT

(GRI 405-2)(GRI 3-3: Diversity and Inclusion)

We provide a safe working environment and space that complies with human rights, allowing our employees to perform their duties without any barriers. We foster an inclusive, equitable and discrimination-free culture through our Global Diversity, Inclusion and Gender Equality Committee, composed voluntarily of team members from different areas, positions and countries where we operate.

Below is the breakdown of our workforce into different job categories and by gender:

## GLOBAL COMMITTEE ON DIVERSITY, INCLUSION AND GENDER EQUALITY





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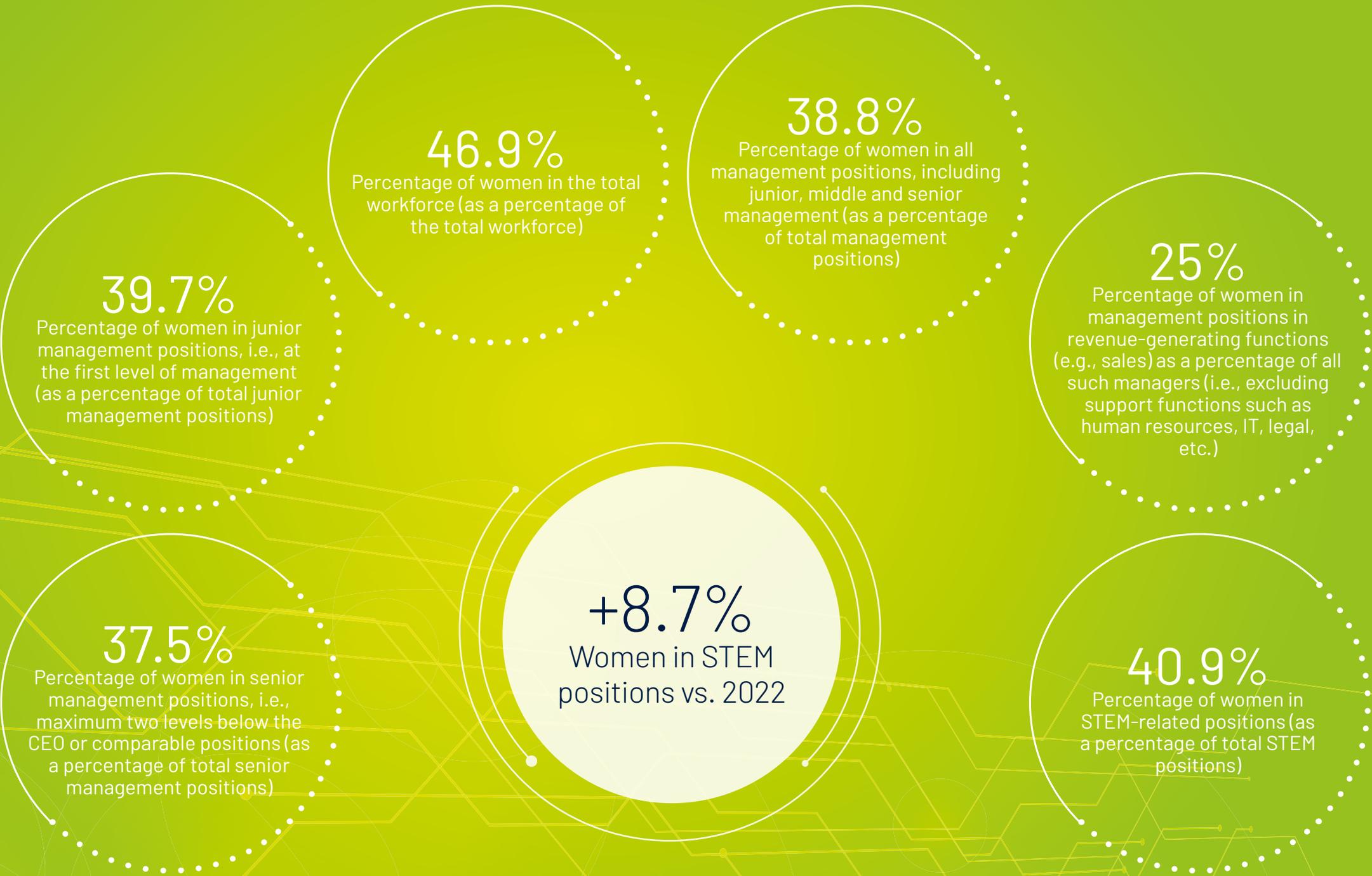
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\*The percentages are calculated based on the total of the job category.





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As stated in our GenBook, one of our principles is “We believe in meritocracy.” This is why we recognize each team member for their skills, and therefore compensation is linked to competencies, aptitudes, and trajectory, regardless of their gender. Our different programs are aimed at improving our

employees' skills and capabilities so that they can all achieve high performance, which is reflected in their compensation.

The following is the salary ratio of women versus men:

### Salary ratio by country:

Country	Executivo	Country Manager	Director	Manager	Supervisory Management	Supervisor	Coordinator	Specialist*	Total
Mexico	N/A	N/A	0.85	1.09	0.86	1.11	0.77	0.89	<b>0.72</b>
U.S.A.	N/A	N/A	0.73	0.70	N/A	N/A	N/A	1.04	<b>0.63</b>
Brazil	N/A	N/A	0.84	0.76	N/A	N/A	0.95	0.70	<b>0.61</b>
Argentina	N/A	N/A	1.01	0.80	1.08	1.02	1.40	0.75	<b>0.82</b>
Colombia	N/A	N/A	N/A	0.97	0.67	N/A	N/A	0.77	<b>0.77</b>
Ecuador	N/A	N/A	N/A	1.43	1.14	N/A	0.72	0.93	<b>0.43</b>
Caricam	N/A	N/A	1.16	N/A	1.12	N/A	N/A	1.84	<b>0.80</b>
Chile	N/A	N/A	N/A	1.02	1.39	N/A	N/A	0.99	<b>1.31</b>
Peru	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.23	<b>0.55</b>
Uruguay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
Bolivia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>0.61</b>
Paraguay	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>

\*The ratio was calculated by dividing the average salary for women by the average salary for men.

\*Specialist, auxiliary, analyst, operative positions, etc.





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**Average salaries for women and men by job level:**

Level	Ratio
Executive level (base salary only)	<b>0.67</b>
Managerial/directing level (base salary only)	<b>0.89</b>
Non-directing/managerial level (base salary only)	<b>0.93</b>

In addition to this global course, we strengthened our diversity and inclusion culture through corporate conferences and events focused on promoting a respectful and tolerant culture with the help of experts in the field.





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For the second consecutive year, the “Commitment to Diversity” dimension has been included in the organizational climate survey, and we were one of the best graded with **86%, bringing us above the average of companies evaluated in the pharmaceutical and consumer segments.**

**88%**  
Consider that the company treats all of its employees fairly, regardless of differences.

**86%**  
Believe that an environment has been created where people from diverse backgrounds can be successful





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# ACCESSIONS AND RECOGNITIONS

## BEST PLACES TO WORK LGBTQ:

We achieved the badge through the Human Rights Campaign organization, which acknowledges best practices in human rights and workplace inclusion for the LGBTQ+ community.



**Mexico:** 3rd consecutive year

**Argentina:** 2nd consecutive year

## WOMEN'S EMPOWERMENT PRINCIPLES (WEPS):

Since 2021, we have been a signatory to this United Nations global initiative, constituted by UN Women and the Global Compact. It acts as a guide for the private sector on measures to narrow the existing gender gaps.



In support of

### WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office





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# EMPRESAS MEXICANAS POR LA INCLUSIÓN (EM-X)

An IFC (International Finance Corporation) initiative that seeks to reduce gaps and promote diversity, equity and inclusion in the Mexican labor market for LGBTI+ people and people with disabilities.





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# RECRUITMENT AND TERMINATION

**(GRI 401-1)(GRI 3-3: Talent Attraction and Development)(SASB HC-BP-330a.1, HC-BP-330a.2)**

In 2023, we developed a virtual workspace known as “One Mission”, where all members of the Human Resources team work together to discover the greatest talent for the firm. This initiative is led by the Chairman of the Board of Directors, who is actively involved in this process.

During this period, we carried out the implementation of an Applicant Tracking System (ATS) software. This tool will allow us to automate and streamline the recruitment and selection process<sup>40</sup>, and thus achieve the following results:



40 To learn about all our recruitment initiatives, please refer to page 89 of our 2022 Report.



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# SCIENTIFIC TALENT RECRUITMENT AND RETENTION



In our constant quest to attract and retain the best scientific talent, we have created a comprehensive loyalty strategy that includes training programs as well as research opportunities for the development of new products and processes, fostering an innovation culture throughout the company. Talent development and retention are critical to our success; promotions and internal development opportunities are only available to team members who have done exceptionally well or very well in performance assessments.

These assessments enable us to identify employees whose work stands out from the average, and they are also an essential tool for providing fair and motivating economic incentives, ensuring that our staff remains engaged and aligned with our company's goals.





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# NUMBER OF NEW HIRES

In 2023, we hired 487 people, **with a global average Time to Fill<sup>41</sup> of 94 days, a Success Rate<sup>42</sup> of 67%**, and an estimated recruiting cost of \$3,000,000 Mexican Pesos. The Talent Management department oversees the recruitment process, as does the Recruitment Committee, which is in charge of candidate evaluation.

The total number of new hires by gender and age group is presented below. The breakdown by country can be found in the appendices:

## Hires by age group, country and gender

Age group	M	F	Total
Under 30 years of age	105	136	<b>241</b>
Between 30 and 50 years of age	111	113	<b>224</b>
Over 50 years of age	17	5	<b>22</b>
<b>Total</b>	<b>233</b>	<b>254</b>	<b>487</b>



41 Average value of vacancy closing periods.

42 Number of vacancies closed out of 100% of open vacancies.





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## Comparison of the hiring rate by gender

Gender	2022	2023
Men	22.38%	26.66%
Women	20.83%	33.47%
<b>Total</b>	<b>21.60%</b>	<b>29.82%</b>

\*The rate was calculated by dividing the total number of hires for the period by category by the total number of employees at the end of the period by category, multiplied by 100%.

In 2022 hiring of men slightly outnumbered hiring of women. In 2023 this trend was adjusted; this change is the result of our efforts to promote gender diversity.



## Hires by region

Country	2023 Hires	Rate
Mexico	398	32.20%
U.S.A.	9	26.47%
Brazil	11	16.92%
Argentina	34	20.99%
Colombia	13	30.95%
Ecuador	4	19.05%
Caricam	4	25.00%
Chile	8	22.86%
Peru	4	23.53%
Bolivia	2	66.67%
<b>Total</b>	<b>487</b>	<b>29.82%</b>

\*The rate was calculated by dividing the total number of hires for the period by category by the total number of employees at the end of the period by category, multiplied by 100%.

Mexico and Argentina accounted for the largest percentage of new hires, followed by Colombia and Brazil.



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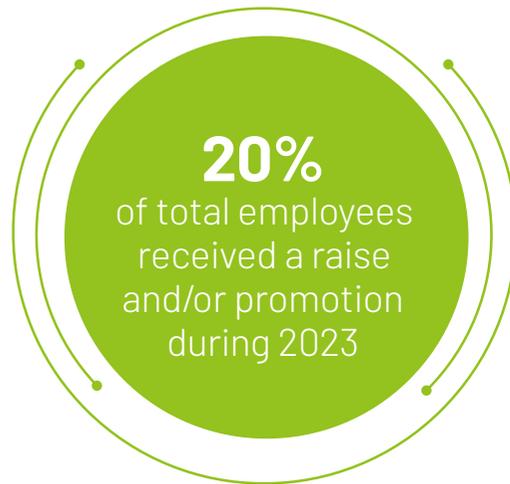
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# INTERNAL HIRES

We prioritize our team's internal development and provide opportunities for advancement and progress inside the company. By promoting our employees internally, we save time and money when integrating new positions.

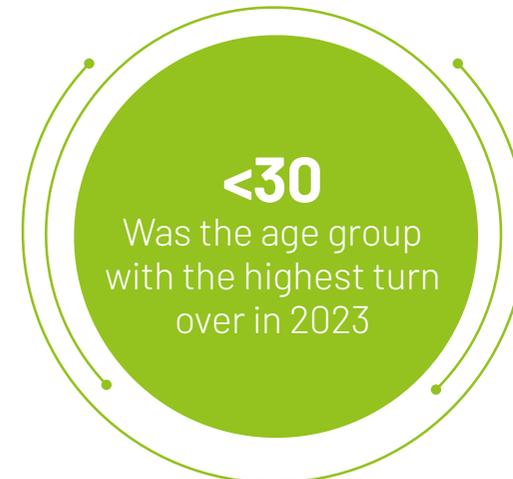


# NUMBER OF TERMINATIONS

During 2023 there were a total of 512 terminations<sup>43</sup>, 15% more than in 2022. The total turnover by gender and age group is presented below. The breakdown by country can be found in the appendices:

## Turnover by age group and gender

Age group	M	F	Total
Under 30 years of age	112	127	<b>239</b>
Between 30 and 50 years of age	122	131	<b>253</b>
Over 50 years of age	14	6	<b>20</b>
<b>Total</b>	<b>248</b>	<b>264</b>	<b>512</b>



<sup>43</sup> Cases of restructuring, change of subsidiary, and contract termination, among others, are excluded.



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## Comparison of turnover rate by gender

Gender	2022	2023
Men	28.54%	28.38%
Women	19.23%	34.78%
<b>Total</b>	<b>23.86%</b>	<b>31.35%</b>

\*The rate was calculated by dividing the total number of terminations for the period by category by the total number of employees at the end of the period by category, multiplied by 100%.

## Turnover by region

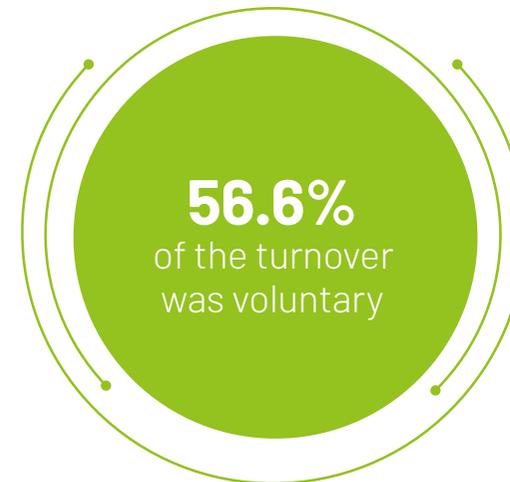
Country	Number	Rate
Mexico	412	33.33%
U.S.A.	8	23.53%
Brazil	22	33.85%
Argentina	34	20.99%
Colombia	11	26.19%
Ecuador	4	19.05%
Caricam	6	37.50%
Chile	9	25.71%
Peru	5	29.41%
Bolivia	1	33.33%
<b>Total</b>	<b>512</b>	<b>31.35%</b>

\*The rate was calculated by dividing the total number of terminations for the period by category by the total number of employees at the end of the period by category, multiplied by 100%.



## Voluntary turnover

Job Category	Man	Woman	Total
Executive / Country Manager / Director / Manager	11	19	30
Supervisory Management / Supervisor / Coordinator	17	22	39
Other	103	118	221
<b>Total voluntary turnover by gender</b>	<b>131</b>	<b>159</b>	<b>290</b>





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# BENEFITS

(GRI 401-2, 401-3)

We strive to ensure that all team members enjoy both financial and health and wellness benefits.

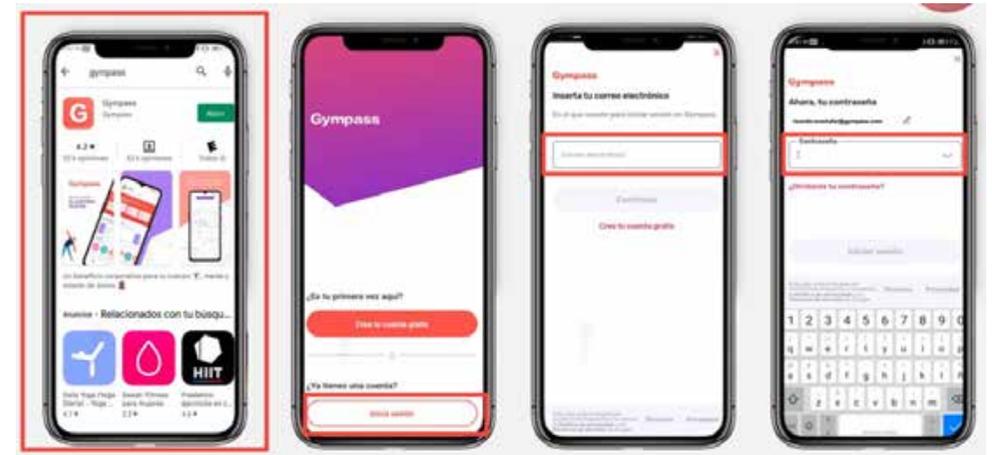
During 2023 we had no part-time or temporary positions, therefore our benefits are extensive to all employees. Adjustments may apply based on the hiring country and location, as well as the job level.



# LIFE AND FAMILY BALANCE

We encourage work-life balance among our entire team and provide benefits to achieve this goal<sup>44</sup>.

- Remote Work and Flexible Hours
- Lactation Room
- Daycare and impact Fridays (social and environmental activities for employees' children)
- Physical and mental well-being



<sup>44</sup> The scope of benefits may vary according to each country.





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## PARENTAL LEAVE

All of our employees are entitled to paternity or maternity leave, which may go beyond what is required by law, as is the case in Brazil<sup>45</sup>.

During 2023, 16 employees became mothers and fathers, and 100% of them took maternity and paternity leave. After the leave ended, 68.8% returned to work, and 56.3% stayed with the company for another year.

**Of the total number of leaves, 18.8% were granted to men and 81.3% to women.**

<sup>45</sup> Brazil: 8.5 additional weeks of maternity leave than required by law, and 2 additional weeks of paternity leave than required by law.

## HOLISTIC WELL-BEING

We provide our team with a variety of initiatives that contribute to their holistic well-being.

### Gen Fut Tournament

The objective of this activity is to encourage physical activity and teamwork, while having fun and socializing. This is a mixed soccer tournament in which male and female employees from our manufacturing sites, headquarters and distribution centers (CEDIS) participate.





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## Bonds and Savings

Our company strives to provide the best benefits to each employee based on their performance and commitment to the team. Some of these benefits include:

**Annual Bonus - Global:** Calculated according to the degree of compliance with the Company's objectives throughout the period assessed using the TalentGEN program.

**Transportation - Mexico:** To support our employees, we offer transportation services in different schedules and locations.

**Savings Fund - Mexico:** Up to 5% of the employee's payroll is allocated to a savings fund, to which an equivalent amount is added at the end of the year.

**Employee Sales - Mexico:** On a monthly basis, we offer our team the opportunity to acquire products from the Company's portfolio with special discounts.

## Seniority Recognition:

Recognition is granted to team members who complete 5, 10, 15, 20, and 25 years with the Company. .

**In 2023, 133 team members were acknowledged for their dedication and track record.**





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# TALENTGEN PERFORMANCE ASSESSMENT (GRI 404-3)

TalentGen is an essential tool that helps us keep our team's information up to date, including work experience, education, certifications and talent assessments. In addition, it allows us to align individual objectives and work plans with direct leaders and business objectives. With these assessments we seek to measure our employees' professional growth, providing objective and transparent feedback on their performance.

We evaluate the performance of our entire staff based on objectives, from Country Managers to analysts (levels one, two, and three). Employees performing operations duties at the Industrial Complex and distribution centers are evaluated in terms of productivity, service, and quality, among other indicators. These results are shared through weekly meetings to ensure effective feedback. Over the next two years, we seek to strengthen the performance evaluation process for operational positions.

On the other hand, executive positions are evaluated by the Board of Directors, considering both compliance with corporate strategy and financial and non-financial indicators.





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# TALENT-GEN PERFORMANCE ASSESSMENT BY GENDER AND JOB CATEGORY

100%  
employees  
assessed in 2023  
(Level 1 - Level 3  
administrative)

## CEO AWARDS

The goal of this project is to reward global employees who have excelled in their performance and contributed to the Company's success.

25  
CEO Awards global  
winners





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# TRAINING AND DEVELOPMENT - GEN INSTITUTE

(GRI 404-1, 404-2)



Our training strategy is focused on fostering a culture of learning and continuous improvement, as well as developing skills relevant to today's work environment.

In 2023, we concentrated our efforts on three aspects:

## The new *onboarding* program's launch:

This program aims at improving our employees' performance, reduce turnover, and associated costs.

- "My Great Start at Genomma Lab" Guide (90-day plan)
- Area and job-specific onboarding
- Integration plan
- Satisfaction surveys

With this program, we aim to make our new employees feel welcome, supported, and ready to thrive in their roles.

## Virtual learning centers: Viva Learning and Gen Institute:

These learning centers were created to improve our employees' learning experiences. Among its main benefits are the following:

- Easy access
- Integration of institutional courses that are essential for our employees' professional growth
- Interactive content to ensure active participation, including hands-on activities and assessments
- Access to digital certificates for completed courses
- Available in English, Spanish, and Portuguese to ensure an inclusive experience for all our employees
- Real-time reporting on training progress

During 2023, 11% of employees participated in free Excel and Power BI courses to improve their analytical skills and productivity.



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## Launch of new institutional courses:

We developed new courses that are aligned with our corporate strategy and address key aspects for our company's growth.

- **The 5S for Leadership Course:** Promotes their ability to lead and manage effectively.
- **Effective Feedback Course:** Provides the tools and skills needed to give and receive constructive feedback.
- **Corporate Sustainability Course:** Promotes greater understanding and commitment to our sustainability strategy. The course addresses environmental, social and corporate ethics criteria
- We improved our training programs by conducting **Training Needs Assessment Surveys (Encuestas de Diagnóstico de Necesidades de Capacitación, DNC)** to gain an understanding of our team's training requirements, while we tracked training hours per individual to assess our investment in employee development.

These indicators enable us to assess the effectiveness of our training programs, identify opportunities for improvement, and adapt them as needed.

### Training hours by job category

Job Category	F	M	Total
Executive	N/A	10.83	<b>10.83</b>
Country Manager / General Managers	32.19	12.67	<b>17.87</b>
Senior Director	31.58	17.58	<b>20.81</b>
Director	30.98	16.81	<b>23.46</b>
Manager	34.77	46.42	<b>41.80</b>
Supervisory Management / Coordinator	38.80	35.74	<b>37.22</b>
Specialist, auxiliary, analyst, operative, administrative and supervisory positions	45.17	41.17	<b>43.11</b>
Plant and distribution center operations personnel promoters	16.57	15.20	<b>15.83</b>



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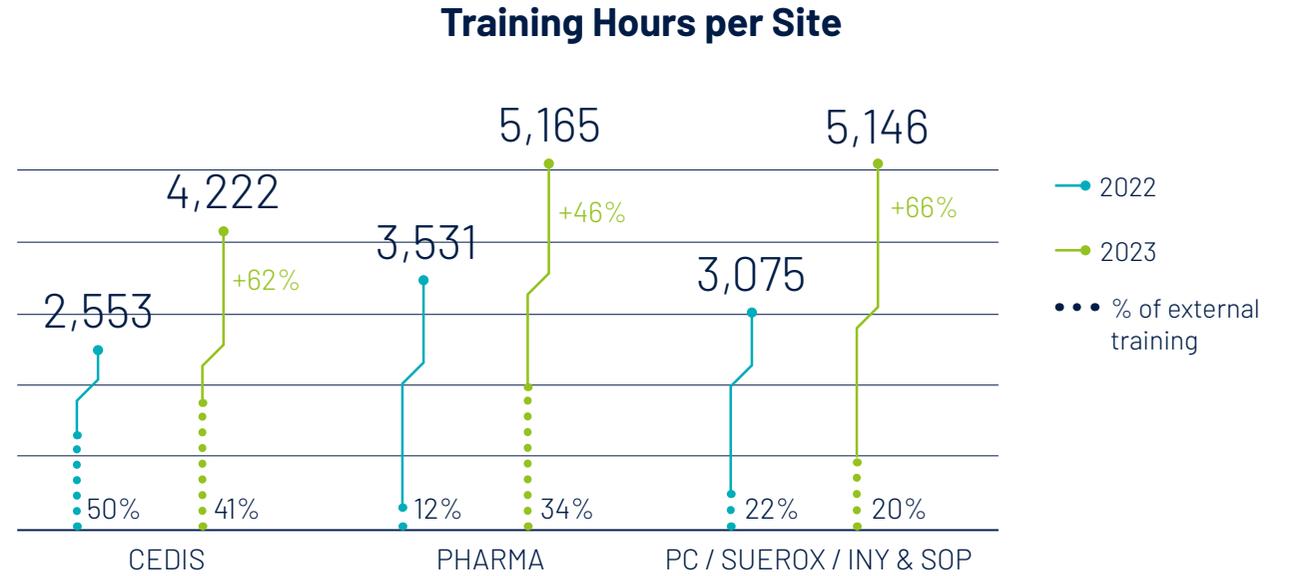
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**Our goal for 2023 was to achieve an average of 30 hours of training per person. We have exceeded this goal, reaching an average of 32 hours per person.**

We have been able to train **1,129 operations employees in the Industrial Complex and distribution centers in Mexico through 1,524 courses and 14,533 hours of training. This represents a 47% increase in training hours over 2022.**

The following is a breakdown of training hours per site and per person:



**Average number of training hours per person per site**





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# WINNING CULTURE

## “WE ARE PEOPLE WITH PURPOSE” CULTURE

We provide a variety of communication channels that are open to all employees in order to foster our corporate culture and maintain our focus on achieving our objectives.

- **Quarterly Town Hall:** Communication forum featuring our CEO and executive team. It provides information on business indicators, results, organizational changes, and future projects.
- **Gen App virtual platform:** It serves as a means for sharing the organization's initiatives and keeps us constantly communicated and connected.

## ORGANIZATIONAL CLIMATE AND ENGAGEMENT SURVEYS

We carried out our Organizational Climate and Engagement survey in 2023 with the help of a third-party firm that specializes in the topic, and 91% of our employees participated.

Here are the results for 2023 and their evolution over the last five years:

### Organizational Climate Survey - Evolution of engagement and involvement





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# ELEMENTS OF OUR CORPORATE CULTURE WITH THE BEST SCORE DURING 2023



We value the results of the Organizational Climate and Engagement Survey because they provide us with a clear understanding of how our employees see us and make it possible for us to spot areas where our organizational culture needs to be strengthened.





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# COMPENSATION

(GRI 2-19, 2-20)

The Human Resources department's Compensation Division drafts compensation policies, which are then examined by the corresponding Committee and the Finance Division.

We use information from a range of sources, including internal data, the diagnosis developed using information from applicants in our screening processes, and compensation guides from headhunting firms<sup>46</sup>, to determine the compensation plan. By doing this, we aim to preserve internal equity and our competitiveness in the labor market, while also ensuring a sufficient and well-balanced value proposition that does not adversely affect the Company.

In 2023, we standardized hiring and promotion policies within internal processes and established a compensation system for every organizational level in Mexico.

## CEO Long-Term Incentives

As a long-term incentive, company shares are awarded to Cluster Managers and Business Unit leaders who directly report to the Chief Executive Officer as part of the 3A level leadership team. However, to be eligible for this benefit, a minimum of three years of company seniority is needed. Shares are a variable component that is part of their annual compensation.



<sup>46</sup> "Headhunting" is a term used to refer to the practice of recruiting and selecting highly qualified and talented individuals for specific positions in an organization.





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# WORKERS WHO ARE NOT EMPLOYEES (GRI 2-8)

We signed 194 contracts worldwide in 2023, the majority of which fall within the service outsourcing category. Promotion and sales (86.1%), administrative and accounting support (9.3%), logistics (2.3%), marketing and graphic design (1%), cleaning (0.5%), and consulting (0.5%) were the primary functions covered by these contracts.





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# EMPLOYEE HUMAN RIGHTS

**(GRI 3-3: Protection of Human Rights)**

We are committed to promoting, upholding and overseeing our employees' and stakeholders' human rights. We conduct our business in accordance with the **United Nations Global Compact's** tenets as well as international standards and conventions, such as the **Universal Declaration of Human Rights** and the **International Labor Organization (ILO) Declaration**.

## Human Rights Due Diligence Process





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In 2023, we began an analysis of our human rights due diligence process maturity level. This project was aimed at identifying risks and opportunities for improvement in our management, in order to align ourselves with the main international trends and best practices in the pharmaceutical and cosmetic industries. As a result, the action plan will be implemented over the next two years.

Along with this analysis, we updated and strengthened our **Human Rights Policy** during this time, taking into account our relationships with all of our stakeholders.



## DISCRIMINATION

(GRI 406-1)

Our integrity policies, including Human Rights, Diversity, Inclusion, and Gender Equality, include zero tolerance statements about discriminatory activity. We recognize that our employees' individual diversity, life experiences, knowledge, self-expression, and unique skills and abilities all add up to a significant portion of not just our company culture but also our accomplishments.

No discrimination cases were reported to our Ethics Hotline "Gen-Te Escucha" in 2023.





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# FREEDOM OF COLLECTIVE ASSOCIATION (GRI 2-30, 407-1)

We manage this right through the labor mechanisms already in place, guaranteeing and upholding free association and negotiation, providing venues, and providing the required time to freely engage in these activities. We abide by the Federal Labor Law of Mexico and each of the other countries in which we operate.





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# CHILD AND FORCED LABOR

(GRI 408-1, 409-1)

We adhere to the Mexican Federal Labor Law as well as the regulations of every country in which we conduct business. Additionally, as our corporate rules make clear, our management has zero tolerance for child or forced labor.

**No cases of child or forced labor have been identified in our operations or those of our suppliers in 2023.**





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# EMPLOYEE HEALTH AND SAFETY

(GRI 3-3: Employee Health and Safety)

## OCCUPATIONAL HEALTH AND SAFETY SYSTEM

(GRI 403-1, 403-8)

We strive to provide a safe working environment that ensures integral growth in compliance with our **Health and Safety Policy**, upholding a culture of safety and well-being throughout our operation at all times. .

Our Industrial Safety, Occupational Safety, and Environmental Management System (Sistema de Gestión de Seguridad Industrial, Seguridad Ocupacional y Medio Ambiente, SSMA) was created in accordance with NOM-030-STPS guidelines and international standards like ISO 45001<sup>47</sup>. Through this system we control and mitigate risks for both our employees and our contractors. We use performance indicators based on the accident pyramid<sup>48</sup> with the objective of achieving “zero accidents” in our production processes.

The SSMA covers every member of our team, as well as contractors in every country, affiliates, and subsidiaries. It is applicable in accordance with local laws in every nation in which we conduct business, and it takes into account the activities we perform at each operating site. It is essential to point out that our contractors and/or suppliers undergo frequent audits to ensure their adherence to best practices in the matter.



47 ISO 45001 is an international Occupational Health and Safety (OHS) management standard, which sets out the requirements for implementing an OHS management system aimed at providing a safe and healthy working environment for employees and other stakeholders.

48 The “accident pyramid” is a graphical representation that shows the relationship between the different types of accidents or incidents in the workplace.





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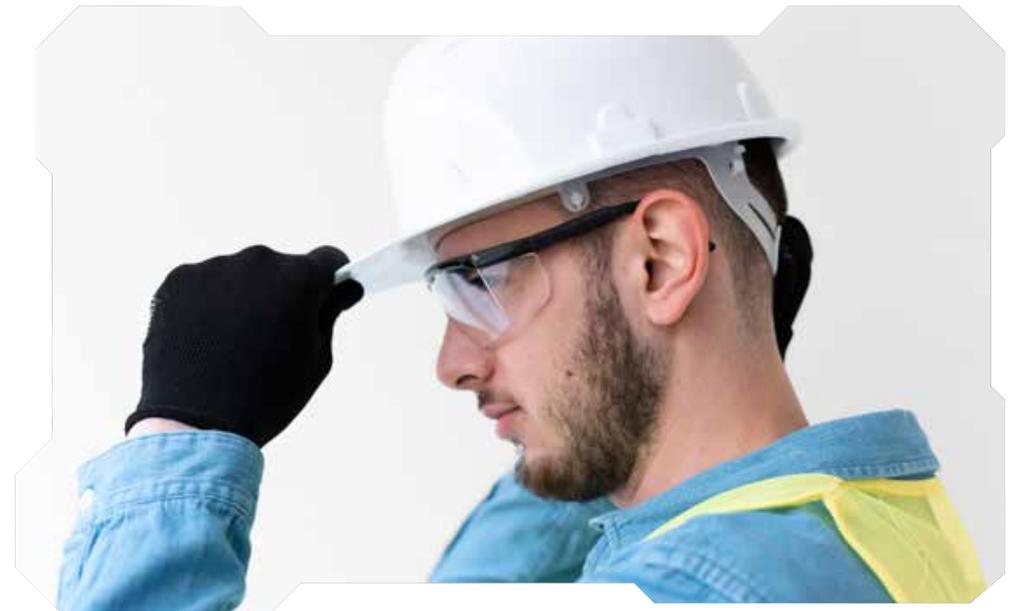
# OCCUPATIONAL RISK MANAGEMENT

(GRI 403-2, 403-4)

Occupational risk management is implemented in compliance with our Quality Management System's (QMS) "Risk Analysis" approach. The main objective of this analysis is to assess the likelihood, seriousness, and exposure to risk related to the usage of machinery in our facilities, taking into account our employees' work activities and profiles. To guarantee that it is efficient in recognizing and reducing risks, it is updated on a regular basis. We provide specialized training to our most exposed employees and use the continuous improvement methodology to constantly track the process in order to mitigate the risks that have been identified.

Additionally, our "Operational Discipline Matrix" addresses issues like the use of personal protective equipment, mobile equipment, chemicals in the warehouse, and reporting of unsafe conditions. We have also developed an internal safety procedure for contractors that requires skills certificates (DC3)<sup>49</sup> in order to ensure project success.

We were able to identify growth potential areas and develop management plans in 2023 thanks to third-party audits, mainly from the Mexican Federal Commission for Protection against Health Risks (Comisión Federal para la Protección contra Riesgos Sanitarios, COFEPRIS) and the Mexican Ministry of Labor and Social Welfare (Secretaría del Trabajo y Previsión Social, STPS).



<sup>49</sup> The term "DC3" comes from the acronym of "Document Certifying Training in Labor Skills" ("Documento que Certifica la Capacitación en Competencias Laborales"). It is issued by institutions authorized by the Mexican Ministry of Labor and Social Welfare (Secretaría del Trabajo y Previsión Social, STPS). These certificates are required in various work environments to demonstrate that workers have received the necessary training in occupational health and safety issues.





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# WORK INCIDENT REPORTING

(GRI 403-2, 403-3, 403-6, 403-7)

There is a specific procedure for reporting hazards and risks associated with our operations, using a form called **“Accident Reporting and Investigation”**.

According to this procedure, the following actions are performed:

- On-site investigation involving the parties concerned and witnesses.
- Communicating the incident/accident through a Safety Alert that is shared with 100% of the employees.
- Using the Ishikawa diagram, a report is produced to determine the root cause of the accident.
- Leaders are notified of the investigation findings.

**To manage and reduce risks and hazards in the operation, action plans are developed in collaboration with the area's leadership team.**





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# EMPLOYEE INVOLVEMENT IN THE SSMA

In order to involve our team in the SSMA, we carry out different activities that enable employees to identify the imminent risks in their work areas so that they can report them.

Our **“Safety Committee”** is made up of a multidisciplinary team: operations and administrative staff, members of the union and maintenance team, as well as safety, health and environmental personnel. It is in charge of conducting quarterly preventive tours of the plant to identify unsafe conduct and situations and to go forward with preventive and remedial measures.

**All work-related incidents and illnesses are reported to the Safety Committee, as they are responsible for following up on investigations and proposing mitigation and control measures.** Prior to entering our operation, contractor staff members are also informed of any accidents or incidents. They also receive several warnings while performing their duties.

# TRAININGS

(GRI 403-5)

Our continuous training program is based on each team member's activities and the results of the “Risk Analysis.” Our employees at the Industrial Complex received 3,783 hours of training from us in 2023.

Among the topics discussed are the following:

- Course for brigade members (first aid, evacuation, search and rescue, among others)
- Induction to the Industrial Safety, Occupational Health, and Environmental System (SSMA)
- Emergency equipment maintenance
- Warehouse safety and risk prevention
- Waste management
- Material handling and storage
- Protection systems and safety devices on machinery and equipment used in the workplace.
- Preventive occupational health and safety services.
- External course on Internal Civil Protection Unit.
- External course for mobile equipment operators
- Regulatory courses



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# HEALTH SERVICES

The occupational health team, led by the Company's medical management, is responsible for preventing occupational and chronic illnesses through campaigns, lab tests and monthly training. Based on NOM-004-SSA3-2012<sup>50</sup>, we keep track of all our operational employees' clinical records and protect their privacy using form FT313<sup>51</sup> "Privacy Notice".

We provide psychological and nutritional support. In addition, we carry out seasonal vaccination campaigns together with the Mexican Ministry of Health and offer lectures on nutritional issues, sedentary lifestyles, obesity, and early disease detection.

At our Mexico facilities we have three fully equipped medical offices and trained personnel available 24 hours a day, seven days a week, as well as an outsourced ambulance service for emergency transfers requiring additional care.

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<sup>50</sup> NOM-004-SSA3-2012 is an official Mexican standard issued by the Mexican Ministry of Health (Secretaría de Salud de Mexico, SSA) that regulates the electronic health record. This regulation establishes the guidelines and requirements that health information systems must comply with to guarantee the integrity, confidentiality, and availability of patients' medical information.  
<sup>51</sup> The main purpose of the form is to notify individuals about how their personal data is collected, used, processed, and protected by an organization.





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# WORK ACCIDENT INJURIES

(GRI 403-9)

During the reporting period, there were no fatalities or serious accidents involving our employees and contractors. Below is the occupational accident rate for 2023:

## Hours of training by labor category

	Employees		Contractors	
	Number	Rate	Number	Rate
Fatelities	0	0	0	0
Serious accidents	0	0	0	0
Minor accidents	17	9.77	0	0
Hours Worked	1,740,119			

The rate was calculated by dividing the total number of accidents by the total number of hours worked by 1,000,000.

According to our "Risk Analysis" by job position, some of the most serious accidents could be: run overs, entrapments, falls to a different levels, burns, among others. To prevent this, we have implemented control measures through different methodologies, one of which is "5S."<sup>52</sup>

52 The 5S is a Japanese management methodology used to improve organization, cleanliness, and efficiency in the workplace.

# OCCUPATIONAL ILLNESSES

(GRI 403-10)

During 2023, there were no fatalities or occupational illnesses among our employees. According to our systematic root cause analysis, we have been able to determine that the most common causes of occupational illnesses are overvoltage, overexertion, or overload. For this reason, we have a calisthenics program and a process for safe load management.





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# COMMUNITY WELL-BEING

(GRI 413-1, 413-2, 203-1, 203-2) (GRI 3-3: Social Inclusion)



## Institutions benefited



Consistent with our commitment to comply with our 2025 Sustainability Strategy, we seek to have a positive impact on all the communities where we operate through social

investment programs that include donations and corporate volunteering.





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Similarly, in accordance with our Good Neighbor Commitment, we maintain a continuous dialogue with communities to learn about their expectations and needs, and we take actions to improve their health and well-being. Our neighbors can express their concerns directly to the Company's Social Responsibility and Sustainability department; they can also call our "Gen-Te Escucha" Ethic Hotline.

We maintain a particularly close relationship with the community surrounding our Industrial Complex in San Cayetano, Morelos. In this regard, we continue to collaborate with Fundación CRIANTIA to provide care and support to students in the San Cayetano community through initiatives such as health days and educational space rehabilitation.

During the reporting period, no negative impacts on communities were identified.





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# DONATIONS

**Our goal for 2025 is to donate 5 million pharmaceutical products and personal care items to 5 million people.**





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# GENOMMA LAB FOUNDATION “ALIANZAS POR EL BIENESTAR”

Through our “Alianzas por el Bienestar” program, we contribute to and support organizations and institutions recognized for their work on behalf of various sectors and vulnerable groups in need of assistance and support.



# EMERGENCY AND NATURAL DISASTER RESPONSE PROGRAM

In 2023, we provided personal care products, over-the-counter medicines, and baby formulas to assist those impacted by the natural catastrophes that struck several countries.





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## Hurricane Otis Acapulco, Mexico

Hurricane Otis hit the state of Guerrero in Mexico with great force, leaving over 200,000 homes severely damaged and numerous fatalities.

Thanks to our partner organizations, we were able to bring help to those who needed it most.



We donated more than **207,200 units** of pharmaceutical and personal care products  
Equivalent to **\$1,283,869.44 MNX** invested



## Fires in Chile

During January and February of 2023, the wildfire season in Chile was notable for its intensity, being classified as one of the most severe in decades.

We donated **+5,700 bottles** of Suerox and **+1,800 units** of Cicatricure SPF 50



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## Earthquakes in Turkey

Two earthquakes with magnitudes of 7.7 and 7.6 struck northern Syria and southeast Turkey, resulting in multiple fatalities and injuries, signifying a major tragedy for both the region and the entire world.



We donated **18,000 units** of pharmaceutical and personal care products





# CORPORATE VOLUNTEERING

We are dedicated to promoting social responsibility and sustainability both within and beyond the company. Globally, we carry out volunteer activities through our Global Social Responsibility Committee, which are aligned with our 2025 Sustainability Strategy. Our goal is to encourage the participation of all team members and include their families to promote social development in the communities where we operate, as well as to promote practices that help preserve the environment.



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# The activities of our volunteer program are divided into the following areas:



## Environment:

Reforestations and cleanups



## Education:

Personal finance, personal hygiene, Excel, cooking, leadership, nutrition, corporate image desing, teamwork.



## Health:

Health and blood donation days.



## Community:

Visiting nursing homes and orphanages, storytelling, writing letters to seniors, space restoration.



## Donations:

Books, cold weather gear, toys, kits whit Genomma products.



## Holidays:

Seasonal activities, "posadas" and Christmas celebrations.





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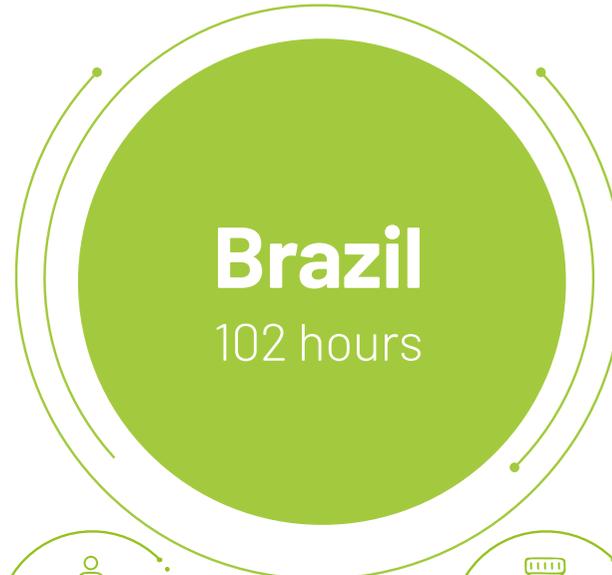
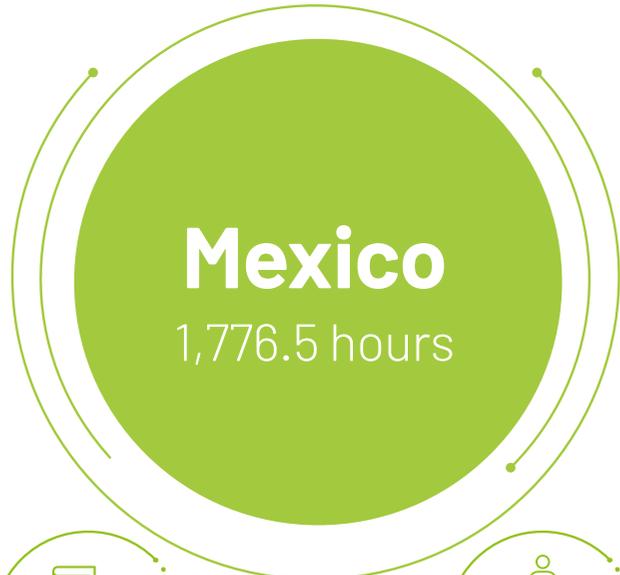
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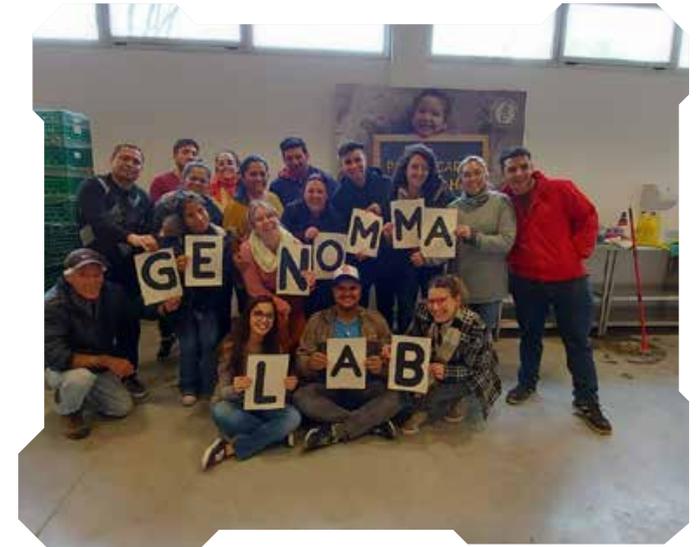
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# PARTNERSHIPS FOR DEVELOPMENT: PARTICIPATION IN FORUMS AND CONFERENCES, ALLIANCE WITH THE ACADEMIC SECTOR

We participate in different forums held in educational centers, industry associations and societies, addressing topics such as leadership, regulatory matters, entrepreneurship, diversity, and inclusion, among others, in order to promote better sustainability practices in the countries where we do business.



**Update on Food Labeling Regulations in Mexico:** Highlighting the importance of complying with the new regulations.



**II International Congress of Work in Support of LGBTI+ Persons Deprived of Liberty:** Reinforcing our commitment to diversity and inclusion. (Mexico).



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**Learning Workshop “Mexican Companies for Inclusion: Affinity Groups (ERGs)”:** Fostering a space for collaborative work and mutual support. (Mexico).



**Rodrigo Herrera Aspra, our Chairman of the Board of Directors, showed his leadership in two highly relevant events:** “Practical advice on leadership in business” and the 2nd Binational Convention “Nearshoring: Moving Forward Together,” highlighting the relevance of the new international business dynamics. These participations reflect our leaders' commitment to personal and professional growth, and to responsible and inclusive business practices. (Mexico).



**Agustin Cáceres, North America President and CEO, member of the Consumer Health Product Association (CHPA):** His participation in the events organized by the CHPA has been instrumental in connecting with pharmaceutical industry leaders, regulatory authorities, and leading academics in the field of consumer healthcare. These events, held in the United States, provided spaces to address self-care matters, promoting knowledge exchange and collaboration in the search for innovative solutions to improve consumer health and well-being.



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**Diana Leal, Andean Cluster and CARICAM General Manager, participated in the inauguration of the new Bee Lab, Tio Nacho's Beekeeping Laboratory in Colombia:** She shared the vision of our Tio Nacho® brand, to continue promoting sustainable innovation in order to promote the protection of biodiversity and the circular economy.



**Diana Leal, Andean Cluster and CARICAM General Manager, at the inauguration of the new Genomma Lab Colombia Distribution Center:** This new CEDIS will be operated by our ally Solistica and will be governed by high sustainability and quality standards such as proper waste management, clean transportation model, gender equity, among others.



**Diana Leal, Andean Cluster and CARICAM General Manager, gave the "Leadership and Dreams Workshop" for the children of Aldeas Infantiles S.O.S. Costa Rica.**





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# OUR ENVIRONMENTAL MANAGEMENT

(GRI 2-27, 301-3, 306-2)

Our highly qualified internal Safety and Environmental team at Genomma Lab oversees our performance, with a focus on increasing energy

efficiency and reducing the use of materials, emissions, and waste.





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Our commitment to sustainability is manifested through our **Environmental Policy**, which promotes the adoption of processes and technologies to minimize our environmental impact. We operate under an **Environmental and Social Management System (Sistema de Gestión Ambiental y Social, SGAS)** focused on continuous improvement, specifically applied in our Mexico Industrial Complex. This system includes more than 50 operating procedures audited annually by entities such as the Inter-American Development Bank (IDB), the International Finance Corporation (IFC) and local authorities. During audits, we evaluate key environmental and social indicators.

To ensure its implementation, we monitor the progress of our goals and objectives and train our employees on how to identify and mitigate environmental impacts. As a result, this year's **Sustainability Awards** honored three of our projects aimed at saving energy and using packaging

materials with a lower environmental impact.

We voluntarily participated in the Mexican Ministry of Environment and Natural Resources' (Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT) "Transporte Limpio" (Clean Transportation) program. In October 2023, the Ministry recognized our participation and the measures we implemented. We also received recognition from the Mexican Federal Environmental Protection Agency (Procuraduría Federal de Protección al Ambiente, PROFEPA) for our participation in DINAPREQ<sup>53</sup> 2023.

In addition, we collaborate with our legal department to monitor legislative trends affecting our operations. Thanks to this diligent management, we received no significant fines or penalties for noncompliance with environmental regulations in 2023.



**TRANSPORTE Limpio**



53 National Day for Chemical Emergency Preparedness and Response (Día Nacional de la Preparación y Respuesta a Emergencias Químicas, DINAPREQ). Its goal is to reduce the impact of chemical emergencies on the population and the environment by using tested and approved response plans.



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## Strategic alliance with Universidad Autónoma de Guadalajara's Lighting Technology Center (Tecnología en Iluminación, CTI)

We joined forces with Universidad Autónoma de Guadalajara with the aim of having the educational institution assist us during our transition to a more sustainable business model, placing special emphasis on energy efficiency and environmental management.

The University will carry out an initial diagnosis to strengthen the environmental compliance matrix and establish environmental indicators. This program also considers developing our talent's competencies and capabilities, as well as automating measures through the incorporation of technological features. This agreement reaffirms our commitment to establishing science-based objectives in collaboration with the academic sector to achieve our environmental objectives.





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# CIRCULAR SOLUTIONS

(GRI 3-3: Circular solutions)(GRI 301-1, 301-2, 301-3)(SASB CG-HP-410a.1, CG-HP-410a.2)

We use recycled and renewable materials in our packagings to reduce the use of virgin raw materials and their environmental impact.

## Weight of materials and raw materials used to manufacture our products in Mexico.

Country	2022		2023	
	Ton	%	Ton	%
Packaging material with recycled and/or renewable content <sup>54</sup>	4,074.8	23%	15,865.8	57%
Other packing material <sup>55</sup>	7,830.0	44%	7,088.0	26%
Raw material <sup>56</sup>	6,062.5	34%	4,781.0	17%
<b>Total</b>	<b>17,967.3</b>		<b>27,734.8</b>	

We avoided using **15,865 tons** of virgin raw materials in Mexico

Below is the composition of **inputs with recycled content** and the percentage based on total inputs:



**19% of inputs come from renewable sources.**

54 Some of the packaging materials have renewable characteristics in addition to containing recycled inputs.

55 Other packaging materials include plastic, metal, and glass.

56 Fragrances and chemical compounds are among the raw materials used. It is important to mention that some chemical compounds also come from renewable sources.





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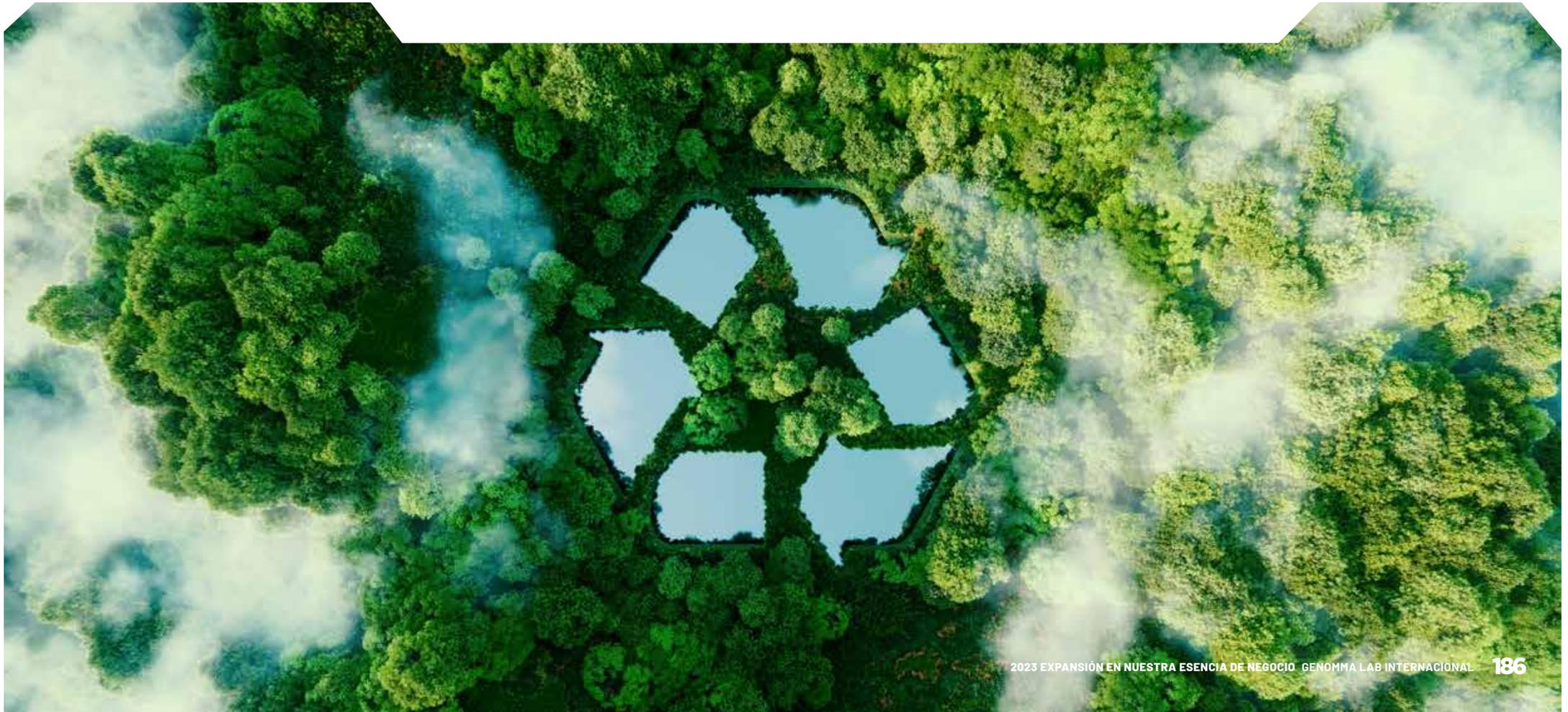
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# We used more than 16,390 tons of recycled material to make our packaging in Argentina, Brazil, Colombia, and Mexico.

Most of our products' containers or packaging are recyclable; however, we cannot guarantee that they are actually recycled; the recycling rate is related to the location's or country's infrastructure

development. Nevertheless, we implement a number of actions to promote their recovery and, in this way, extend their useful life cycle.





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# TÍO NACHO® SUSTENTABLE

The bottle, lid, and box of our emblematic brand, Tío Nacho®, are 100% recycled and recyclable. Tío Nacho® boxes are made of certified forest cardboard with an additional layer of recycled material. The label is made with 90% recycled material using wash-off technology, which allows it to be removed leaving no adhesive or ink residues, optimizing the use of water, energy, and chemical resources. In 2023, the Tío Nacho® Sustentable line succeeded in positioning itself in most of the countries where we operate. It also neutralized its CO<sub>2</sub>eq emissions related to the packaging manufacturing process.





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# OTHER INITIATIVES

## Tertiary packaging with recycled cardboard

- Both in Mexico and Argentina, 100% of our corrugated or tertiary packaging is recycled and recyclable, while in Colombia it accounts for 80%.

## Secondary packaging (boxes/folding cartons) made of certified material

- The boxes or folding cartons of about 50% of our OTC portfolio in Colombia, which includes brands like Tukul<sup>®</sup>, Tukhelix<sup>®</sup>, Shot B<sup>®</sup>, X-Ray<sup>®</sup>, Lomecan<sup>®</sup>, Next<sup>®</sup>, and Genoprazol<sup>®</sup>, are made of alternative packaging materials like sugarcane bagasse.
- In Argentina, around 50% of the boxes in our PC and OTC portfolio are sourced from certified forests.
- In Mexico, approximately 50% of the boxes or folding cartons for brands like Tukul-D<sup>®</sup>, Lomecan<sup>®</sup>, Next<sup>®</sup>, X-Ray<sup>®</sup>, Ultrabengue<sup>®</sup> and Bioelectro<sup>®</sup> from our OTC portfolio are sourced from certified forests. 100% of the boxes from our PC portfolio are certified.





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## Recycled material in our containers

- In Mexico, polyethylene containers of the Vanart®, Siluet®, Alert®, Cicatricure®, Goicoechea®, Sistema GB®, Teatrical®, Alert® and Groomen® brands contain approximately 30% post-consumer recycled material.
- We kept sustainable design elements in the Groomen® disposable razors, adding more than 65% recycled material to the handle for the Groomen 200® brand and 57% recycled material for the Groomen 300® brand.
- The Genomma Lab Argentina team was awarded certifications for some of its “Recyclable Polyethylene” and “Recyclable Polyethylene Terephthalate” packaging, granted by Ecoplas®, a non-profit organization specializing in plastics and the environment, in charge of promoting the sustainable development of plastics in a circular economy.

We use **more than 162,000 tons of recycled material** to make our plastic containers in Argentina, Brazil, and Mexico.



Entidad especializada en plásticos y medio ambiente





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# OUR ENVIRONMENTAL PERFORMANCE RESULTS

(GRI 3-3: Managing Environmental Impacts in the Value Chain)

Since 2021, we adopted a vertical integration strategy, which is why we built our Mexico Industrial Complex. This has allowed us to take control of a considerable part of our production process, previously outsourced from maquiladoras or finished product suppliers.

This transformation has been fundamental to improving the management of environmental impacts in our value chain. Throughout 2023, we reached an important milestone by obtaining the sanitary license for all the pharmaceutical forms in our portfolio, allowing us to enable new production lines.

Although this increased resource consumption and manufacturing capacity, we were able to

drastically cut our purchases from finished product suppliers, thereby improving operational efficiency and lowering external dependence.

As a sign of our commitment to operational efficiency and responsible management in the use of natural resources, in 2022, our Mexico Industrial Complex obtained the EDGE (Excellence in Design for Greater Efficiencies) certification<sup>57</sup>. This is a result of our implementation of technologies and design strategies that significantly reduced energy and water consumption during its construction<sup>58</sup>.



57 The EDGE certification was created by the International Finance Corporation (IFC) to provide a solution for designing sustainable buildings and, in this way, support and promote the efficient use of natural resources in emerging countries.

58 To learn more about the efficiencies achieved in our manufacturing plants and distribution center, please refer to page 64 of our 2022 Annual Report.



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In 2023, we took several actions to improve our environmental performance, which is aligned with our [Code of Conduct and Ethics](#), our [Sustainability and Stakeholder Policy](#), our [Water Management Policy](#), our [Biodiversity and Non-Deforestation Policy](#), and our [Environmental Policy](#), all with the aim of safeguarding natural resources and reducing our impact.

Below are the results in terms of operational indicators, such as energy and water consumption, as well as emissions and waste generation. It is important to note that this evaluation only considers our operations in the Mexico Industrial Complex, as these represent approximately 80% of Genomma Lab Internacional's operations.



# OPERATIONS WASTE

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Our main objective is to reduce as much hazardous and non-recyclable waste as possible, and we follow procedures applicable to our pharmaceutical, personal care, and isotonic beverage plants as well as our distribution center.

We trace the waste generated by our operations back to its point of origin.



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 Chemical waste, Process shrinkage, Biological waste (generated in laboratory and medical service)

 Contaminated containers

 Corrugated cardboard (packaging)

 Plastic containers Labels

 Miscellaneous waste

 Finished Product (Shrinkage/Expired)

 Corrugated cardboard (packaging)

 Plastic film (packaging)

 Pallet wood

 Miscellaneous waste

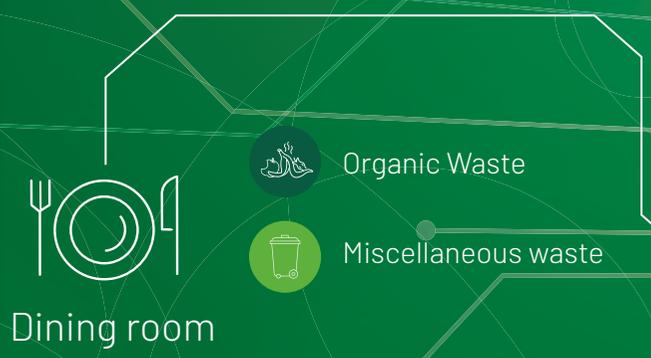
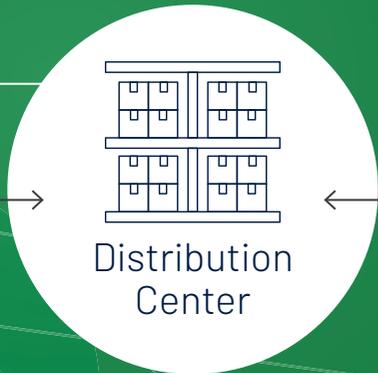
 Chemical Waste

 Contaminated containers

 Process shrinkage

 Corrugated cardboard (empaque)

 Plastic containers Labels





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## Solid waste generated (metric tons) - Mexico Industrial Complex

Waste	Hazardous waste (t)	Non-hazardous waste (t)
Over-the-Counter (OTC) Medicines Plant	26.31	41.45
Distribution Center (CEDIS)	368.99	2,050.55
Personal Care Plant (PC)	115.81	195.53
<b>Total:</b>	<b>511.12</b>	<b>2,287.53</b>

The table below shows that, in 2023, there was a 139% increase in the Distribution Center's production yield ratio due to the major international expansion of Suerox®. This implied a significant change in the operation of the warehouse and logistics areas as a result of this new product's particularities and its distribution channels. In our Over-the-Counter Medicines Plant, we achieved a 98% waste-to-productivity ratio. The amount of waste generated per kilogram of bottles produced at the PC plant has gradually increased over the past three years, although the values are relatively low.





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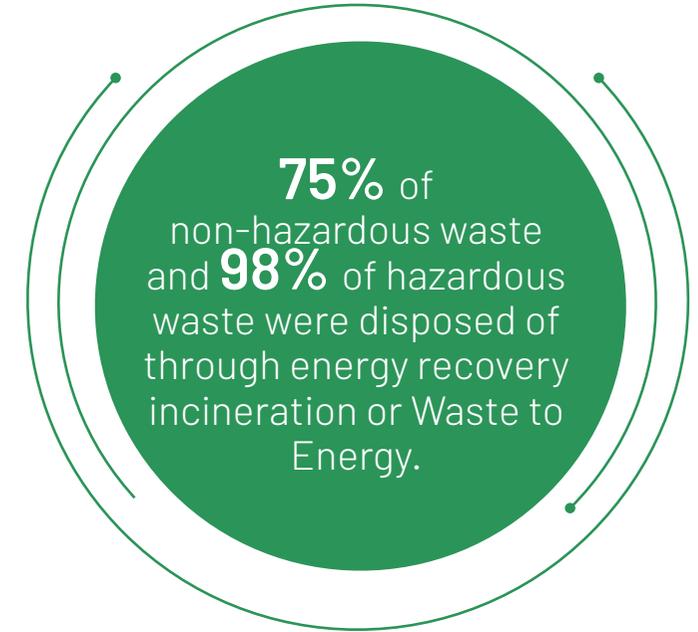
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## Waste ratio per unit

Operation	Unit	2021	2022	2023
<b>Distribution Center</b>	Kg waste/Box moved	0.25	0.046	0.110
<b>Over-the-Counter (OTC) Medicines Plant</b>	Kg waste/Part Produced	5.61	0.24	0.004
<b>Personal Care Plant (PC)</b>	Kg waste/Kilos of Bottle Produced	0.002	0.003	0.006



## Waste processing (metric tons) – Mexico Industrial Complex

Waste type	Processing	2021	2022	2023
<b>Non-hazardous</b>	Recovery (Recycling or Reuse)	1,314.40	1,242.20	1,164.22
	Sanitary Landfill or Authorized Landfill	331.1	27.58	284.70
	Waste to Energy	ND	ND	838.60
<b>Hazardous</b>	Waste to Energy	4,100.30	56.2	498.60
	Incineration without energy recovery	ND	62.6	12.51
<b>Total</b>		5,745.80	1,388.58	2,798.64





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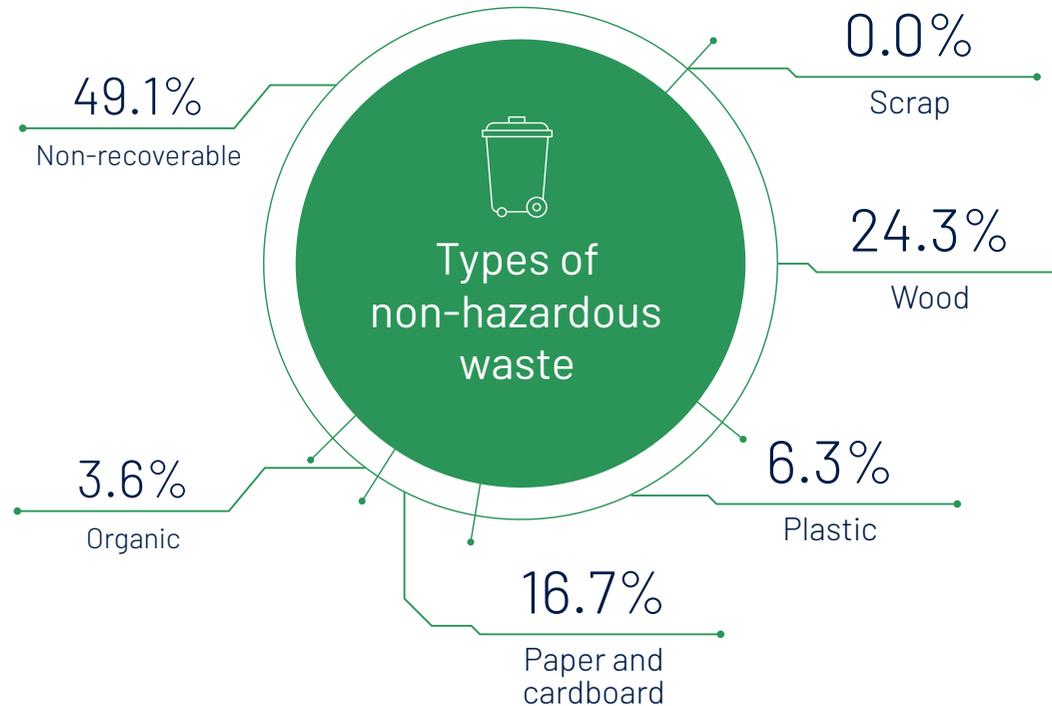
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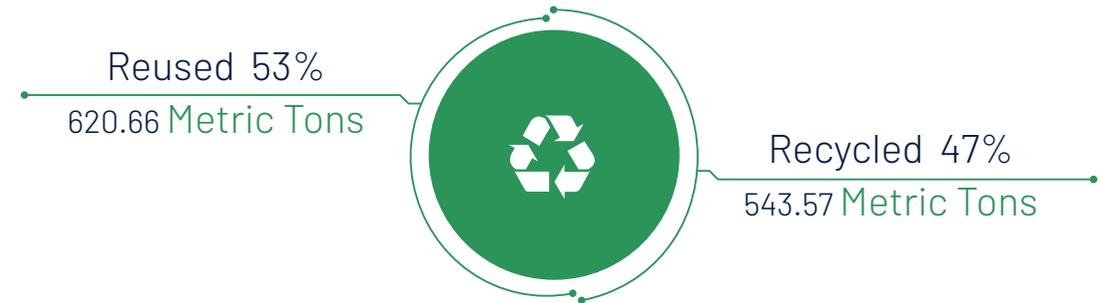
Our waste management partner, Geocycle®, treats the waste to be processed as Waste to Energy. For each ton of Waste to Energy, we avoid emitting 0.08 tons of CO<sub>2</sub>.



**We recovered 51% of non-hazardous waste (recycled or reused)**

**Total non-hazardous waste recovered**

**1,164.23**  
Metric Tons



In May 2022, we began the *Zero Waste to Landfill* program<sup>59</sup> in our Mexico Industrial Complex; however, in April 2023, we were forced to stop this process due to the update and renewal of our waste management service providers in an effort to strengthen our regulatory compliance. As a result, we are implementing the modifications needed to execute this best practice again in the following two years, as well as to increase efficiencies in the process.

<sup>59</sup> The term "zero waste to landfill" refers to an environmental goal or policy that seeks to completely eliminate sending waste to landfills. The concept focuses on reducing, reusing, and recycling waste to prevent it from ending up in landfills, where it can take up valuable space and cause environmental pollution.





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# WASTE MANAGEMENT FOR EFFICIENT LOGISTICS (GRI 3-3: Waste Management)

In 2023, we kept and reaffirmed our partnership with CHEP<sup>60</sup>, who is a leader in implementing a circular economy model in their pooling services<sup>61</sup>, allowing us to join a group of companies that support pallet sharing and reuse.

In 2023, we avoided acquiring 225,000 pallets, minimizing our use of natural resources, atmospheric emissions, and environmental impact. This translates to:



**62,469 pallets**  
were repaired and reused thanks to our supplier, Tarimas y Empaques Industriales San José S.A. de C.V., avoiding the felling of 1,156 trees.

<sup>60</sup> CHEP is a company that deals with pallet and container pooling services and serves customers in a variety of industrial and retail supply chains.

<sup>61</sup> Pooling is a business model based on sharing and reusing, in this case, pallets.



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# RESPONSIBLE WASTE MANAGEMENT, 2023 INITIATIVES AND ACTIONS (SASB HC-BP-250a.4)

As outlined in our [Environmental Policy](#), we assure effective waste management by applying reduction, recycling, and reuse strategies. We are founding members of CANIPEC's Circular Economy Business Group (GEECI<sup>®</sup>), established in 2021<sup>62</sup>, and we participate in a variety of recycling programs and campaigns.



**Thanks to this initiative, in 2023 we managed to collect and use 450.13 tons of post-consumer waste.**



62 The National Chamber of the Cosmetic Products Industry (Cámara Nacional de la Industria de Productos Cosméticos, CANIPEC) is a Mexican association that represents the interests of companies in the cosmetics sector. It develops strategies and actions within a specific management plan and aims to reduce the amount of waste generated from the industry's containers and packaging by implementing and executing the Circular Economy and Waste Management Plan.



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We have also reaffirmed our participation in SINGREM<sup>63</sup>, a non-profit civil association created by the Mexican pharmaceutical industry to manage and dispose of expired medicines and their leftovers in the homes of end-users.



We also participated in Braskem Idesa<sup>®</sup>'s Plastianguis plastic collection program. We contributed by encouraging responsible plastic consumption and recycling, easing access to infrastructure for plastic waste collection, and promoting its exchange for products from our portfolio. This remarkable effort successfully collected over 150 tons of plastic, benefiting over 13,000 people.

63 The Mexican National System for the Management of Container and Medicine Waste (Sistema Nacional de Gestión de Residuos de Envases y Medicamentos A.C., SINGREM) is a system designed by the pharmaceutical industry to help comply with the regulatory framework in environmental matters.

64 Partial results.





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We also participate in global waste management programs, allowing us to comply with Extended Producer Responsibility laws. Such is the case of **Punto Azul**<sup>65</sup>, a non-profit organization that brings together, represents, and supports industries dedicated to the Colombian people's health and well-being to properly manage their waste, and **ReSimple**<sup>®</sup>, Chile's first large collective management system that will allow us to comply with the EPR Law<sup>66</sup> for packaging.



<sup>65</sup> All Medicine Registration Holders that import or manufacture medicines in Colombia are obliged to have a Post-consumption Plan for Medicines. In an effort to protect the environment and the public health of Colombians, Punto Azul, a non-profit organization, seeks to strengthen its ties to the pharmaceutical sector value chain by developing mechanisms for the sustainable consumption of medicines. This is particularly true with regard to the proper disposal of post-consumer products that are damaged, expired, or partially consumed.

<sup>66</sup> The Extended Producer Responsibility Law (Law 20.920), better known as the EPR or Recycling Law, is a regulation that promotes the recycling chain to reduce waste generation and safeguard the environment and public health.



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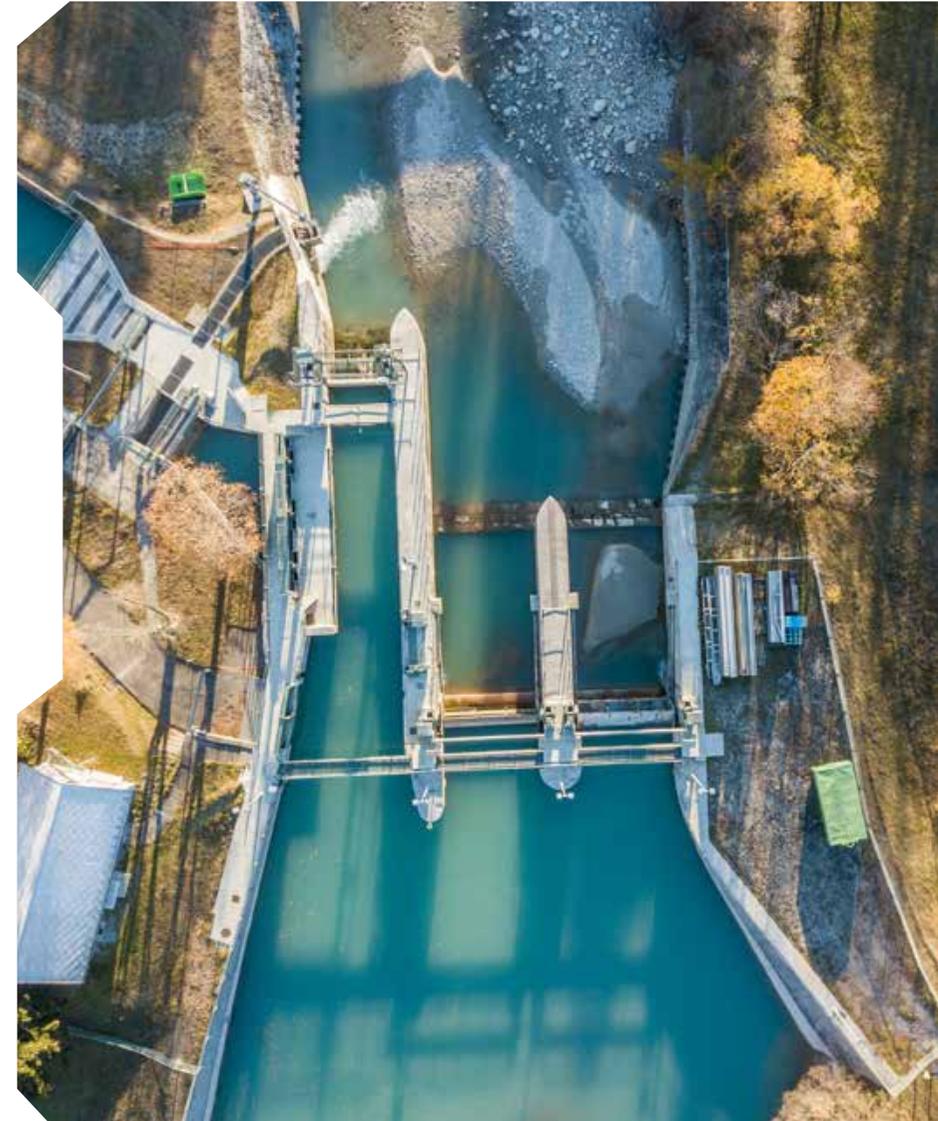
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# WATER MANAGEMENT

(GRI 3-3: Water management) (GRI 303-1,303-2, 303-3, 303-4,303-5) (SASB CG-HP-140a.1, CG-HP-140a.2)

This year, we launched our [Water Management Policy](#),<sup>67</sup> reaffirming our commitment to establishing specific indicators and targets for efficient water use management and reducing our water footprint. We promote sustainable practices across our operations and foster collaboration with stakeholders to jointly address the impacts of water use. We implement training programs for our employees, suppliers, and strategic partners to emphasize the importance of water.

We align our activities with public policies and adapt to local conditions in water-stressed areas, showcasing our adaptability and environmental responsibility. We respect the common use of water, which is why the Mexican National Water Commission (Comisión Nacional del Agua,<sup>67</sup> CONAGUA) has granted us permission to extract groundwater in accordance with regulations<sup>68</sup>. **The Concession Titles for Groundwater Extraction (“Títulos de Concesión para Explotación de Agua Subterránea”)** were legally obtained prior to building the wells.



67 Founded in 1989, the decentralized administrative agency of the Mexican Ministry of Environment and Natural Resources is in charge of managing, regulating, controlling, and safeguarding the country's territorial waters.

68 NOM-003-CONAGUA-1996: Standard that defines the requirements to build extraction wells.





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To ensure that the water used in operations meets the required quality standards, we have an Industrial Treatment Plant (IWTP) that processes the extracted water before it is used in production and consumption. In 2023, the authorities issued a wastewater discharge permit for our Industrial Complex. We deployed a preventive and corrective maintenance program in order to start operating our wastewater treatment plant in the first half of 2024. The wastewater from our operations is treated by an authorized third party before being discharged. According to the

CRETIB<sup>69</sup> research criteria, we have determined that the water completely meets the maximum permissible values defined by **NOM-002-SEMARNAT-1996**, ensuring its quality and conformity with current environmental regulations.

Below is our total water consumption and treated wastewater:

## Water consumption and wastewater treatment – Mexico Industrial Complex

Unit	Water Consumption <sup>70</sup>			Trated wastewater		
	2021	2022	2023	2021	2022	2023
m <sup>3</sup>	130,699.65	228,193.00	217,686	788.5	4,935.5	7,720
megaliters	130.70	228.20	217.69	0.79	4.9	7.72
mm <sup>3</sup>	0.13069965	0.228103	0.217686	0.0007885	0.0049355	0.00772

69 Center for Research and Technological Development in Bioenergy and Bioproducts, located in Jalisco, Mexico. Its objective is to promote the use of renewable energy sources and the development of sustainable products made from biological resources.

70 We consume all of the water that we extract.





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# ENERGY EFFICIENCY AND EMISSIONS

(GRI 3-3: Energy Management)(GRI 302-1, 302-2, 302-3, 302-4, 302-5, 305-1,)

## ENERGY CONSUMPTION<sup>71</sup>

We are focused on achieving energy efficiency and significant savings in our operation in order to reduce the impact associated with carbon emissions.

### Energy consumption within the organization<sup>72</sup> - Mexico Industrial Complex

Energy source	2021		2022		2023	
	MWH	GJ	MWH	GJ	MWH	GJ
Electricity	7,024.15	25,286.94	9,289.92	33,443.79	10,823.03	38,962.91
Natural Gas	7,712.00	27,763.19	11,652.96	41,950.65	12,172.78	43,822.00
Diesel	1,374.08	4,946.68	1,070.64	3,854.29	4,580.52	16,489.87
Gasoline	4,687.91	1,302.2	354.04	1,274.53	10,106.00	36,381.61
<b>Total</b>	<b>20,798.14</b>	<b>59,299.01</b>	<b>22,367.56</b>	<b>80,523.26</b>	<b>37,682.33</b>	<b>135,656.39</b>

The increase in electricity and natural gas consumption is proportional to the establishment of new production lines and the expansion of some brands in the region, such as Suerox®.

<sup>71</sup> In our facilities, heating, cooling, and steam production are carried out through boilers. It is important to note that all the energy consumption associated with these processes is included in the total natural gas consumption.

<sup>72</sup> We used conversion factors for natural gas, published in the Mexican Government's website. The calculation was made by multiplying KWh x GJ, taking into account that 1 wh = 3600 J = 1 Kwh = 0.0036 GJ and 1 gallon of Diesel is = 0.14652 GJ, 1 gallon = 3.78541 L



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## Off-site energy consumption (Gigajoules) - Mexico Industrial Complex

Source of energy	2021	2022	2023
Diesel for upstream transportation and distribution <sup>73</sup>	10,459.47	6,172.22	6,438.78
Diesel for downstream transportation and distribution <sup>74</sup>	64,697.40	68,670.62	72,827.93
Gasoline for upstream transportation and distribution	391.18	103.53	340.01
Gasoline for downstream transportation and distribution	1,399.89	2,209.40	1,798.93
Diesel for employee transportation	S/I	S/I	2,347.81
<b>Total</b>	<b>76,947.94</b>	<b>77,155.77</b>	<b>83,753.46</b>

The table shows that fuel consumption for upstream activities, i.e. supply, has decreased significantly in comparison to 2021 because part of the raw material required for our production is stored within our facilities, avoiding fuel consumption for displacement as an input provided by external suppliers. Downstream transportation has increased in 2023 as a result of the expansion of production lines at our Industrial Complex.



<sup>73</sup> Post-manufacturing activities, i.e. the distribution of the product to the final consumer.

<sup>74</sup> All those generated by activities that the client or final consumer performs with that product or service.



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## Energy intensity ratio - CEDIS



Note: The energy intensity calculation in 2023 included all energy consumed, not just electrical energy.

## Energy intensity ratio



Note: For reference, 0.1 kWh is the amount of energy that could keep a 100-watt light bulb on for 1 hour.



To lower our electricity use, we have a cogeneration<sup>75</sup> unit that can meet up to 50% of our Industrial Complex's energy demands. Similarly, we have committed to incorporating renewable energy sources into Mexico's energy grid by 2025.

<sup>75</sup> Co-generation is a system that produces heat and electricity simultaneously in a single plant, powered by a single primary energy source. To learn more about this process, please refer to page 139 of our 2022 Annual Report.





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# CLIMATE CHANGE

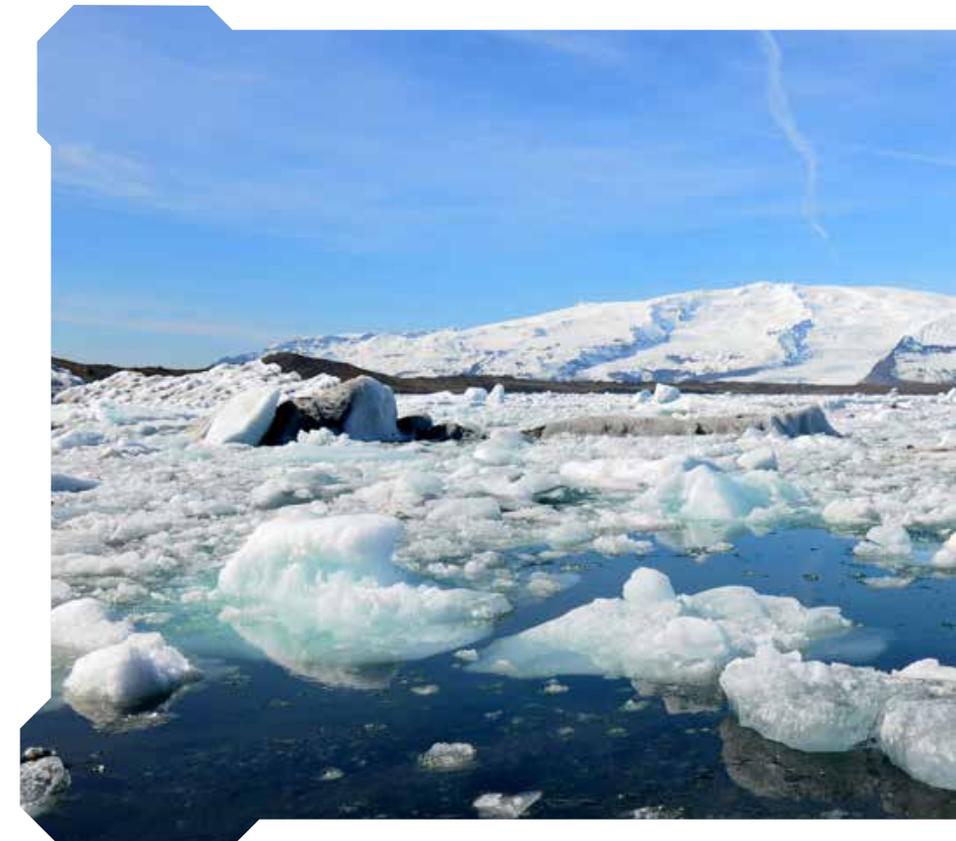
(GRI 3-3: Physical Impacts and Risks of Climate Change)

Globally, we face risks related to climate change, which can significantly affect the Company. To combat climate change and limit its influence on our operations, we have created a procedure for examining climatic scenarios and monitoring our carbon footprint.

## CLIMATE SCENARIOS ANALYSIS

In 2023, we updated our risk analysis for climate change, taking into account physical and transition climate-related scenarios. In risk identification and assessment, we consider:

- Statistical data from the closest weather stations to each site is studied, as well as newspaper and bibliographic records of weather-related events.
- An assessment of the mitigation practices and measures implemented in each park and globally, including, but not limited to, energy, water, and waste management.
- The regulatory context in Mexico regarding climate change, its trend, future commitments and climate strategy contained in the Climate Change program and the NDC.





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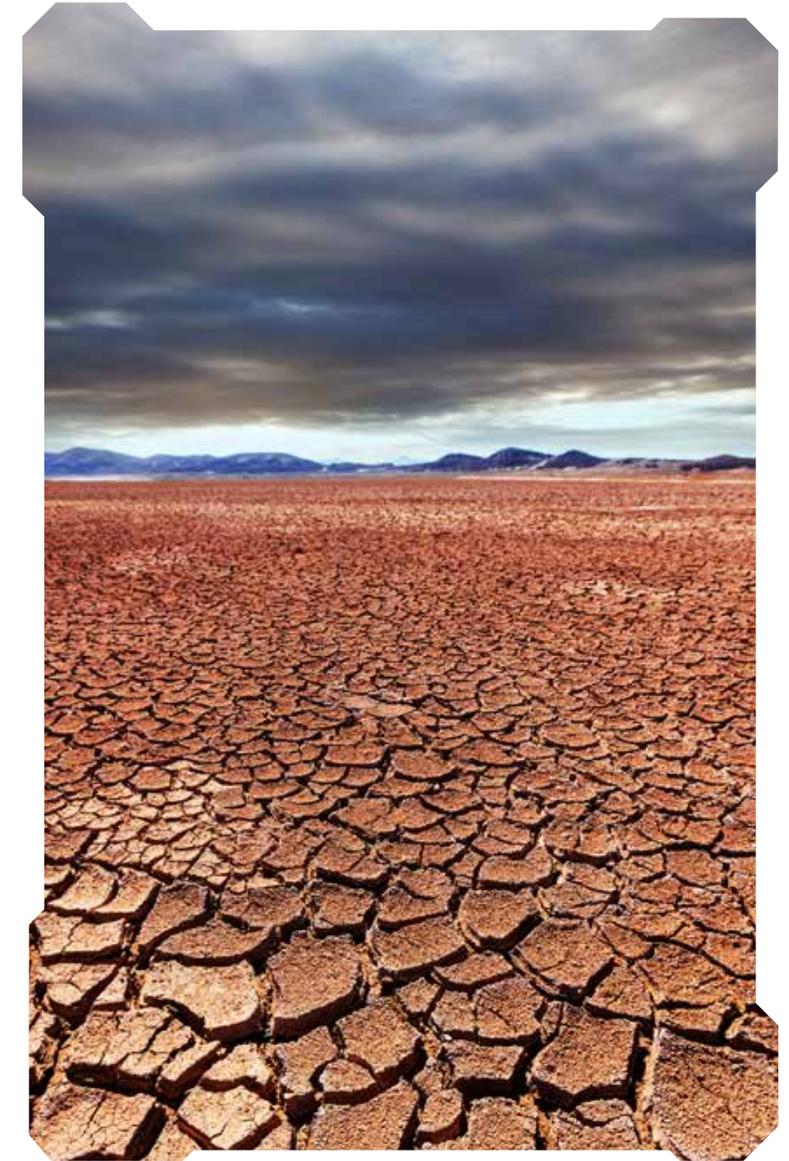
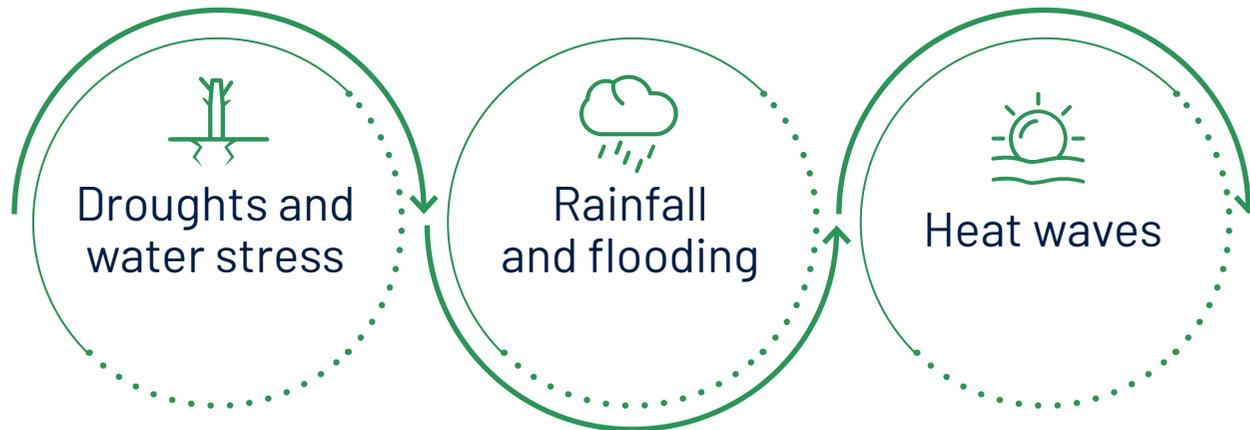
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- Current climate management, technology, and market trends in the Mexican sector.
- Current sustainability trends in companies similar to Genomma, specific guidelines and recommendations for energy efficiency in pharmaceutical operations.

To assess climate change-related risks for Genomma Lab Internacional, we consider the TCFD<sup>76</sup> recommendations based on the IPCC's<sup>77</sup> physical scenarios and the International Energy Agency's (IEA)<sup>78</sup> transition scenarios. This study revealed the main physical risks for the Company's main locations (both owned and outsourced).



<sup>76</sup> The TCFD, or Task Force on Climate-related Financial Disclosures, is an initiative established by the Financial Stability Board (FSB) that aims to provide companies with a framework for reporting climate change-related risks and opportunities that may have an impact on their financial performance.

<sup>77</sup> The Intergovernmental Panel on Climate Change (IPCC) is the most recognized international authority for the scientific assessment of information related to climate change. It produces "physical scenarios" that describe possible climate futures based on different trajectories of greenhouse gas emissions and other human actions that affect the climate.

<sup>78</sup> The IEA works to improve energy efficiency globally through research, policy analysis, and recommendations.





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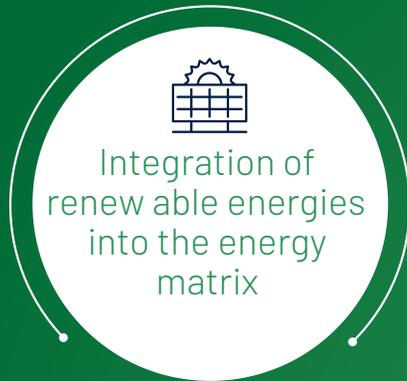
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However, we are also exposed to transition risks.



If not implemented, there could be questions about our environmental commitment and restrict our ability to obtain financing as it is considered a reputational risk.



Risk that transportation service providers will increase prices in the face of such regulation.



Confrontations with the authorities due to non-compliance with plastic recovery goals. Increase in direct expenses due to the payment of fines.



Reputational risk if we use unsupported or unrecognized environmental labels.



Payment of taxes on greenhouse gas (GHG) emissions beyond the regulation's set limitations. Investment loss.



Risk of negative impact in terms of public image.



Questioning of the Company's environmental commitment due to lack of involvement in key sustainability issues (fuel substitution, circularity, emissions reduction).



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We have taken into consideration the cogeneration process as a mitigating mechanism, which we anticipate will cover up to 50% of our Mexico Industrial Complex's operating energy needs. We also made progress on waste recovery and collection programs, a circular economy through the use of carbon-neutral packaging, and emission-reduction strategies.

To learn more about the findings of the updated Analysis of Risks Associated with Climate Change, please click on the following [link](#). 





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# MEASURING OUR GENERATED EMISSIONS

**(GRI 3-3: Emissions Management, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7)**

Our 2025 Sustainability Strategy, which adheres to the Sustainable Development Goals, includes initiatives to reduce greenhouse gas emissions. We are aiming to adopt science-based targets over the next three years, which are globally aligned goals based on climate science, in accordance with the Paris Agreement and spearheaded by the Science-Based Targets® (SBTi) initiative.

Furthermore, our method for accounting, reporting, and managing our emissions is based on the GHG Protocol's Corporate Accounting and Reporting Standard (ECCR).

Based on the number of facilities and the activities conducted in each, we defined the Company's organizational and operational scope to determine the range of the emissions inventory. Therefore, the method used to compile and report GHG emissions was based on operational control.

To calculate carbon dioxide equivalent emissions, activity data and emission factors were used as the estimation method of choice. The emission factors published by SEMARNAT81 were used to calculate Scope 1 and 2. Emission factors used for Scope 3 emissions come from the DEFRA82 database.



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# Carbon emissions (tCO<sub>2</sub>e) - Mexico Industrial Complex

Emissions <sup>79</sup>	2021	2022	2023
Scope 1	1,704.93	2,737.47	3,100.84
Scope 2	2,971.22	4,041.11	4,740.49
Scope 3	52,039.77	43,466.98	44,075.12

Note: In this report, for Scope 1 and 2, we have only considered the operation of the San Cayetano Industrial Complex. On the other hand, the Emissions Report contains the inventory of the entire operation in Mexico

**The increase in our Scope 1 carbon footprint has been directly proportional to the productive growth of our plants and distribution centers.**



<sup>79</sup> Scope 1 emissions include the consumption of natural gas, diesel, and gasoline. Scope 2 emissions refer to electricity consumption. Scope 3 emissions mainly come from purchased goods (packaging materials, guava leaf) and the transportation of finished products (land transport by diesel vans and trailers, and shipping of finished products by railcar).

We consider 2021 as the base year





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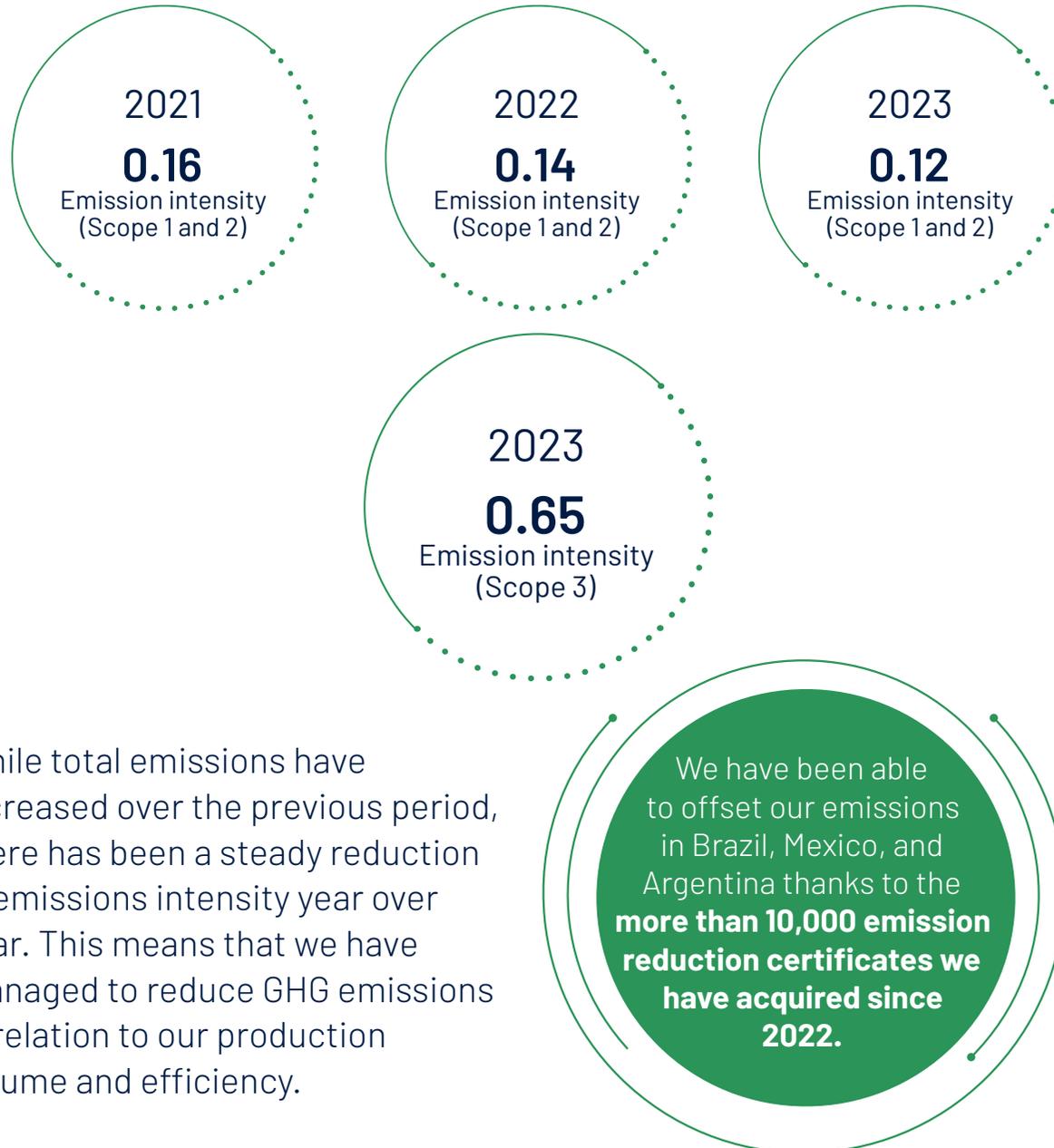
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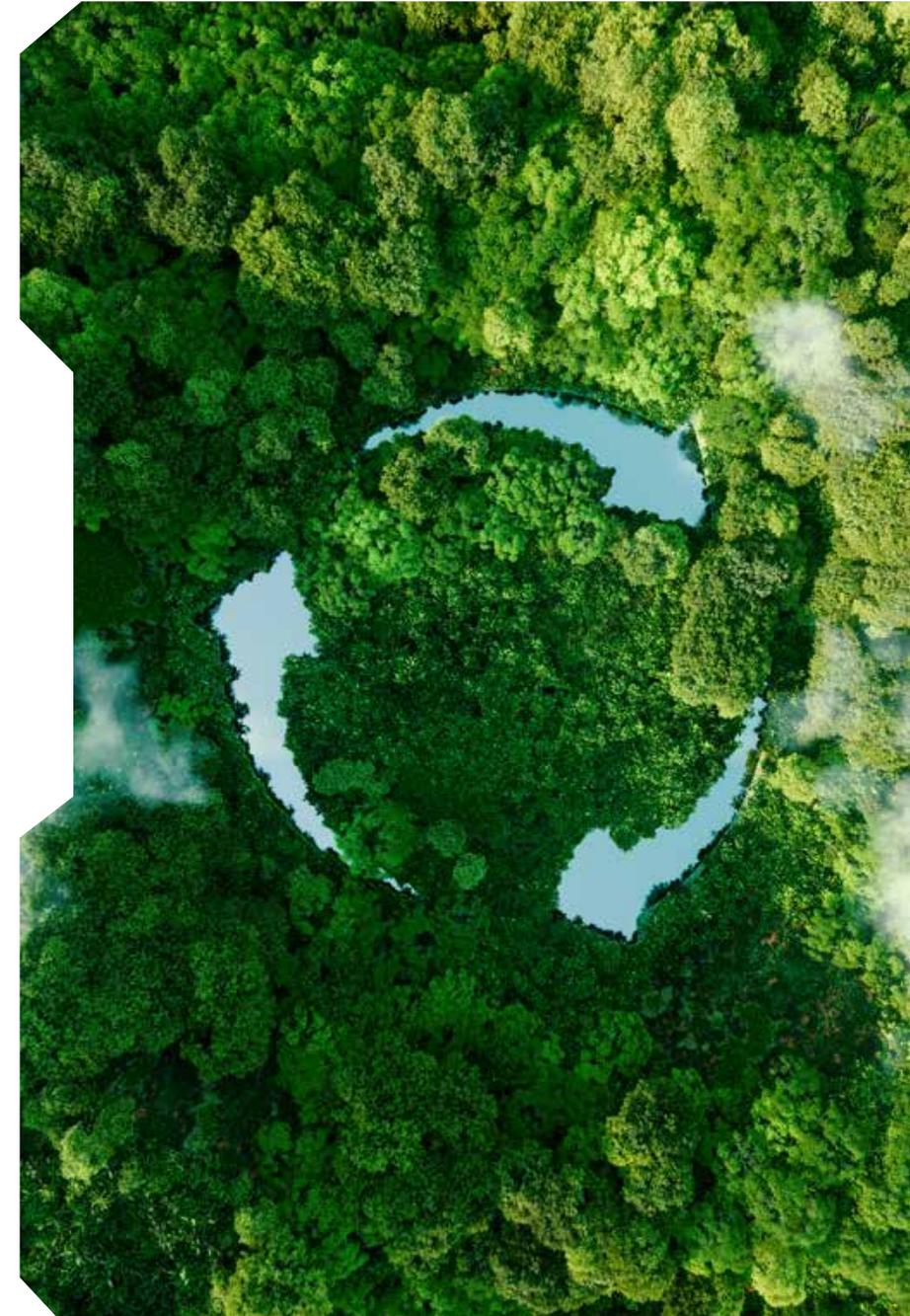
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# Emission intensity (tCO<sub>2</sub>e/ton produced) - Mexico Industrial Complex



While total emissions have increased over the previous period, there has been a steady reduction in emissions intensity year over year. This means that we have managed to reduce GHG emissions in relation to our production volume and efficiency.





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## Other atmospheric emissions – ppmv concentration

	Personal Care Plant (PC)	Over-the-Counter (OTC) Medicines Plant	Average
Carbon monoxide (CO)	39.18	41.45	40.32
Nitrogen Oxides (NOx)	47.13	46.97	47.05

We measure our carbon monoxide and nitrogen oxide emissions ensuring that concentrations do not exceed the limits established by **NOM-085-SEMARNAT-2011**, which establishes the maximum permissible emission limits for indirectly heated combustion equipment and their measurement.

To know more about Genomma Lab's 2023 report on Greenhouse Gas (GHG) emissions associated with the operating limits described in this inventory, as well as the sources and calculation methodology, please click on the following [link](#). 





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# BIODIVERSITY PROTECTION AND DEFORESTATION PREVENTION

(GRI 3-3: Biodiversity and Deforestation)

We are dedicated to caring for and protecting ecosystems, and we have been implementing the **Biodiversity and Non-Deforestation Policy** since 2022. This policy guides all of our actions, from operations and products to our value chain.



**We planted 700 trees and 200 cactus stalks** on one hectare in the community of Dotegiare, Municipality of San Felipe del Progreso, State of Mexico. It is estimated that each tree planted will capture 167 kg of CO<sub>2</sub> per year.



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In collaboration with **Carbon Free Brazil**, we took part in the “Let's Plant Together” program, in which volunteers **planted 250 native trees** in a forest reserve. With this initiative, we seek to mitigate environmental impacts and benefit the reserve community.



As part of our “Good Neighbor” program, we continued our collaboration with **Fundación Criantia** to care for and support students in the San Cayetano community through the following space renovation activities<sup>79</sup> at **Juan Jacobo Rousseau High School**:

1. Reforestation of corridors and planters.
2. Creation of a school garden.
3. Restoration of planters.



<sup>79</sup> Only activities related to biodiversity are mentioned. For more information on the other actions carried out, please refer to the Well-being of Communities section of the Our People and Communities chapter of this report.





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**Tío Nacho**®, one of the most emblematic brands in our portfolio, partnered with UBEES® to create a community beekeeping laboratory in Antioquia, Colombia. The laboratory aims to protect more **than 1.6 million bees and pollinate more than 300 hectares of crops**, in addition to empowering communities in the region and training them in regenerative beekeeping.

In the first months of 2024, our **Tukol**® and **Tío Nacho**® brands will collaborate with **UBEES**®

to establish a beekeeping laboratory in Cape Canaveral, Florida. **The goal is to conserve over 1 million bees and pollinate 300 hectares.**

These alliances not only benefit the bees and the environment, but also strengthen **Tío Nacho**®'s ties with our customers and the communities in the countries where we operate.



Click and find out more





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Our strategic alliance with Propal® and Ingeniería Gráfica®, has allowed us to change our boxes or folding cartons for the OTC medicine portfolio in Colombia, Ecuador, and Central America, from conventional cardboard to 100% **made of sugar cane bagasse, an alternative fiber certified with the “Earth Pact” seal.** We seek to reflect our commitment to circular economy and environmental care and protection. With this significant move, we will promote local consumption, **benefit Colombian suppliers,** and contribute to the development of the communities that are part of sugar factories, substituting forestry inputs for agro-industrial waste.





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# COUNTRY INITIATIVES

## ARGENTINA



### Reduction of packing material

Our product line now uses more sustainable packaging, including the new **Doypack packaging for Tío Nacho® Restage, which uses 82% less packaging material** than the classic version. **We are also using recycled resin in the lids of Teatrical® creams.**

### Resource optimization and waste reduction

We have implemented a raw material and packaging material revalidation plan, **revalidating more than 17 tons of raw material and approximately 10 tons of packaging material.** We have also been **certified by the Ecoplas association** to ensure the recyclability of our packaging.



## CHILE



### Hiring a supplier for waste management

We work together with the supplier **ReSimple** to **comply with the new EPR Law<sup>80</sup> in Chile.** This involves submitting all relevant data to the Chilean Ministry of Environment (Ministerio del Medio Ambiente) and ReSimple, ensuring traceability of both household and non-household waste.

<sup>80</sup> The new Extended Producer Responsibility Law (Law 20.920), better known as the EPR or Recycling Law, is a new regulation that will promote the recycling chain to reduce waste generation and safeguard the environment and public health.



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# COLOMBIA



## Product disposal

98%<sup>81</sup> of the product waste generated was disposed of through environmentally friendly processes such as composting and recycling. In addition, with **Solistica's** support, we were able to manage 13,218 kg of packaging waste, which contributes to the collective goal of the **Punto Azul Post-Consumption Plan** and compliance with regulatory requirements.<sup>82</sup>

Through these **good waste management practices, we avoided 25 tons of CO<sub>2</sub>eq in 2023.**

## Transition to Renewable Energy Transportation

This initiative **has made it possible to avoid the generation of 3.1 tons of CO<sub>2</sub> by implementing electric vehicles and transitioning to the use of natural gas for vehicles (NGV).**



## Innovation and sustainability in our packaging

We have improved the sustainability of our OTC packaging by **transitioning from cardboard folding cartons to sugarcane bagasse. These new packages, called Earth Pack,** are completely free of forest inputs. Additionally, we have worked closely with our corrugated material supplier to transition to certified forest material.



81 The remaining 2% corresponds to pot and sachet waste.

82 All Medicine Registration Holders that import or manufacture medicines in Colombia are obliged to have a Post-consumption Plan for Medicines. In an effort to protect the environment and the public health of Colombians, Punto Azul, a non-profit organization, seeks to strengthen its ties to the pharmaceutical sector value chain by developing mechanisms for the sustainable consumption of medicines. This is particularly true with regard to the proper disposal of post-consumer products that are damaged, expired, or partially consumed.



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# RESPONSIBLE BUSINESS

Our commitment to transparency, ethics, and strong Corporate Governance lays the foundation for our success. For this reason, we have values, policies, and

processes to ensure the integrity of the business, in addition to complying with the laws and regulations of each country where we operate.



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# CORPORATE GOVERNMENT<sup>83</sup>

(GRI 2-9, 2-11, 405-1)

We adhere to the strictest industry standards and follow the recommendations of the Mexican Stock Exchange and the National Banking and Securities Commission (CNBV), as well

as opportunities for development identified through Corporate Sustainability Assessment reviews.

## BOARD OF DIRECTORS

(GRI 2-9, 2-11)

The Company's highest management body is the Board of Directors. On February 23, 2023, Jorge Brake stepped down as the company's CEO and Marco Sparvieri took over in that capacity. Later, on April 28, 2023, the General Shareholders' Meeting approved the appointment of Jorge Brake as a new member of the board in addition to ratifying the current members of the board of directors. In his new capacity, the latter still actively contributes to the Company's strategic choices in the areas of public relations, investor

management, growth prospects analysis, and new business exploration. He also continues to serve as a mentor and guide to the company's executives, assisting them in their professional development.

At the end of 2023, the Board of Directors consisted of 11 directors and one alternate director, with 7 of them being independent (58%), in accordance with the provisions of the Mexican Securities Market Law<sup>84</sup>.

<sup>83</sup> For more information, please visit the following [link](#)

<sup>84</sup> The bylaws state that the Board of Directors may be composed of a maximum of 21 members, of which at least 25% must be independent, in accordance with the Mexican Securities Market Law.



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No member plays an executive role in the Company. With an average tenure of 8 years on the Board, they all have industry experience<sup>85</sup> and come from different backgrounds, including finance, energy, technology, industrial, advertising, and communications. Furthermore, 83% are members of at least one other Board of Directors<sup>86</sup>, and one represents the Company's interest group<sup>87</sup>.



# RELEVANT NUMBERS

## BY GENDER

- 10 men
- 2 women (1 alternate director)

## BY AGE RANGE

- 2 between 30 and 50 years of age
- 10 over 50 years of age

## BY INDEPENDENCE

- 6 Independent Proprietary Directors\*
- 3 Related Proprietary Directors
- 1 Independent Proprietary Director\*
- 1 Equity Proprietary Director
- 1 Related Alternate Director

\*Considered independent under the criteria established in Art. 26 of the Mexican Securities Market Law (Ley del Mercado de Valores, LMV)

85 We consider industry experience to be that which can be acquired through roles in management, academia, consulting or research in the sectors of energy, materials, industrial, consumer goods, health care, finance, information technology, communication services, public utilities, or real estate.

86 No maximum number of governance bodies outside the organization to which directors may belong has been established.

87 Ignacio González Rodríguez is a member of the Board of Directors and shareholder in GRUPO PAVISA S.A. de C.V., which has commercial relations with Genomma Lab Internacional and does not represent a significant percentage in the Company's supply.





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# BIOGRAPHICAL INFORMATION OF THE BOARD OF DIRECTORS

(GRI 2-9, 2-11, 2-17, 205-2)

Given their extensive professional experience and various external activities, members of the Board of Directors are constantly updated on economics, risks, taxation, social, and environmental matters. In addition, our Legal Department, supported by the non-member Secretary of the Board of Directors, provides regular updates to board members on relevant issues, especially with regard to regulatory and compliance changes<sup>88</sup>. In 2023, 75% of directors completed the mandatory corporate sustainability course, developed on the Gen Institute platform.

The details of each director’s career and professional experience are listed below:

## Rodrigo Alonso Herrera Aspra

**Chairman of the Board of Directors  
Related Proprietary Director**

Founder and main shareholder of Genomma Lab Internacional. He has more than 25 years of experience in marketing and brand positioning strategies and is ultimately responsible for the proper functioning of the Board of Directors and the evaluation of the Operating Committee. He holds a bachelor’s degree in engineering and administration from Anahuac University (Universidad Anáhuac) and a master’s degree in Senior Management from the Graduate School of Senior Management (Colegio de Graduados en Alta Dirección). He is a director of Grupo Financiero Multiva S.A.B. de C.V., a company unrelated to Genomma Lab Internacional. He has served on the Board of Directors of Genomma Lab Internacional for the past 15 years.

<sup>88</sup> 100% of the members of the Board of Directors were informed and trained on issues related to corruption



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## Javier Vale Castilla

### Independent Proprietary Director

Founder and President of Grupo Vale Euro RSCG, which is one of the four leading advertising agencies in Mexico. He has extensive experience in advertising, marketing, and corporate communications and manages the advertising agency's operations in 18 countries in Latin America. He holds a degree in Communications and Electronics Engineering from the Superior School of Mechanical and Electrical Engineering (Escuela Superior de Ingeniería Mecánica y Eléctrica, ESIME) of the National Polytechnic Institute (Instituto Politécnico Nacional). Due to his merits and achievements in the field of communication and advertising, the University Communication Center (Centro Universitario de Comunicación) presented him with the Doctor Honoris Causa award. He has been on the Board of Directors of Genomma Lab Internacional for six years.

## Juan Carlos Gavito Aspe

### Independent Proprietary Director Member of the Audit and Corporate Practices Committee

Founder of Airos Capital, an investment fund specializing in private equity and investments. Previously, he was a director of Nexus Capital, where he participated in the Public Offerings (IPOs) of Genomma Lab Internacional and Grupo Hotelero Santa Fe, as well as in private M&A transactions. He has also served on the Boards of Directors of several companies, including Taco Holdings and Recubre. He holds a bachelor's degree in industrial engineering from the Iberoamerican University (Universidad Iberoamericana) and an MBA from the Pan-American Institute of Senior Management (Instituto Panamericano de Alta Dirección de Empresa, IPADE). He has been on the Board of Directors of Genomma Lab Internacional for five years.



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## Juan Alonso

### Independent Proprietary Director, Member of the Audit and Corporate Practices Committee

He is currently Chief Executive Officer of Zao Future Technologies, a construction company in Russia, a brand known as SUN CITY Developments. He is also a majority shareholder of Zao Silver, Nestlé’s national water bottler in Russia. Previously, he was president of Domino’s Pizza Jalisco. S.A. de C.V., as well as the majority shareholder of Baskin Robbins D.F. He has been on the Board of Directors of Genomma Lab Internacional for 14 years.

## Carlos Javier Vara Alonso

### Independent Proprietary Director

Founder of Vace Partners, he worked for more than nine years at Citigroup as Director of the Investment Banking team in Mexico and Latin America. He is currently a member of Grupo Gigante’s Board of Directors and Finance Committee and a member of Hoteles Presidente’s Board of Directors, where he is also Chairman of the Development Committee. He was also a member of Aeromexico’s Board of Directors and Finance Committee. His experience includes projects in companies in diverse industries, such as financial institutions, consumer goods, retail, industrial conglomerates, education, transportation, and mining metals. He holds a degree in Economics from the Mexico Autonomous Institute (Instituto Autónomo de México, ITAM) and an MBA from the Yale School of Management. He has been on the Board of Directors of Genomma Lab Internacional for six years.



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## Jorge Ricardo Gutiérrez Muñoz

### Independent Proprietary Director, Chairman of the Audit and Corporate Practices Committee

A Certified Public Accountant from the National Polytechnic Institute (Instituto Politécnico Nacional) with a master's degree in finance from La Salle University (Universidad La Salle), he is a member of the Boards of Directors of: Mexichem, S.A.B. de C.V., Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., Grupo Pochteca, S.A.B de C.V. Arcos Dorados, S.A. de C.V. and Bolsa Mexicana de Valores, S.A.B. de C.V. He has also served as Chief Executive Officer of Mexichem, S.A.B. de C.V., Chief Executive Officer and Member of the Board of Directors of Grupo Industrial Camesa, Vice President of Corporate Development at Empresas Lanzagorta and Chief Financial Officer at Indetel / Alcatel. He has been on the Board of Directors of Genomma Lab Internacional for seven years.

## Ignacio González Rodríguez

### Independent Proprietary Director

He is the Chief Executive Officer of FAGO and a member of the Board of Directors of Grupo Pavisá S.A. de C.V., a 60-year-old company specializing in the manufacture and marketing of specialty glass and glass packaging for a variety of industries, including cosmetics and pharmaceuticals, as well as ultra-premium spirits and quality food and beverages. He holds a bachelor's degree in marketing from the Monterrey Institute of Technology and Higher Education (Instituto Tecnológico y de Estudios Superiores de Monterrey, ITESM) and a diploma from the Pan-American Institute of Senior Management (Instituto Panamericano de Alta Dirección de Empresa, IPADE). He has been part of the Board of Directors of Genomma Lab Internacional for five years.



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## Burkhard Wittek

### Equity Proprietary Director

Founding Partner and Managing Director of Forum Family Office Services GmbH (“FFO”), a Company located in Munich, Germany. He has more than 35 years of experience in asset management, was a partner with global responsibility for the consumer goods/retail and healthcare sectors for Boston Consulting Group and an advisor to the private equity fund of MTH München Trust Holding GmbH. He holds a PhD in Management and Finance from the University of Innsbruck and an MBA from Harvard Graduate School of Business. He currently serves as Non-Executive Chairman of the Board of Directors of Immunodiagnostic Systems Holdings PLC, Cobo Fluid System GmbH, among others. He has been part of the Board of Directors of Genomma Lab Internacional for five years.

## Sabrina Lucila Herrera Aspra

### Related Proprietary Director

She collaborated for 15 years with different companies, including Posadas de México, in the areas of public relations, administration, and finance. In 1998, she joined Genomma Lab Internacional to manage the Company’s international sales. In 2004, as Director of International Operations, she initiated the opening of Latin American markets, replicating the Company’s business model. She holds a bachelor’s degree in computer science from Anahuac University (Universidad Anáhuac) and a master’s degree in senior management from the Graduate School of Senior Management (Colegio de Graduados de Alta Dirección). She is Chairwoman of the Board of Directors and shareholder of HEROE, S.A. de C.V. She is also a member of the Board of Directors of Alimentos Siosi, S.A. de C.V. She is also a member of the Board of Directors of Outhinkers Fund, Inc. None of these companies is related to Genomma Lab Internacional. She has served on the Board of Directors of Genomma Lab Internacional for 11 years and is Chairwoman of Fundación Genomma Lab.



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## Marco Francisco Forastieri Muñoz

### Independent Proprietary Director

He holds a Law degree from Escuela Libre de Derecho. He has more than 30 years of experience in transactional, corporate, financial, and securities market law, both in Mexico and worldwide. He was a founding partner of Forastieri Abogados. He was also a Senior Partner in the legal practice of Ernst & Young (EY), where he held the position of Leader for the Northern Region of Latin America. He is also Secretary of the Board of Directors of other Mexican companies. He has been on the Board of Directors of Genomma Lab Internacional for four years.

## Jorge Brake Valderrama

### Related Proprietary Director

Industrial Engineer from the University of Lima (Universidad de Lima) in Peru. He holds an MBA from the Harrington Institute in the United Kingdom, as well as an Executive Program in Senior Management and Corporate Governance from Harvard Business School (HBS). He was Senior Vice President of Global Operations at Laureate Education, Inc. (NASDAQ: LAUR), Chief Executive Officer in Latin America for Procter & Gamble Company, where he collaborated for almost 25 years in different leadership positions in the areas of sales, customer service, and general management in Mexico, Peru, Brazil, the United States, Colombia, and Central America. He held the position of Chief Executive Officer of Genomma Lab from September 2018 to February 2023. He is currently a member of different boards of directors in the food, education and e-commerce sectors. He has been on the Board of Directors since April 2023.



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## Renata Virginia Herrera Aspra

### Related Alternate Director

She held various management positions at Genomma Lab Internacional, S.A.B. de C.V., such as Director of Research and Development, Special Launches, Human Resources, and Production. Previously, she developed ad-hoc programs for Seguros La Comercial, in the major medical expenses subsidiary. She also worked for several years with cancer patients, reporting to the Government of the State of Queretaro, and was a professor at the Autonomous University of Queretaro (Universidad Autónoma de Querétaro) for three years. She has a degree in Computer Science from Anahuac University (Universidad Anáhuac). She has been on the Board of Directors of Genomma Lab Internacional for 11 years.

# DUTIES OF THE BOARD OF DIRECTORS

(GRI 2-12, 2-13)

Genomma Lab Internacional's Board of Directors is in charge of developing basic principles for business management and overseeing their implementation, as well as assessing their impact on financial, administrative, and legal matters. It also evaluates the performance of key executives and approves, subject to the opinion of the corresponding committee, policies related to the use of assets, transactions with related parties, internal control, internal audit and accounting policies, in accordance with the accounting principles recognized or issued by the National Banking and Securities Commission.

Furthermore, in accordance with the provisions of the Mexican Securities Law (Ley Mexicana de Valores, LMV), the Board of Directors is backed by the Chief Executive Officer and certain key executives to manage and develop the business, delegating functions to them within the established legal limits. The Global Leader of Institutional Relations, Social Responsibility, and Human Resources is also responsible for gathering our stakeholders' concerns about economic, environmental, and social issues and communicating them to the teams in charge, backed by both the Executive Committee and the Global Sustainability Committee.



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# NOMINATION AND APPOINTMENT

(GRI 2-10, 2-18)

The members of the Board of Directors are elected or re-elected annually by the Ordinary General Shareholders’ Meeting. Several factors are considered when appointing directors to ensure that candidates are qualified to perform their roles effectively. These factors include their specialist knowledge, extensive professional experience, and risk management skills. In order to guarantee consistency in decision-making and the strategic direction of the company, it is also assessed whether the candidates’ personal values coincide with the Company’s values and goals.

In this regard, we want to highlight that at Genomma Lab Internacional we are aware of the importance of diversity and inclusion both on our Board of Directors and in the organization’s many workspaces. We recognize that these principles are essential for stimulating innovation, accelerating growth, and enabling sound decision-making, all of which support the development of a competitive corporate culture. As a result, the **Diversity and Inclusion Policy was developed and approved by the Board of Directors<sup>89</sup>** in order to actively promote an inclusive culture and establish models of conduct that support equality while avoiding all forms of discrimination.

89 The Board of Directors, either directly or through the Ethics Committee and the Executive Committee, is responsible for ensuring the dissemination, training, compliance, and updating of the policy.





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# PERFORMANCE ASSESSMENT

(GRI 2-18)

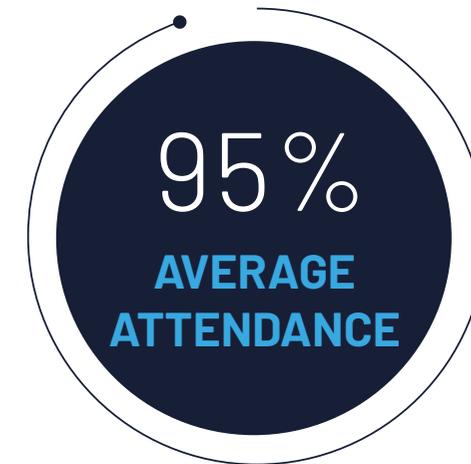
As part of their continuous improvement process, members conduct a performance self-assessment, on an annual basis, using the International Institute for Management Development’s (IMD) Four Pillars of Effectiveness. The Board of Directors is also yearly evaluated by the General Shareholders’ Meeting, which considers economic, social, and environmental aspects of the business’s overall performance. The Board’s Activity Report, the General Manager’s Activity Report, and the Audit and Corporate Practices Committee’s Activity Report are also taken into account.

It is noteworthy to mention that the Board of Directors has committed to integrating sustainability metrics and ESG criteria into the performance evaluations of all senior officers of the company within the next two years.

# EFFECTIVENESS AND REMUNERATION<sup>90</sup>

(GRI 2-20)

The Board of Directors met six times in 2023, with 95% of attendees on average.



The remuneration for attendance at each session of the Company’s Board of Directors and Audit and Corporate Practices Committee in 2023 remained unchanged from what was previously approved by the Shareholders’ Meeting.

<sup>90</sup> No minimum attendance percentage has been established for all members of the Board of Directors.



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# COMMITTEES

(GRI 2-9)

The Board of Directors is assisted by three committees:



## AUDIT AND CORPORATE PRACTICES COMMITTEE

It is made up of a minimum of three members, with the Annual General Shareholders' Meeting designating its chairman. The Chairman is appointed by the Shareholders' Meeting in accordance with the provisions of Article 25 of the Securities Market Law (LMV).

Its primary duties include advising the Board of Directors on LMV-related issues, assessing the external auditor's performance, examining its reports, and examining the company's financial statements. It also reports to the Board any issues with internal control.

The Committee also gathers feedback from directors, shareholders, and other interested parties; when needed, it consults independent experts, and it calls Shareholder Meetings, proposing topics for discussion.

Lastly, it submits an annual report to the Board that contains information about related party transactions, the state of internal controls, corrective actions, assessments of external auditors, modifications to accounting policies, and compliance to Board and Assembly resolutions<sup>91</sup>.

91 For more information about the duties of the Audit and Corporate Practices Committee, please refer to our [2022 Report](#).



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# Members of the Audit and Corporate Practices Committee

**Jorge Ricardo  
Gutiérrez Muñoz**  
Chairman

**Juan Carlos  
Gavito Aspe**  
Independent  
Director

**Juan Alonso**  
Independent  
Director





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# REPORT OF THE CHAIRMAN OF THE AUDIT AND CORPORATE PRACTICES COMMITTEE

Mexico City, Mexico, April 11, 2024.

## To the Board of Directors and the Shareholders' Meeting of Genomma Lab Internacional, S.A.B. de C.V.

In accordance with the provisions of Article 43, Sections I and II, of the Securities Market Law, the undersigned, Chairman of the Audit and Corporate Practices Committee of Genomma Lab Internacional, S.A.B. de C.V. (the "Company"), I present to you the following Annual Report approved by all the members of said Committee, corresponding to the fiscal year ended December 31, 2023:

In consideration of the provisions contained in the Securities Market Law, during this period the Committee's focus was, in general and mainly, on:

1. Carrying out the auditing activities conferred by law to support the Board of Directors.
2. Holding periodic and continuous meetings with the Management, as well as with the external auditors.

3. Developing the activities around corporate practices conferred by law to support the Board of Directors. Por lo que respecta a conceptos específicos correspondientes a las funciones aprobadas para este Comité, damos a conocer los siguientes resultados:

### 1. In Audit matters:

#### A. Internal Control and Internal Audit System of the Company and the legal entities it controls.

Taking into account the opinions, reports, communications, and the external audit opinion, the Company continues to verify compliance with the most relevant internal control provisions in the handling of financial information, and as a result, I hereby state that the Company maintains internal control policies and procedures that provide reasonable assurance in the operations it performs.



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The differences in internal control matters that were analyzed by the Committee had no significant impact on the Company.

The Company has promptly addressed the recommendations issued by the Committee and its external auditors in order to improve its control and internal audit system, as well as to correct the deficiencies and deviations of said system.

B. Preventive and Corrective Measures Implemented in relation to the Operation and Accounting Registry Guidelines and Policies.

The Committee has ensured the objectivity and integrity of the accounting records, as well as compliance with the Company's Operations Guidelines and Policies and Accounting Record, which were consistently applied in the preparation of the Company's financial statements as of December 31, 2023. Likewise, the work plans of the function that develops the internal audit in the Company were reviewed and approved.

C. External Auditor's Performance Evaluation.

A favorable opinion was issued to ratify the firm Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte) as the Company's external auditor, to audit the consolidated financial statements for the Company's 2023 fiscal year, as well as to ratify and/or appoint the external auditors to audit the financial statements of the Company's main subsidiaries.

For the year ended on December 31, 2023, for the audit services of the consolidated financial statements of the Company and its main subsidiaries, a budget of \$5,104,000.000 MXN (five million one hundred and four thousand 00/100 Mexican Pesos) plus VAT was reviewed and authorized.

The work plans for the financial statements and internal control compliance provided by Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte) were reviewed and approved in their entirety by this Committee.



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The Committee's compliance with the independence standards was validated through many interviews and meetings with external auditors.

For fiscal year 2023, the Company discussed the remarks on internal control with its external auditors and management, as well as the strategies and scope employed in its audit.

As a result of the foregoing, the Committee is satisfied with the performance and outcomes of the Company's external auditors.

D. Results of the Audits of the Financial Statements of the Company and of the Legal Entities Controlled by it.

The Committee reviewed the consolidated financial statements of the Company and its subsidiaries as of December 31, 2023, which were prepared on the basis of consistently applied Financial Reporting Standards, and in accordance with applicable auditing standards and procedures, as well as the opinion of the corresponding external auditor, which was issued without exceptions.

The Committee reviewed the Company's financial statements for fiscal year 2023 and, as a result of the foregoing, it has recommended to the Board of Directors the approval of the same, since they reasonably reflect

the Company's financial position and results, the relevant events have been adequately disclosed, the application of the accounting policies and criteria has been consistent and adequate, and the Company's management has complied with the implementation and assurance processes of the internal control systems and with the recommendations made.

E. Opinion of the Audit and Corporate Practices Committee on the report referred to in Article 28, Section IV, Subparagraph c) of the Securities Market Law to submit it for consideration by the Company's Board of Directors.

In accordance with the provisions of Article 42, Section II, Subsection (e) of the Securities Market Law, after having held various meetings with the Company's Chief Executive Officer and with the relevant directors of the Company and of the companies controlled by it, regarding the content of the Report of the Chief Executive Officer in terms of the provisions of Article 44, Section XI of the Securities Market Law, having reviewed the necessary information and supporting documentation, including the opinion issued by firm Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte), as External Auditor of the Company, the Committee considers that the Report of the Chief Executive Officer that will be presented to the Shareholders' Meeting is adequate and sufficient and that:



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(i) the accounting and information policies and criteria followed by the Company are adequate and sufficient taking into consideration the particular circumstances of the Company; (ii) policies and criteria have been applied consistently in the information presented by the CEO; and (iii) as a consequence of subparagraphs (i) and (ii) above, the information presented by the General Director reasonably reflects the financial situation and results of the Company.

#### F. Measures Adopted as a Result of Relevant Remarks.

During fiscal year 2023, no relevant remarks were made by the Company's shareholders, directors, relevant executives, employees or, in general, by any third party with respect to accounting, internal controls, or matters related to internal or external auditing, nor were any complaints filed regarding facts that they consider irregular in the administration.

#### G. Follow-up of the Resolutions of the Shareholders Meetings and of the Board of Directors.

The Company promptly complied with the resolutions and recommendations issued by the Company's Shareholders

Meeting and Board of Directors during fiscal year 2023.

## **2. Regarding Corporate Practices:**

### A. Performance of Relevant Directors:

During fiscal year 2023, the Company obtained satisfactory results and observed a favorable performance of the Company's Relevant Directors, since the objectives and priorities presented by the Company to the Board of Directors for the year 2023 were achieved.

### B. Transactions with Related Parties:

The Committee has verified the operations carried out by the Company during the 2023 financial year, which have been carried out at market prices or, where appropriate, supported by valuations carried out by external specialists.



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C. Emoluments or integral compensation packages for the Chief Executive Officer and/or Relevant Directors:

The Committee reviewed the annual compensation of the Chief Executive Officer and the Executive Chairman, as well as the proposed compensation for the Company's other Relevant Directors and advised the Board of Directors of its favorable judgment.

D. Waivers granted by the Board of Directors:

During the fiscal year ended December 31, 2023, no transactions occurred in which it was necessary to grant any waiver to the Directors, Relevant Executives or persons with power of command in the Company, for such persons to take advantage of business opportunities for themselves or the business in favor of third parties, which correspond to the Company or to the legal entities controlled by it or in which it has a significant influence.

E. Other activities of the Audit and Corporate Practices Committee:

In addition to the above, during fiscal year 2023, the Audit and Corporate Practices Committee reviewed, analyzed, and issued its favorable opinion regarding the following relevant matters: 1) Se informó sobre ciertos litigios de la Sociedad y sus subsidiarias.

1. Certain litigation by the Company and its subsidiaries was reported.
2. A favorable opinion was issued for the approval of the audited annual financial statements of the Company and its subsidiaries with figures as of December 31, 2022.
3. A favorable opinion was issued for the approval of the Company's financial information corresponding to the fourth quarter of 2022, as well as that corresponding to the first, second, and third quarters of 2023.
4. A favorable opinion was issued to submit for consideration of the Company's Board of Directors the appointment of Juan Marco Sparvieri as Chief Executive Officer of the Company.
5. A favorable opinion was issued for the (i) ratification of different, unrelated and additional professional services to the external audit services (the "Additional Services") provided to the Company and its subsidiaries during fiscal year 2022 by the external auditor, as well as the fees paid by the Company and its subsidiaries for said additional services, and (ii) approval of the provision of Additional Services during fiscal year 2023 and the



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fees to be paid for them, provided that the Additional Services are provided in accordance with the provisions of the Policy for the approval of fees for services provided by the external auditor regarding services that the latter can provide to the Company and its subsidiaries without endangering their independence.

6. A favorable opinion was issued for the ratification of the external auditors of the Company and its main subsidiaries and the fees for the corresponding services.

7. The Board of Directors was informed about the application of the inflationary accounting standards derived from the situation in Argentina (macroeconomic aspects, inflation, and devaluation of local currency), as well as the impact of said standards on the Company's consolidated financial statements.

8. The Board of Directors was informed of the impairment status, under International Financial Reporting Standards, of certain intangible assets owned by the Company or its subsidiaries.

F. Composition of the Audit and Corporate Practices Committee and meetings held

The Audit and Corporate Practices Committee is composed of the following members:

Name	Cargo
Jorge Ricardo Gutiérrez Muñoz	President
Juan Carlos Gavito Aspe	Member
Juan Alonso	Member

The Company's Audit and Corporate Practices Committee held meetings or adopted out-of-session resolutions on February 20, February 22, April 11, April 24, July 24 and October 23, 2023, and at each meeting minutes were taken or resolutions were recorded with respect to the agreements adopted.

Sincerely,

**Jorge Ricardo Gutiérrez Muñoz**

Chairman of the Audit and Corporate Practices Committee  
Genomma Lab Internacional, S.A.B. de C.V. .



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# ETHICS COMMITTEE

(GRI 2-9, 2-14)

The internal body known as the Ethics Committee is responsible for overseeing the proper observance and implementation of our Corporate Integrity Policies, Code of Conduct and Ethics, applicable laws, and “GenBook,” our manual of values, principles, and behaviors. The Committee is responsible for receiving, investigating, and resolving cases of non-compliance reported by employees, suppliers, business partners, or members of the communities surrounding our operation centers. It also suggests policies and procedures to be implemented within the Company to establish a legal culture and an environment that is conducive to the team’s collective and individual performance.

## Members of the Ethics Committee





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# EXECUTIVE COMMITTEE

The Executive Committee was formed as a result of the Board of Directors delegating activities related to the management of the company's affairs and business. This Committee is composed of five members, who are appointed either by the General Shareholders' Meeting or by the Board of Directors itself. Meetings are held at least once a month, in addition to extraordinary meetings as per the respective notice of meeting.

Intervene in financial and general planning matters, including

- (i) the appointment, removal and compensation of officers and employees of the Company;
- (ii) the execution of financing agreements by the Company;

(iii) the calling of the Company's general shareholders' meetings;

(iv) any other matter delegated to it by the Board of Directors of the Company, provided that, by law, the Company's bylaws or any other administrative provision, they are not reserved for the shareholders' meeting, the Board of Directors, the Audit and Corporate Practices Committee of the Company; and

(v) inform the Board of Directors of the Company of any significant irregularities detected in the performance of its duties and, if applicable, of the corrective actions taken or propose those that should be applied.





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# Members of the Executive Committee



The Board of Directors appoints members to the Operating Committee’s Sub-Committees. They are listed below:

- **Financial Impacts Sub-Committee**
- **Risk Management and Internal Audit Sub-Committee**
- **Business Development Sub-Committee**
- **Financing, Banking and Cash Flow Sub-Committee**
- **Brand Strategy Sub-Committee**
- **Institutional Relations and Communication Sub-Committee**
- **Sustainability Sub-Committee**
- **Innovation Sub-Committee**
- **Media Sub-Committee**
- **Supply Chain Sub-Committee**
- **Organizational Transformation Sub-Committee**



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## Sustainability Sub-Committee

With the purpose of integrating sustainability into all areas of the Company, we established the Global Sustainability Sub-Committee in 2020, and it was formally constituted in 2022. Its purpose is to define short- and long-term objectives and goals in environmental, social, and responsible business terms.

It also keeps track of how the Sustainability Strategy's initiatives are doing and creates plans of action, policies, and guidelines to deal with opportunities and risks that come from our business model and have an effect on our stakeholders. The Committee, chaired by the Chairman of the Board of Directors and the Chief Executive Officer, is composed of leaders from the following areas:

- **Business Units**
- **Manufacturing**
- **Supply and Demand Planning**
- **Logistics**
- **Development**
- **Regulatory Affairs**
- **Finance**
- **Human Resources**
- **General Managers - Countries**





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# Sustainability Structure



The Global Sustainability Sub-Committee also includes the Global Social Responsibility Committee, which is responsible for implementing social initiatives that have a local and international impact. This sub-Committee is led by the Global

Leader for Institutional Relations, Social Responsibility, and Human Resources. At the same time, it leads the Global Diversity, Inclusion, and Gender Equity Committee.





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# INVESTOR RELATIONS

(GRI 3-3: Investor Relations)

Our priority is to ensure the Company's financial and economic sustainability in a context of transparency and legal compliance. We seek to ensure the Company's continued success and profitability for our shareholders, while retaining their confidence.

Through the Investor Relations department, we are in continuous contact with both the general investing public and our financial partners. We accomplish this through a variety of means, including **our website**, regular meetings, earnings conferences, press releases, quarterly financial reports, and the annual report. During March 2023, we held **"Investor Day and Site Visit"** also known as "Genomma Day". This event, aimed at stock market analysts and institutional investors, was attended by a multidisciplinary team of Genomma executives who delivered presentations of high interest to the investment community.

In addition, they were invited to visit the industrial site. The objective is to show the progress and results of their investments.





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# ETHICS AND INTEGRITY

(GRI 3-3: Ethics and Corruption) (GRI 3-3: Responsible Business)

Ethics and integrity are essential to our organizational culture. We promote transparency, honesty, and accountability as the basis for building trust with our different stakeholders. Our integrity policies and **Code of Conduct and Ethics** establish guidelines for all our activities, providing guidance on behaviors, culture of legality and

channels for reporting non-compliance. Should there be concerns, employees can contact their immediate leaders or, alternatively, the legal team, the Ethics Committee, the **Ethics Hotline “GEN-Te Escucha”**, or any member of the Human Resources team.



## OUR POLICIES

(GRI 2-23)

In order to maintain an organizational culture that is in line with our beliefs and principles, our policies set behavioral expectations for both partners in business and employees.

These **policies**, publicly available on our website, provide clear guidelines for decision-making and reflect our commitment to integrity and transparency.



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All the policies are approved by the highest governing body and are communicated internally through our Intranet and to other interest groups through the signing of contracts. For more information on communication to suppliers, see the Supply Chain and Manufacturing chapter.

For more information visit; <https://esr.genommalab.com/es/politicas/>





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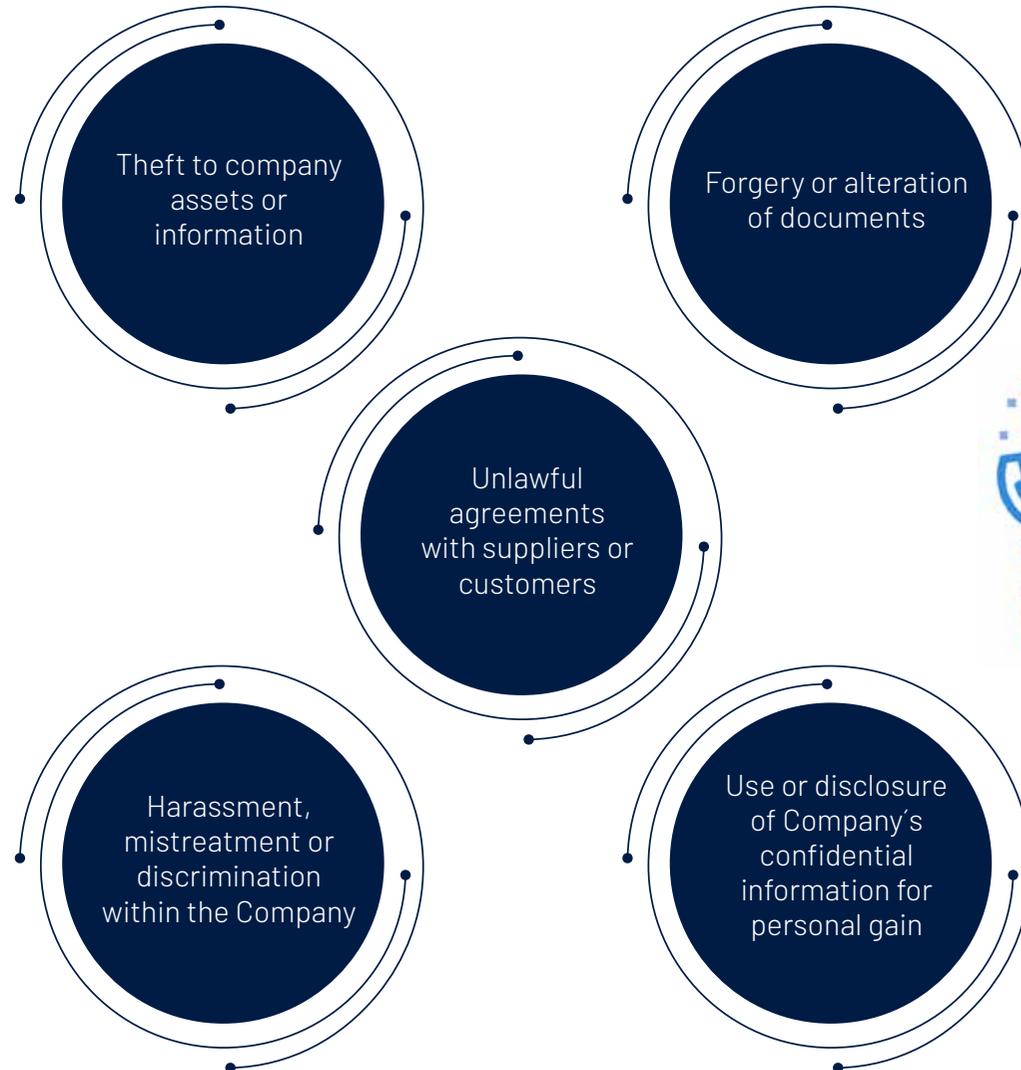
# “GEN-TE ESCUCHA” ETHICAL SYSTEM

(GRI 2-25, 2-26)

Genomma Lab Internacional encourages anonymous reporting of any irregularity, actual or possible non-compliance with our Code of Conduct and Ethics, Corporate Policies, Gen Book, procedures, and/or inappropriate conduct in our operations. This is why “GEN-TE ESCUCHA” is in place, a formal mechanism that can be used by all Genomma Lab Internacional employees globally and by our stakeholders.

It is a confidential platform managed by an independent partner that allows our employees and stakeholders to report any inappropriate conduct. After being examined by “Ethics Global” specialists, the data is forwarded to the Company’s Ethics Committee for review and resolution. This tool supports a preventative culture and prompt attention to actions that are inconsistent with our values.

Reportable information includes, but is not limited to, the following:





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# HOW "GEN-TE ESCUCHA" WORKS

Our ethics line has the following communication channels enabled:



### Via telephone:

Operators are available Monday through Saturday from 8 a.m. to 10 p.m.\*



### Via email:

Writing to the following address: [genteescucha@ethicsglobal.com](mailto:genteescucha@ethicsglobal.com)



### Via Website:

Accessing the website: [gen-teescucha.ethicsglobal.com](http://gen-teescucha.ethicsglobal.com)



### Mobile app

### EthicsGlobal:

Available for Android and IOS

## How does it work?



During 2023, to reinforce our ethical mechanism, we launched the [Protocol for Handling Ethical Reports](#). At Genomma Lab Internacional, we want everyone related to our Company to feel supported and accompanied while filing reports or reporting any issues. As a result, we developed this procedure, which clearly outlines the actions we will take to attend to and handle any situations that may arise.

\*Available in all countries where we operate, with the exception of Nicaragua and Panama, which use different reporting channels.



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# What happens if I file an ethics report?



We will receive your report through the GEN-Te Escucha ethics hotline, define whether the report is valid or not, and confirm that we will initiate the investigation process if it is valid.

We will assign one or more investigators to review the report and the evidence you provide. If necessary, we will ask you for more information or evidence to investigate. It is very important to have reliable and clear evidence to prove the facts reported (e.g. photographs, emails, text messages, videos, witnesses, etc.).

The investigator will pass their conclusions to the Ethics Committee of Genomma Lab Internacional, so that it can decide whether it is necessary to implement any disciplinary measure or other action. We will share with you whatever the resolution of the case may be.

We will follow up on possible retaliation and investigate in case of false reports.



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# How will my report be handled?

Regardless of who is filing the report or who is the person being reported, we will ensure that all investigations respect these principles:

**CONFIDENTIALITY:** We will protect your identity and the information you provide to us.

**RELIABLE AND CLEAR EVIDENCE:** We will ask you for the necessary evidence to investigate the case. Remember, the clearer and stronger the evidence (photographs, emails, text messages, videos, witnesses, etc.) you share with us, the better the chances of resolving the ethics report.

**ONGOING COMMUNICATION:** We will follow up promptly on your reports and communicate with you constantly to let you know the status of the investigation.

**NO RETALIATION:** Under no circumstances will we allow retaliation for those who participate in the process.

During 2023, 19 reports were made via the ethics line<sup>92</sup>, with one case reported by a supplier. In all reported cases, the standard protocol was followed and applied. Interviews were performed with the individuals named in the reports, as well as potential witnesses to the events recounted in them. Given the nature of the reports, Human Resources engaged the parties involved and provided them with a safe space to settle their differences, along with the backing of the Ethics Committee and the Legal department. As a result, in the three cases involving inappropriate behavior and sexual harassment, the employee's contract was terminated. In

addition, as part of the actions taken in the case involving Conflict of Interest, the Purchasing and Supply area was restructured.

In the last four years, 49 cases have been reported through our ethics line, with 60% more cases reported in 2023 than in 2020. We continue to work to ensure that all employees of our company feel confident, supported, and have the necessary assistance when submitting reports through our *GEN-Te Escucha* Ethics line.

92 The detail can be seen in Annex 3.



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# CONFLICTS OF INTEREST

(GRI 2-15)

As stated in our [Code of Conduct and Ethics](#), Genomma Lab Internacional is fully committed to objectivity and decision-making based on the Company's interests, while avoiding personal interference. The Code provides guidelines for identifying and reporting conflicts of interest in compliance with the Securities Market Law. In the event that a conflict of interest is suspected, the concerned Board of Directors members refrain from participating in related discussions and voting. When a conflict arises, the administrative bodies conduct a thorough analysis and take the necessary measures.

# ANTI-CORRUPTION

(GRI 3-3: Ethics and Corruption) (GRI 3-3: Responsible Business)  
 (GRI 2-27, 205-1, 205-2, 205-3, 415-1) (SASB HC-BP-240b.1, HC-BP-510a.1, HC-BP-510a.2)

To ensure a trusting and compliant work environment, our corporate governance follows best practices and laws in each country in which we operate. We have a strict

 **Anti-Corruption Policy** that prohibits and denounces any act of corruption, including influence peddling. This policy applies to all Genomma Lab Internacional employees, subsidiaries, and third parties over whom it has control under International Financial Reporting Standards<sup>93</sup> (IFRS 10), including joint ventures<sup>94</sup> and organizational representatives.

Our team must read and sign the Code of Conduct and Ethics, as well as our integrity policies, upon entering the company. In addition, they receive anti-corruption training every year to maintain and deepen their knowledge of our guidelines and values. During the first quarter of 2023, 96%

<sup>93</sup> They constitute the International Standards or international norms in the development of accounting activity.

<sup>94</sup> A joint venture is an agreement between two or more parties to work together toward a shared goal.



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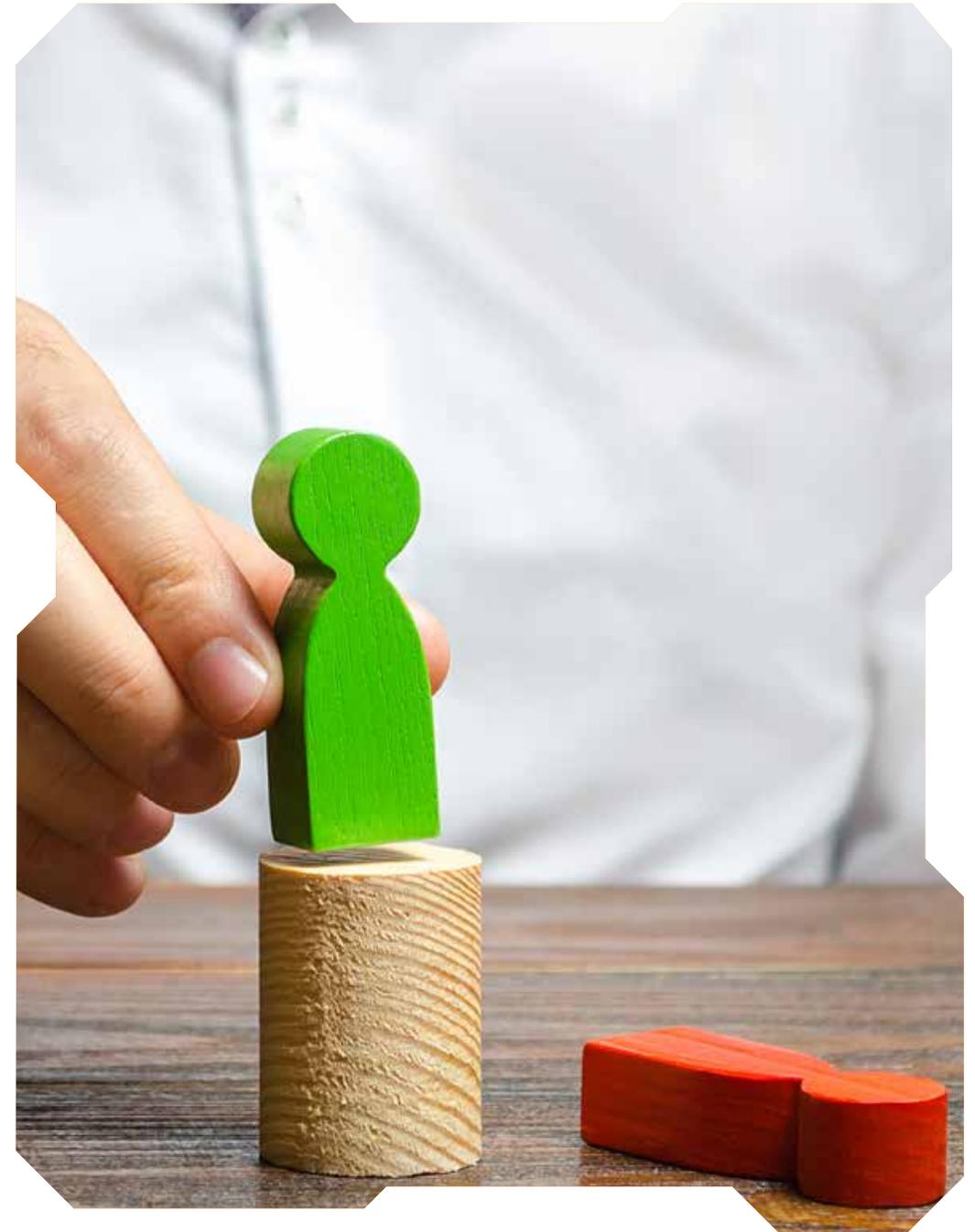


of employees were trained on the Code of Conduct and Ethics, the Anti-Corruption Policy, and the Ethical Hotline globally. Furthermore, during the Global Town Hall, our recently appointed CEO emphasized the significance of understanding and executing our policies within the company.

If our employees suspect any conduct or scenario that might go against our policies, they may contact the Legal or Human Resources teams.

We will continue to implement our Supplier Sustainability Program to reduce risks and enhance trust with our suppliers. This program includes the signing of the **Supplier Code of Conduct and Ethics** as part of supplier's approval process.

During 2023, no significant corruption risks have been found through the risk identification process applied to the 100% of our operations globally, and no cases related to corruption practices or breaches of regulations have been reported, so there were no monetary losses due to legal proceedings arising from this issue.





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# RELATIONSHIP WITH SECTORAL AUTHORITIES

(GRI 415-1)(GRI 3-3: Relationship with authorities)(SASB HC-BP-240b.1)

One of the main pillars of our operation is our relationship with the authorities. For the benefit of our customers, the Regulatory Affairs division fosters positive relationships with industry guilds and authorities in order to advance clinical research, innovation, and prompt access to pharmaceutical and therapeutic alternatives.

We operate along these three lines of action:

**1**

**Regulatory improvement:**  
We support adjustments to the authority's policies, procedures, and services that allow for process efficiency, administrative simplification, and prioritization. All this is done in order to facilitate access to new innovations for consumers.

**2**

**Strategic engagement:**  
We collaborate with different stakeholders or directly with regulatory authorities, contributing our knowledge and experience in the industry towards regulatory improvement and administrative simplification.

**3**

**Regulatory environment:**  
We promote the strengthening of regulatory agencies through reliance<sup>95</sup>, the promotion of innovation and research with a low-risk molecule approach,<sup>196</sup>and the monitoring of the post-marketing process. In this way, we ensure a predictable and consistent regulatory environment.

95 Reliance ensures that the same product (a medicine, for example) is regulated in the same way through similar regulatory requirements in different countries. It also ensures that common processes and standards are followed consistently, yielding equal results.

96 The term "low-risk molecule approach" refers to a strategy in medicine research and development that focuses on the identification and development of pharmaceutical compounds that have a favorable safety profile and a lower potential for adverse effects.





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Similarly, we keep open lines of communication with the authorities to address any disagreement or dispute that may emerge from procedures proposed or from product surveillance conducted on the market; this includes elucidating concepts, standards, and interpretations used by the authorities in assessing the data. It also enables us to comply with administrative processes that are consistent

with the terms of current and applicable legislation, as well as to manage crises in the case of a situation threatening consumer health or integrity.

Here, we list the different authorities with which we have a relationship regarding our management of regulatory matters:

Country	Association or organization
United States	Food and Drug Administration (FDA)
Mexico	Mexican Federal Commission for Protection against Health Risks (Comisión Federal para la Protección contra Riesgos Sanitarios, COFEPRIS)
	Mexican Consumer Protection Federal Agency (Procuraduría Federal del Consumidor, PROFECO)
Brazil	Brazilian National Agency for Health Surveillance (Agência Nacional de Vigilância Sanitária, ANVISA)
	Brazilian Department of Consumer Protection and Defense (Departamento de Proteção e Defesa do Consumidor, DPDC)
Argentina	Argentinean National Administration of Drugs, Food and Medical Technology (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica, ANMAT)
	Argentinean National Directorate of Consumer Defense (Dirección Nacional de Defensa del Consumidor)
Chile	Public Health Institute of Chile (Instituto de Salud Pública de Chile, ISP)
	Chilean Agency for Food Safety and Quality (Agencia Chilena para la Inocuidad y Calidad Alimentaria, ACHIPIA)
Colombia	Chilean National Consumer Service (Servicio Nacional del Consumidor, SERNAC)
	Colombian National Institute for Drug and Food Surveillance (Instituto Nacional de Vigilancia de Medicamentos y Alimentos, INVIMA)
	Colombian Superintendence of Industry and Commerce (Superintendencia de Industria y Comercio, SIC)



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Country	Association or organization
Peru	Peruvian General Directorate of Medicines, Inputs and Drugs (Dirección General de Medicamentos, Insumos y Drogas, DIGEMID)
	Peruvian General Directorate of Environmental Health (Dirección General de Salud Ambiental, DIGESA)
	Peruvian National Institute for the Defense of Competition and the Protection of Intellectual Property (Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual, INDECOPI)
Ecuador	Ecuadorian National Agency for Regulation, Control and Health Surveillance (Agencia Nacional de Regulación, Control y Vigilancia Sanitaria, ARCSA)
Bolivia	Bolivian State Agency of Medicines and Health Technologies (Agencia Estatal de Medicamentos y Tecnologías en Salud, AGEMED)
Uruguay	Ministry of Public Health of Uruguay (Ministerio de Salud Pública, MSP)
Paraguay	Paraguayan National Directorate of Health Surveillance (Dirección Nacional de Vigilancia Sanitaria, DINAVISA)
Costa Rica	Ministry of Health of Costa Rica (Ministerio de Salud)
Panama	Ministry of Health of Panama (Ministerio de Salud, MINSA)
Guatemala	Ministry of Public Health and Social Assistance of Guatemala (Ministerio de Salud Pública y Asistencia Social, MSPAS)
Honduras	Health Regulatory Agencies of Honduras (Agencias de Regulación Sanitaria, ARSA)
El Salvador	Ministry of Health of El Salvador (Ministerio de Salud, MINSAL)
Nicaragua	National Health Regulation Authority of Nicaragua (Autoridad Nacional de Regulación Sanitaria)
Spain	Spanish Agency of Medicines and Medical Devices (Agencia Española de Medicamentos y Productos Sanitarios, AEMPS)

It is important to note that Genomma Lab Internacional does not make direct or indirect financial or in-kind contributions to political parties and/or representatives in any of the countries in which we operate; nor do we make payments to delay the entry into the market of authorized generic products for a defined period of time; as a result, there are no litigation resolutions on this matter.





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# TAX APPROACH

(GRI 207-1 207-2, 207-3)

Our Tax team is responsible for identifying, analyzing, and managing the most relevant tax reforms with the aim of ensuring tax compliance in all the companies that make up Genomma Lab Internacional.

To this end, we carry out an analysis of the tax obligations of each company, considering its regime and activities registered with the tax authority. In addition, we establish periodic controls to ensure compliance on certain dates.

## Our strategy is based on the following pillars:

- **Analysis of the expenses** of all subsidiaries belonging to the Group, in order to avoid non-deductible expenses.
- **Automation of processes** and controls for tax compliance.
- **Recovery of tax refunds.**

Internal reporting and information reconciliations with the Tax Administration Service (Servicio de Administración Tributaria, SAT), or tax authorities depending on the country of business, are examples of tax controls used to limit financial risks. In the event of a dispute, the tax team communicates with the tax authority to confirm and/or specify the proper implementation of the laws and, thus, avert complications.

In addition, we confirm the materiality of expenses via an internal supplier site, where evidence of goods or services obtained is submitted. We have an evidence manual to ensure that the documentation loaded is adequate.

It is important to mention that we pay corporate income taxes according to the tax laws in force in the countries where we operate, and we do so in a timely and fair manner. We are committed to not transferring profits to low-tax jurisdictions, to complying with tax regulations and policies without using tax avoidance structures or tax havens, and to preventing corruption and money laundering in all business relationships by adhering to local anti-corruption laws.

For more information, refer to the ESG Annex under the section Financial Results with a breakdown of taxes.



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# SUSTAINABLE TAXONOMY

The Sustainable Taxonomy intends to categorize sustainable activities and investments, so facilitating capital mobilization for activities with beneficial environmental and social impacts while also limiting the risk of green/social washing<sup>97</sup>.

The United Nations Development Programme (UNDP) has developed a **Common Framework of Sustainable Finance Taxonomies for Latin America and the Caribbean**, which aims to provide guidance for the interoperability<sup>98</sup> of taxonomies within Latin America and the Caribbean and globally. Likewise, the Guiding Principles established in this framework ensure that taxonomies are based on science.

Colombia was the first Latin American country to launch a green taxonomy in April 2022, followed by Mexico in March 2023 and Chile in August 2023. These initiatives provide the possibility of determining what is considered a sustainable investment, considering both climate objectives and regional

particularities. In the case of Peru and Brazil, they have each developed a taxonomy roadmap, and Peru has stated that it aims to adopt a local taxonomy by 2025<sup>99</sup>.



At Genomma Lab Internacional, we have shown our interest in being part of the launch of the Sustainable Taxonomy in Mexico and have participated in different trainings through our sustainability team, sponsored by the Mexican Stock Exchange.

We aim to align our operations with the different Sustainable Taxonomies of each country where we operate, both as a management tool and a frame of reference.

97 Regulation (EU) 2020/852 of the European Parliament defines greenwashing as “the practice of gaining an unfair competitive advantage by marketing a financial product as environmentally friendly when, in fact, it does not meet basic environmental requirements.”

98 Interoperability implies that taxonomies should be based on similar guiding principles and have design elements such as objectives, classification systems for sectors, and activities that are comparable and similar in the approaches and methodologies used to define eligibility.

99 Source: América Economía



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# RISK MANAGEMENT

(GRI 2-12, 2-13, 2-25, 2-26)

We identify and manage risks that could significantly affect the Company's business, operations, and financial situation in the short, medium, and long term.

This process is key to providing the Board of Directors and the different corporate bodies with the necessary tools to

establish plans and/or strategies to mitigate the impacts of such risks, and to develop strategies to take advantage of the opportunities they may represent. The Board of Directors, with the support of the Audit and Corporate Practices Committee, is responsible for overseeing the mitigation plans.

## RISK MANAGEMENT PROCESS AND RESPONSIBLE PARTIES

(GRI 2-12, 2-13)

The Risk Management process is led by a multidisciplinary team made up of Executive Committee Sub-Committees involved in Genomma Lab Internacional's main business activities. They identify and assess risks using international methodologies, as well as the internal and external context and opportunities that may have an influence on operations.

Likewise, as part of the process, the team documents and qualifies the primary risks' assets and threats using the "Assets, Threats, Vulnerability, Probability, and Impact" methodology. Based on the analysis, the Executive Committee develops mitigation plans to reduce the impact of the identified risks on operations. The Board of Directors,



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through the Audit and Corporate Practices Committee, is responsible for monitoring the plans in question. Finally, both the implementation and monitoring of mitigation plans are the responsibility of the operational teams for each business process.

The Global Sustainability Sub-Committee, as well as the Global Leader for Institutional Relations, Social Responsibility, and Human Resources, identify and monitor environmental risks and opportunities, with a particular focus on supervising the process and execution of the Sustainability Strategy, which is regarded as one of their primary responsibilities.





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# MAIN RISKS AND MITIGATION ACTIONS

(GRI 3-3: Physical Impacts and Risks of Climate Change)

The following is a summary of some of the main short-, medium-, and long-term risks we have identified and their corresponding mitigation strategies.

Risk Type	Definition	Impact examples	Mitigation actions	Time horizon
 <p><b>Climate change risks or effects</b></p>	The Company faces risks arising from climate change, such as increases in raw material and production costs, stricter health regulations, and changes in environmental laws.	If suppliers were to increase their prices, Genomma Lab Internacional's manufacturing costs would increase, and margins would be affected if these cost increases were not passed on to its customers or consumers.	<ul style="list-style-type: none"> <li>• Meeting the goals of our 2025 Sustainability Strategy</li> <li>• Efficiency improvements in production and distribution processes</li> <li>• Increased use of recycled raw materials</li> <li>• Increased use of low-emission energy sources</li> <li>• Sustainability training for the entire organization</li> <li>• Launch of packaging and containers with lower environmental impact</li> </ul>	Short and long
 <p><b>Adverse economic conditions in the countries where the Company operates, which may adversely affect the financial position and operating results</b></p>	Most of our operations are subject to the economic conditions of the countries in which we operate. As a result of the foregoing, the Company's business and financial situation could be influenced by the instability of consumption in the countries where we operate, which has a direct impact on the markets in which the Company competes.	The devaluation of the Argentine peso at the end of December 2023 implied the recording of a negative non-monetary impact on our fourth quarter and full-year 2023 results, as dictated by IFRS accounting standards.	<ul style="list-style-type: none"> <li>• Strengthening our corporate growth strategy</li> <li>• Optimizing and innovating our portfolio</li> <li>• Promote product accessibility by diversifying its commercial channels</li> <li>• Strengthening our direct distribution initiative in the traditional channel</li> <li>• Strengthening our strategy for e-commerce channels.</li> </ul>	Short and long

For more information about our risk factors, see the Annual Report to the Mexican Stock Exchange (Bolsa Mexicana de Valores, BMV).



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Risk Type	Definition	Impact examples	Mitigation actions	Time horizon
 <p><b>Changes in applicable regulations</b></p>	<p>The Company operates in 18 countries with diverse product regulations. Changes in laws, regulations or interpretations may affect its operating environment. Failure to comply with these regulations could result in legal action, fines, or penalties, negatively impacting its international operations.</p>	<p>If the Company fails to comply with applicable laws or regulations, it could face legal action, including fines or penalties that could adversely affect the results of its international operations.</p>	<ul style="list-style-type: none"> <li>• Strengthening of relations with authorities and sectoral associations.</li> <li>• Strengthening and continuous development of our Regulatory Affairs, Medical and Legal Departments</li> <li>• Constant training of our work teams in regulatory and legal matters</li> </ul>	<p>Short and long</p>
 <p><b>Price volatility</b></p>	<p>The Company's operating results could be affected by the general conditions of the Mexican economy, the depreciation of the peso against the dollar, and instability of prices, inflation, interest rates, changes in oil prices, regulations, taxes, social instability, and other political, social, and economic events in or related to Mexico, over which the Company has no control whatsoever.</p>	<p>In the past, Mexico has experienced periods of adverse economic conditions, as well as periods in which economic conditions have deteriorated, and such circumstances have had a negative impact on the Company.</p>	<ul style="list-style-type: none"> <li>• Diversification of local suppliers.</li> <li>• Purchase of local raw material</li> <li>• Strategic commercial agreements with our suppliers</li> <li>• No U.S. dollar-denominated debt</li> </ul>	<p>Short</p>
 <p><b>Impact on the reputation of our brands</b></p>	<p>The success of our brands could be affected if marketing plans or product initiatives do not have the desired impact on brands' image or their ability to attract and retain customers and consumers. In addition, the Company's results could be affected if any of the major brands were to suffer significant reputational damage as a result of actual or apparent quality problems.</p>	<p>Failure to comply with regulations leading to fines or product recalls.</p>	<ul style="list-style-type: none"> <li>• Assurance of the safety and efficacy of our products through clinical and cosmetic efficacy studies supported by our Medical Management and Regulatory Affairs team</li> <li>• Compliance and commitment to the responsible labeling of our products under the applicable regulations, endorsed by the areas of Medical Management and Regulatory Affairs</li> <li>• Monitoring and verification of the advertising content creation process, endorsed by the Quality, Medical Management, Regulatory Affairs and Legal areas</li> <li>• Signing of voluntary advertising codes of ethics in the industry chambers in which the Company participates</li> </ul>	<p>Short</p>



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Risk Type	Definition	Impact examples	Mitigation actions	Time horizon
 <p><b>Consumer expectations</b></p>	<p>In the event that the Company's current products do not meet customer and consumers expectations, sales could decline.</p>	<p>The Company may not have the ability to accurately identify its customers' and consumers' preferences and translate its knowledge into products with consumer acceptance or successfully integrate these innovations into its existing product platform or operations.</p>	<ul style="list-style-type: none"> <li>• Optimization of the portfolio and promotion of product innovation</li> <li>• Strengthening the "Go-To-Market" strategy or increasing our points of sale, growth of the traditional channel.</li> <li>• Incorporating circular economy and eco-design elements in our products</li> <li>• Strengthening our Consumer Intelligence &amp; Analytics team</li> </ul>	<p>Short</p>
 <p><b>Manufacturing risks</b></p>	<p>The increase in production lines at the new manufacturing plant could generate variations in product quality, delays in fulfilling orders, and problems adapting to the new business model, among others.</p>	<p>If suppliers were to increase their prices of raw material or packaging material, Genomma Lab Internacional's manufacturing costs would increase and margins would be affected if these cost increases were not passed on to its customers or consumers.</p>	<ul style="list-style-type: none"> <li>• Quality assurance process for raw material suppliers.</li> <li>• Mixed sourcing strategy, combining production at our Industrial Complex and our suppliers of finished products.</li> <li>• Direct negotiation with raw material, APIS and excipient manufacturers to ensure a sustainable supply in the short, medium and long term.</li> <li>• Not to continue operations with those suppliers that failed to match our high quality standards.</li> <li>• Implementing the Genommalink platform, which allows the projection of demand, making early decisions, and reducing the risk of shortages.</li> </ul>	<p>Short</p>
 <p><b>Risks in the value chain</b></p>	<p>We depend on various manufacturers for the delivery of high quality products, aligned to the Company's parameters and applicable regulatory requirements, that meet delivery deadlines and are competitive in terms of price.</p>	<p>If imported products do not meet or appear not to meet the requirements established in each country's regulations, they may be banned from entry or recalled. In the event that Genomma Lab Internacional registers insufficient inventories to supply products to its customers, sales could decrease significantly.</p>	<ul style="list-style-type: none"> <li>• Strengthening our Supplier Sustainability Program</li> <li>• Meeting the goals set out in our 2025 Sustainability Strategy</li> <li>• Establishment of commercial agreements with critical suppliers</li> <li>• Quality audits to suppliers prior to negotiations</li> <li>• Ensure supplier alignment to our Supplier Code of Conduct and Ethics</li> <li>• Evaluation of our suppliers in social, environmental, and ethical matters</li> </ul>	<p>Short</p>



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Risk Type	Definition	Impact examples	Mitigation actions	Time horizon
 <p><b>Talent retention and attraction</b></p>	<p>The Company's future operations could be affected if any of its senior executives or key staff were to leave the Company.</p>	<p>Failure to fill vacancies in high-level positions on time could impact our ability to implement business strategies.</p>	<ul style="list-style-type: none"> <li>• Strengthening our corporate culture</li> <li>• Development of strategies and action plans according to the areas of opportunity identified in the work climate survey and focus groups</li> <li>• Implementation of training and development programs for our employees</li> <li>• Communication and application of our Integrity Policies</li> <li>• Implementation of wellness programs for our employees</li> <li>• Development of initiatives that promote diversity, inclusion and non-discrimination</li> <li>• Strengthening our talent attraction strategy</li> <li>• Integration of the Talent Committee</li> <li>• Strengthening of the Performance Evaluation Program</li> </ul>	<p>Short</p>
 <p><b>Human Rights</b></p>	<p>It is essential that companies link their business objectives with respect for human rights, as well as preventing and repairing the damages that their violations could cause.</p>	<p>Inadequate payment of salaries, benefits, and contracts in subcontracted companies. Discrimination against foreign employees, non-compliance with local immigration laws, and verbal and physical harassment, both in our operations and in our value chain.</p>	<ul style="list-style-type: none"> <li>• Diagnosis and mapping of the main risks of human rights violations in all of the Company's operations.</li> <li>• Strategy, policies and processes involving human rights due diligence</li> <li>• Adherence of our supply chain to the Supplier Code of Conduct and Ethics.</li> <li>• Awareness and training initiatives generated by the Diversity, Inclusion, and Gender Equality Committee.</li> <li>• Ethics Hotline: Gen-Te Escucha</li> </ul>	<p>Short</p>
 <p><b>Cybersecurity</b></p>	<p>The Company relies on information technology and automated operating systems to manage and support our operations, as well as to offer our products to customers.</p>	<p>Any relevant disruptions to our systems and leaks or theft of information could affect our compliance with data privacy laws and harm our relationships with employees, customers and suppliers</p>	<ul style="list-style-type: none"> <li>• Strengthening of the Personal Data Protection system.</li> <li>• Oversight of the cybersecurity strategy through the Executive Committee.</li> <li>• Have cybersecurity controls and monitoring in place.</li> <li>• Have disaster recovery plans and rapid response teams in place</li> </ul>	<p>Short and long</p>



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**Risk Type**

**Definition**

**Impact examples**

**Mitigation actions**

**Time horizon**



**Technology Infrastructure**

The Company's ability to carry out its operations and maintain its level of competitiveness depends, among other factors, on its ability to innovate, maintain, and/or upgrade its technological infrastructure in a timely and cost-efficient manner.

The information generated, obtained or received by the Company through its current technology systems might not be timely or sufficient to generate revenue more effectively, manage your risks, or react to future events.

- Investment and continuous improvement of technological infrastructure
- Continuous transformation to an automated enterprise with reliable, real-time information.

Short

# CYBERSECURITY

(GRI 3-3: Cybersecurity)

Increasing reliance on technology and services provided by third parties increases our vulnerability to security breaches, both through human error and cyber-attacks, which could result in significant financial losses and damage to the Company's reputation. This is why we have our **Cybersecurity Policy** and **Confidential Information Policy**, which are comprised by our guidelines and provisions to preserve the security of our technological infrastructure, data and systems.

The Executive Vice President of Administration and Finance, as a member of the Executive Committee, is in charge of ensuring compliance with the Cybersecurity Policy and the Confidential Information Policy. The Cybersecurity strategy is implemented by the Global Director of Information Technology (IT), supervised by the Global Director of Finance and Administration, while the Global Legal Leader provides legal advice on issues related to these policies to Genomma Lab employees who require it.



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The Cybersecurity Management System applies to all of our employees and suppliers, as well as anybody with permanent or temporary access to any of our systems, data, or hardware. In addition, our security infrastructure has the following certifications:

- **Cybereason, ISO 27000 and SOC2, <https://www.cybereason.com/security>**
- **IronScales, ISO 27000 and SOC2, <https://ironscales.com/company/trust-center>**
- **Fortinet, ISO 9001, ISO 27000 and SOC2, <https://trust.fortinet.com/>**

In addition, we have a Disaster Recovery Plan (DRP) and an alternate data site (San Cayetano Data Center). During the reporting period, we implemented mechanisms to have more transparent and ethical practices in the processing of personal data in the countries in which the Company operates, thus strengthening our regulatory compliance. **It is important to mention that, during the last three years, we have not suffered any information security breaches or other cybersecurity incidents that put the Company's operations at risk.** We provide our employees a continuous training in cybersecurity and the handling of personal data.



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# RESULTS ANALYSIS AND DISCUSSION

## CONSOLIDATED RESULTS FOR THE FULL YEAR 2023

### Net sales 2023:

Net Sales during the 12 months of 2023 reached Ps. 16,467.1 million, representing a decrease of 2.1% year-over-year. Expressed in 'Like-for-like'<sup>100</sup> (LFL) terms, sales increased 16.7%. The sales growth is primarily attributed to a strong focus on key brands and categories, their expanded presence, as well as increased visibility at the point of sale throughout the year.



### EBITDA 2023

The EBITDA for the year 2023 was Ps. 3.45 billion. The EBITDA margin for the full year 2023 closed at 20.9%, representing a year-over-year expansion of 40 bps primarily attributable to a continued focus on profitability, as well as efficiencies from the distribution center and the manufacturing plant for beverages and personal care products. The EBITDA for 2023 was impacted by currency depreciation in some countries where the Company operates, inflationary increases in the cost of certain raw materials, and non-recurring investments related to growth.



100 Like for Like: Crecimiento consolidado en ventas (excluyendo Argentina) en tipo de cambio constante



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## Gross Profit 2023:

Gross Profit reached Ps. 10,083.2 million during the twelve months of 2023, compared to Ps. 10,163.5 million in 2022. The gross margin at the end of 2023 increased by 80 bps, closing at 61.2%. The expansion in the gross profit margin was primarily due to increased operating leverage and ongoing savings in cost of goods sold.

## Selling, General, Marketing and Administrative Expenses 2023:

General, Selling, Marketing, and Administrative Expenses closed at 40.4% as a percentage of sales during the year 2023, compared to 39.9% reported at the end of 2022. The increase in SG&A as a percentage of sales is due to higher spending on television and media marketing during the year.

## Comprehensive Financing Result 2023:

The Comprehensive Financing Result represented an expense of Ps. 1.48 billion during 2023, compared to an expense of Ps. 1.01 billion reported in 2022. An increase of Ps. 469.4 million is mainly attributable to: i) a net increase of Ps. 334.8 million year-over-year in exchange losses; as well as ii) an increase of Ps. 304.3 million in financial expenses during the year 2023. The above was offset by i) an increase of Ps. 38.9 million in financial income during 2023; as well as ii) a reduction of Ps. 130.7 million in the loss related to the monetary position in the inflationary subsidiary in Argentina.

## Income Taxes for 2023:

Income Tax for 2023 reported a reduction of Ps. 231.9 million, closing at Ps. 635.7 million, compared to Ps. 867.6 million reported in 2022. The decrease is mainly due to an improvement in tax effects resulting from the repatriation of dividends from foreign subsidiaries.



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## Net Income 2023:

Net Income reached Ps. 1.08 billion during 2023, compared to Ps. 1.39 billion of net income for the year 2022, representing a variation of Ps. 304.3 million year-over-year. The year-over-year decrease is primarily due to an increase in net financial costs and the loss in the results of the uncontrolled associated company (Marzam) during the period.

## Financial Position 2023:

- **Working Capital 2023:** Working Capital was adjusted during the year, and the cash conversion cycle closed at 83 days, an improvement of 17 days compared to the December 2022 closing.
- **Accounts Receivable 2023:** Accounts Receivable reached Ps. 3.78 billion as of December 31, 2023. The days of accounts receivable reached 83 days, a decrease of 8 days compared to the year-end 2022.
- **Inventories 2023:** Inventories reached Ps. 1.85 billion as of December 31, 2023. Inventory days reached 104 days, an increase of 32 days compared to the year-end 2022.
- **Trade Payables 2023:** Accounts Payable reached Ps. 1.84 billion as of December 31, 2023. Supplier days

closed at 104 days reported at the close of December 31, 2023, an increase of 23 days compared to the close of December 31, 2022.

## Fixed Assets 2023:

The Company invested Ps. 212.2 million in the twelve months ended December 31, 2023, primarily related to the start of operations of the manufacturing lines in the new industrial cluster located in the State of Mexico.

## Net Financial Debt 2023:

Net Financial Debt showed an increase compared to the end of 2023:

- Cash and Cash Equivalents reached Ps. 1.67 billion as of December 31, 2023, representing an increase of 11.2% during the year.
- Gross Financial Debt reached Ps. 6.19 billion as of December 31, 2023, compared to Ps. 6.38 billion at the end of 2022, representing a decrease of Ps. 185.5 million year-over-year. The total long-term debt of the Company represented 68.6% of the total debt at the end of 2023.



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- Net Financial Debt reached Ps. 4.52 billion at the end of the fourth quarter of 2023, a decrease of Ps. 353.2 million compared to December 31, 2022.

During 2023, the Net Debt to EBITDA ratio closed at 1.31x, in line with the Company's leverage expectations.

## 2023 Share Buyback Program:

The Share Repurchase Program had a total balance of 71,901,660 shares as of December 31, 2023. During the year 2023, 28 million shares were cancelled.

## Free Cash Flow from Operations 2023:

Excluding the investments made in the Company's new production plant, the free cash flow for the twelve months ended December 31, 2023, would have reached Ps. 2,220.8 million. The majority of the cash flow generated in the year was allocated to operations in the company's manufacturing plant, as well as to dividend payments, debt reduction, and the share repurchase program.

## Principales Ratios Financieros

Financial Ratio	As of December 31, 2023
EV/EBITDA	5.50x
DN/EBITDA	1.31x
PE	12.48x
UPA	1.13 MXN

## 2023 ANALYST COVERAGE:

As of December 31, 2023, LAB B is covered by 10 sell-side analysts at the following brokerages: Banco Itaú BBA; BBVA Bancomer; UBS Casa de Bolsa; Vector Casa de Bolsa; BTG Pactual US Capital; GBM Grupo Bursátil Mexicano.; Grupo Financiero Banorte; Actinver Casa de Bolsa; JP Morgan Securities; y Monex Grupo Financiero.



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# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022  
AND 2021, AND INDEPENDENT AUDITORS' REPORT  
DATED APRIL 15, 2024

To view the official audited information reported to the Mexican Stock Exchange (Mexicana de Valores, BMV) in Appendix N and in the issuer's section of the BMV website, please visit the following link:

To  
access  
the  
document





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# APPENDIX 1: INDICES, AWARDS, INITIATIVES AND RANKINGS

## Indices



For the fourth consecutive year, we have been included in the Dow Jones Sustainability Index MILA, linked to S&P's Corporate Sustainability Assessment, recognizing us as one of the companies with the greatest commitment to environmental, social and corporate ethics in Latin America (Chile, Colombia, Peru and Mexico).



For the third consecutive year, we have been included in S&P Global CSA's "The Sustainability Yearbook 2024" in recognition of our Environmental, Social and Corporate Governance (ESG) practices.



For the third consecutive year, we have been included in the S&P/BMV Total Mexico ESG Index1, comprising the 29 most sustainable companies in Mexico.



Upgrade of our MSCI ESG index rating from "BBB" to "A".. This global ranking is designed to help investors identify ESG risks and opportunities within their portfolio.

## Awards



For the 17th consecutive year, the Mexican Center for Philanthropy (Centro Mexicano para la Filantropía, CEMEFI) has awarded us the Socially Responsible Company Distinction (Distintivo Empresa Socialmente Responsable), recognizing our public commitment to social responsibility.



The World Bank granted us the EDGE certification, highlighting our commitment to sustainability and resource efficiency in our operations.



For the third consecutive year in Mexico and for the first time in Argentina, the Human Rights Campaign awarded us with the Best Places to Work LGBTQ+ for our inclusive practices towards the LGBTQ+ community.





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# Sustainability Initiatives



Since 2008, we have adhered to the principles of the United Nations Global Compact in critical areas such as human rights, labor, the environment, and anticorruption.



Since 2021, we have adhered to the Women's Empowerment Principles (WEPs), a UN Women and Global Compact project that guides the private sector in taking initiatives to increase women's roles in the workplace, markets, and communities.



We participated in the Empresas Mexicanas por la Inclusión (EM-X) initiative, developed by the World Bank's IFC to share expertise and best practices on inclusion and gender in the company's operations.



For four consecutive years, we have voluntarily participated in the Global Environmental Disclosure Program (CDP), which is aimed at assessing and managing environmental consequences as well as identifying climate change risks and opportunities. We are pleased to have received a "B" rating, which places us above the global and North American averages for the Biotechnology and Pharmaceutical sectors.



We actively participated in the launch of Mexico's Sustainable Taxonomy and in training sessions sponsored by the Mexican Stock Exchange for the Genomma Lab Internacional's sustainability team.



We formed a strategic partnership with UBEES for Biodiversity to deepen our commitment to environmental conservation and protection.

## Rankings in Mexico

Revista **Expansión MX** has named us one of its **"500 Companies Against Corruption"** (**"500 Empresas contra la Corrupción"**).



This list is made up of companies that have codes and statements in place that express their true commitment to anti-corruption, with a focus on transparency, publicity, accuracy, and scope as part of that commitment.



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# APPENDIX 2 - INDUSTRY ASSOCIATIONS

(GRI 2-28)

This report demonstrates our commitment to upholding a high standard of transparency about our involvement in industry chambers.

All our contributions are made in the form of membership fees that allow us to express our concerns and encourage the sharing of knowledge regarding the laws and policies governing our industry

in each of the countries where we operate. It also allows us to collaborate with authorities to monitor these policies and ensure that they are viable, fair, and beneficial to the sector and the community as a whole. It is significant to highlight that we do not contribute in any way to any group, ballot initiative, or subject that calls for lobbying efforts—for instance, medication pricing.

## Associations related to Over-the-Counter Medicines

Association or organization <sup>101</sup>	Country	USD Investment
Association of Manufacturers of Over-the-Counter Medicines (Asociación de Fabricantes de Medicamentos de Libre Acceso) - AFAMELA	 Mexico	\$32,394
National Chamber of the Pharmaceutical Industry (Cámara Nacional de la Industria Farmacéutica) - CANIFARMA	 Mexico	\$59,805
Brazilian Association of the Self-Care Products Industry (Associação Brasileira da Indústria de Produtos para o Autocuidado em Saúde) - ACESSA	 Brazil	\$14,000
Lima Chamber of Commerce's COMSALUD	 Peru	\$480
Bolivian National Chamber of Commerce	 Bolivia	\$270
Chamber of the Pharmaceutical Industry (Cámara de la Industria Farmacéutica) and the National Association of Entrepreneurs of Colombia (Asociación Nacional de Empresarios de Colombia) - ANDI	 Colombia	\$10,884
Post-consumption Program - Medicines	 Colombia	\$8,973

<sup>101</sup> For more information on the Industry Associations, please refer to the following links: [Afamela](#), [Canifarma](#), [Accesa](#), [Cámara de Comercio de Lima](#), [Cámara Nacional de Comercio de Bolivia](#), [Cámara de la Industria Farmacéutica ANDI](#), [Autoridad Nacional de Licencias Ambientales - ANLA](#), [Cámara de Venta Directa de Chile](#), [CAPEMVEL](#).





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Association or organization	Country	USD Investment
Chamber of Direct Selling Medicines (Cámara de Medicamentos de Venta Directa) - CAMEVED	 Chile	\$ 13,096
Argentine Chamber of Producers of OTC Medicinal Specialty Products (Cámara Argentina de Productores de Especialidades Medicinales de Venta Libre) - CAPEMVEL	 Argentina	\$ 58,560
Consumer Healthcare Products Association - CHPA	 U.S.A.	\$68,625
<b>Total</b>		<b>\$267,087</b>

## Industry Associations - Climate Alignment

Our clear commitment to sustainability is a fundamental component of our business strategy, as stated in our Sustainability and Stakeholder Policy. This policy covers our interactions with industry chambers and associations, among other stakeholders. With regard to environmental issues specifically, we are dedicated to minimizing our influence on the environment, lowering greenhouse gas emissions, and advancing the circular economy, among other things.

Similarly, our Environmental Policy states our commitment to establish alliances with third parties who share our dedication to and responsibility for the environment.

The Sustainability Committee ensures that participation is in line with our policies and our commitments to the SDG's.

We have procedures in place in the event that we identify discrepancies between industry associations and our environmental commitments. These procedures may involve modifying our partnership approach, renegotiating our membership in the industry association in question, or, if required, withdrawing from it.



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# APPENDIX 3 ESG INDICATORS

(GRI 2-9)

## Additional information on the Board of Directors

Name	Gender	Type of Director	Industry experience detail	Participation as board member in other governing bodies	Risk Experience	Year of entry to the board of directors
<b>Rodrigo Alonso Herrera Aspra</b>	Male	Related Proprietary Director	+25	Yes	Yes	2008 (15)
<b>Javier Vale Castilla</b>	Male	Independent Proprietary Director	+35	No	Yes	2016 (7)
<b>Juan Carlos Gavito Aspe</b>	Male	Independent Proprietary Director	+20	Yes	Yes	2017 (6)
<b>Juan Alonso</b>	Male	Independent Proprietary Director	+20	ND	Yes	2008 (15)
<b>Carlos Javier Vara Alonso</b>	Male	Independent Proprietary Director	+25	Yes	Yes	2018 (5)
<b>Jorge Ricardo Gutiérrez Muñoz</b>	Male	Independent Proprietary Director	+25	Yes	Yes	2014 (9)
<b>Ignacio González Rodríguez</b>	Male	Independent Proprietary Director	+25	Yes	Yes	2017 (6)
<b>Burkhard Wittek</b>	Male	Equity Proprietary Director	+35	Yes	Yes	2018 (5)
<b>Sabrina Lucila Herrera Aspra</b>	Female	Related Proprietary Director	+25	Yes	Yes	2011(12)
<b>Marco Francisco Forastieri Muñoz</b>	Male	Independent Proprietary Director	+30	Yes	Yes	2020 (3)
<b>Jorge Luis Brake Valderrama</b>	Male	Related Proprietary Director	+35 Chief Executive Officer LABB 2018-2023. Leader in sustainability and corporate ethics committees	Yes	Yes	2023(1)
<b>Renata Virginia Herrera Aspra</b>	Female	Related Alternate Director	+25	ND	Yes	2011(12)





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### Detail of reports through the ethics hotline (GRI 2-16)

## NUMBER OF CASES REPORTED - 2023 PERIOD



18 Internal Reports - Gen Te Escucha + 1 (External Report - Supplier)

# 19 total reports

## Comparison of the total number of employees by gender and country (GRI 2-7)

### Total male and female employees by gender and country 2022

Country	Men	%	Women	%	Total
Mexico	731	50.55%	715	49.45%	1,446
U.S.A.	24	72.73%	9	27.27%	33
Brazil	37	49.33%	38	50.67%	75
Argentina	76	44.44%	95	55.56%	171
Colombia	14	34.15%	27	65.85%	41
Ecuador	8	38.10%	13	61.90%	21
Caricam	10	58.82%	7	41.18%	17

Country	Men	%	Women	%	Total
Chile	14	40.00%	21	60.00%	35
Peru	10	55.56%	8	44.44%	18
Uruguay	0	0.00%	1	100%	1
Bolivia	0	0.00%	2	100%	2
Paraguay	1	100%	0	0.00%	1
<b>Total</b>	<b>925</b>	<b>49.70%</b>	<b>936</b>	<b>50.30%</b>	<b>1,861</b>

The percentage was calculated based on the total for each country.





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### Total male and female employees by gender and country 2021

Country	Men	%	Woman	%	Total
Mexico	871	49.18%	900	50.82%	1,771
U.S.A.	21	72.41%	8	27.59%	29
Brazil	32	43.84%	41	56.16%	73
Argentina	70	45.16%	85	54.84%	155
Colombia	10	29.41%	24	70.59%	34
Ecuador	11	47.83%	12	52.17%	23
Caricam	9	60.00%	6	40.00%	15

Country	Men	%	Women	%	Total
Chile	14	45.16%	17	54.84%	31
Peru	11	55.00%	9	45.00%	20
Uruguay	0	0.00%	3	100%	3
Bolivia	0	0.00%	2	100%	2
Paraguay	1	100%	0	0.00%	1
<b>Total</b>	<b>1,050</b>	<b>48,68%</b>	<b>1107</b>	<b>51,32%</b>	<b>2,157</b>

The percentage was calculated based on the total for each country.

### Breakdown of employees by race or ethnicity - USA and Brazil

	U.S.A.		Brazil	
	Percentage of total workforce	Percentage in all management positions	Percentage of total workforce	Percentage in all managerial positions
Number of Asians persons	0	0	1.50%	0%
Number of African Americans persos	3%	3%	11%	10%
Number of Hispanic or Latino persons	48%	48%	1.50%	5%
Number of Caucasian persons	49%	49%	86%	85%





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# Hiring and Turnover Figures (GRI 401-1)

## Hires by age group, country and gender

In Paraguay and Uruguay, there were no hires during 2023.

### Mexico

Age group	M	F	Total
Under 30 years of age	96	112	208
Between 30 and 50 years of age	87	84	171
Over 50 years of age	15	4	19
<b>Total</b>	<b>198</b>	<b>200</b>	<b>398</b>

### U.S.A.

Age group	M	F	Total
Under 30 years of age	0	1	1
Between 30 and 50 years of age	3	3	6
Over 50 years of age	1	1	2
<b>Total</b>	<b>4</b>	<b>5</b>	<b>9</b>

### Brazil

Age group	M	F	Total
Under 30 years of age	0	3	3
Between 30 and 50 years of age	2	6	8
Over 50 years of age	0	0	0
<b>Total</b>	<b>2</b>	<b>9</b>	<b>11</b>

### Argentina

Age group	M	F	Total
Under 30 years of age	3	14	17
Between 30 and 50 years of age	8	8	16
Over 50 years of age	1	0	1
<b>Total</b>	<b>12</b>	<b>22</b>	<b>34</b>





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### Ecuador

Age group	M	F	Total
Under 30 years of age	0	1	1
Between 30 and 50 years of age	1	2	3
Over 50 years of age	0	0	0
<b>Total</b>	<b>1</b>	<b>3</b>	<b>4</b>

### Colombia

Age group	M	F	Total
Under 30 years of age	1	2	3
Between 30 and 50 years of age	5	5	10
Over 50 years of age	0	0	0
<b>Total</b>	<b>6</b>	<b>7</b>	<b>13</b>

### Caricam

Age group	M	F	Total
Under 30 years of age	0	0	0
Between 30 and 50 years of age	2	2	4
Over 50 years of age	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>4</b>

### Chile

Age group	M	F	Total
Under 30 years of age	3	2	5
Between 30 and 50 years of age	3	0	3
Over 50 years of age	0	0	0
<b>Total</b>	<b>6</b>	<b>2</b>	<b>8</b>

### Peru

Age group	M	F	Total
Under 30 years of age	1	1	2
Between 30 and 50 years of age	0	2	2
Over 50 years of age	0	0	0
<b>Total</b>	<b>1</b>	<b>3</b>	<b>4</b>

### Bolivia

Age group	M	F	Total
Under 30 years of age	1	0	1
Between 30 and 50 years of age	0	1	1
Over 50 years of age	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>





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## Comparison of total hiring by gender and age group

### 2022

Age group	M	F	Total	Rate by age group
Under 30 years of age	76	87	163	<b>33.33%</b>
Between 30 and 50 years of age	116	103	219	<b>18.16%</b>
Over 50 years of age	15	5	20	<b>12.05%</b>
<b>Total</b>	<b>207</b>	<b>195</b>	<b>402</b>	<b>21.60%</b>

### 2023

Age group	M	F	Total	Rate by age group
Under 30 years of age	105	136	241	<b>50.63%</b>
Between 30 and 50 years of age	111	113	224	<b>22.20%</b>
Over 50 years of age	17	5	22	<b>14.86%</b>
<b>Total</b>	<b>233</b>	<b>254</b>	<b>487</b>	<b>29.82%</b>

The rate was calculated by dividing the total number of hires for the period by category by the total number of employees at the end of the period by category, multiplied by 100%.

## Turnover by age group, country and gender

In Paraguay and Uruguay, there was no turnover during 2023.

### Mexico

Age group	M	F	Total
Under 30 years of age	96	108	204
Between 30 and 50 years of age	98	95	193
Over 50 years of age	11	4	15
<b>Total</b>	<b>205</b>	<b>207</b>	<b>412</b>

### U.S.A.

Age group	M	F	Total
Under 30 years of age	0	0	0
Between 30 and 50 years of age	4	2	6
Over 50 years of age	2	0	2
<b>Total</b>	<b>6</b>	<b>2</b>	<b>8</b>

### Brazil

Age group	M	F	Total
Under 30 years of age	4	4	8
Between 30 and 50 years of age	6	6	12
Over 50 years of age	1	1	2
<b>Total</b>	<b>11</b>	<b>11</b>	<b>22</b>

### Argentina

Age group	M	F	Total
Under 30 years of age	4	8	12
Between 30 and 50 years of age	7	14	21
Over 50 years of age	0	1	1
<b>Total</b>	<b>11</b>	<b>23</b>	<b>34</b>



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### Ecuador

Age group	M	F	Total
Under 30 years of age	0	1	1
Between 30 and 50 years of age	1	2	3
Over 50 years of age	0	0	0
<b>Total</b>	<b>1</b>	<b>3</b>	<b>4</b>

### Colombia

Age group	M	F	Total
Under 30 years of age	3	3	6
Between 30 and 50 years of age	1	4	5
Over 50 years of age	0	0	0
<b>Total</b>	<b>4</b>	<b>7</b>	<b>11</b>

### Caricam

Age group	M	F	Total
Under 30 years of age	1	1	2
Between 30 and 50 years of age	3	1	4
Over 50 years of age	0	0	0
<b>Total</b>	<b>4</b>	<b>2</b>	<b>6</b>

### Chile

Age group	M	F	Total
Under 30 years of age	2	2	4
Between 30 and 50 years of age	1	4	5
Over 50 years of age	0	0	0
<b>Total</b>	<b>3</b>	<b>6</b>	<b>9</b>

### Peru

Age group	M	F	Total
Under 30 years of age	2	0	2
Between 30 and 50 years of age	1	2	3
Over 50 years of age	0	0	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>5</b>

### Bolivia

Age group	M	F	Total
Under 30 years of age	0	0	0
Between 30 and 50 years of age	0	1	1
Over 50 years of age	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>





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## Comparison of total turnover by gender and age group

2022				
Age group	M	F	Total	Rate by job category
Under 30 years of age	85	65	150	30.67%
Between 30 and 50 years of age	159	105	264	21.89%
Over 50 years of age	20	10	30	18.07%
<b>Total</b>	<b>264</b>	<b>180</b>	<b>444</b>	<b>23.86%</b>

2023				
Age group	M	F	Total	Rate by job category
Under 30 years of age	112	127	239	50.21%
Between 30 and 50 years of age	122	131	253	25.07%
Over 50 years of age	14	6	20	13.51%
<b>Total</b>	<b>248</b>	<b>264</b>	<b>512</b>	<b>31.35%</b>

The rate was calculated by dividing the total number of terminations for the period by category by the total number of employees at the end of the period by category, multiplied by 100%.

## Life-cycle assessment

According to the information supplied in the documents, a Life Cycle Assessment (LCA) was conducted for Genomma Lab's product packaging, specifically for the Tío Nacho line:

**Type of LCA:** A screening-type LCA was employed, using available data to estimate potential environmental impacts and identify key data for future information gathering.

**International Standards:** The analysis was carried out in accordance with ISO 14044:2006 for Life Cycle Assessment and ISO 14067:2018 for product carbon footprint. Furthermore, the assessment was conducted using the Intergovernmental Panel on Climate Change (IPCC) method, with a 100-year approach including CO<sub>2</sub> absorption.

### Findings and conclusions:

- The study provided specific data on the carbon footprint of various packaging components, such as bottles, caps, and labels, expressed in kilograms of CO<sub>2</sub> equivalent.
- The manufacturing stage is the most polluting one in the product life cycle, making it crucial to consider strategies to reduce the impact during this stage.
- Emphasis is placed on the packaging's and the bottle's recyclability, as determined by the APR Design Guide's criteria, which assess elements such as the PET resin base and other components to determine their suitability for recycling processes.



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# Climate change risk and opportunity analysis breakdown

(GRI 201-2)

With the help of a specialist consulting agency, we carried out an assessment for the CDP for the 2022 period and found climate

change-related opportunities and risks that have a significant financial impact on our business operations.

## Identified Risks:

	Potential Financial Impact	Response Cost
Acute physical risk (heavy rainfall)	2,958,400 MXN	78,223,004 MXN to invest in a cogeneration plant to diversify energy sources
Legislative changes (regulation of existing products and services)	32,000,000 MXN due to regulations on packaging materials in Oaxaca	103,587,892.25 MXN to comply with regulations, including the shift to recycled packaging materials

## Identified Opportunities:

	Potential Financial Impact	Response Cost
Products and services (development and/or growth of low-emission goods and services)	2,000,000,000 MXN from IFC and IDB Invest investments	10,805,188 MXN to increase production capacity and secure certifications
Resource efficiency (use of more efficient forms of transport)	33,858,106 MXN in direct savings through logistics improvements	19,004,753 MXN in investments to improve supply chain and logistics

These values provide an approximation of the financial impact of climate change risks and opportunities for Genomma Lab

Internacional. We are preparing the calculations for the 2023 period.





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## 8. Financial results with tax break down

### Financial Results

FIGURES IN MILLIONS OF PESOS

	Mexico	Latam	U.S.A.	Total
Number of employees	1236	363	33	1,634
Sales	8,036.6	6,764.8	1,665.7	16,467.1
EBITDA	1,619.2	1,669.9	155.8	3,444.9
Taxes				635.7

## APPENDIX 4: STAKEHOLDER ENGAGEMENT

(GRI 2-29)

Our Company is fully committed to implementing actions that will allow us to continue creating value for the various stakeholders with whom we interact.

Transparency and accountability are the cornerstones of our company's culture. We prioritize constant and close communication with these groups, paying close attention to their needs, concerns, and expectations. The Global

Sustainability Committee plays an important role in this process, ensuring that our internal policies and regulations are followed. Furthermore, our Sustainability and Stakeholder Policy emphasizes the importance of incorporating sustainability into all of our operations with the goal of creating shared value.



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The table below summarizes our relationships with our different stakeholders.

Stakeholders	Relationship	Identified Concerns	Communication Channels	Results
 <p><b>Employees</b></p>	<p>Organization's main stakeholders. We care about their physical and mental well-being. We provide opportunities to develop their talent. We uphold equal opportunity, diversity, inclusion, and human rights.</p>	<ul style="list-style-type: none"> <li>•Corporate culture</li> <li>•Organizational climate</li> <li>•Training</li> <li>• Programs and benefits for employees and their families</li> <li>• Physical and mental well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Communication</li> <li>• “GEN APP” social platform for daily interaction between employees</li> <li>• Annual organizational climate survey</li> <li>• “GEN Te-Escucha” Ethics Hotline</li> <li>• Town Hall sessions</li> <li>• Open dialogue sessions with the Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding employees' needs</li> <li>• Communication of organizational changes, training and benefits</li> <li>• Improving the work environment</li> <li>• Knowledge of the Company's values and Corporate Integrity Policies</li> <li>• Increased trust in the Ethics Channel</li> </ul>
 <p><b>Investors</b></p>	<p>Very close and transparent relationship. Commitment to continuous improvement, operational efficiency and sound financial decisions, within a framework of ethics and compliance.</p>	<ul style="list-style-type: none"> <li>• Company's financial performance</li> <li>• Stock performance</li> <li>• Sustainability disclosure and performance</li> <li>• Risk and opportunity management</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication with the Investor Relations area</li> <li>• Periodic meetings</li> <li>• Quarterly financial reports</li> <li>• Investor relations website</li> <li>• Annual Report</li> <li>• Press Releases</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding of the Company's economic, environmental and social performance</li> <li>• Transparency and reliability with investors</li> <li>• Investor attraction</li> </ul>
 <p><b>Clients and consumers</b></p>	<p>Our fundamental purpose. Our goal is to support their well-being and health.</p>	<ul style="list-style-type: none"> <li>• Price and quality of products and services</li> <li>• Responsibility towards the environment</li> <li>• Adverse reaction or adverse event when using any of our products</li> </ul>	<p><b>Clients</b></p> <ul style="list-style-type: none"> <li>• Direct relationship with sales representatives</li> <li>• Web page</li> <li>• Customer service hotline</li> <li>• “GEN Te-Escucha” Ethics Hotline</li> </ul>	<p><b>Clients</b></p> <ul style="list-style-type: none"> <li>• Communicating our product and service assortment, prices and quality</li> <li>• Customer satisfaction and exceeding expectations</li> </ul>





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Stakeholders	Relationship	Identified Concerns	Communication Channels	Results
			<b>Consumers</b> <ul style="list-style-type: none"> <li>• Website</li> <li>• Consumer hotline</li> <li>• Social media</li> <li>• Pharmacovigilance, Technovigilance and Cosmetovigilance Line</li> </ul>	<b>Consumers</b> <ul style="list-style-type: none"> <li>• Understanding expectations</li> <li>• Prompt attention in response to an adverse event or reaction due to the use of any of our products, reporting through our official communication channels.</li> </ul>
<b>Suppliers and Business Partners</b>	We establish long-term relationships with our suppliers.	<ul style="list-style-type: none"> <li>• Efficient and sustainable supply chain</li> <li>• Ethics and legal compliance</li> <li>• Quality of products and services</li> <li>• Alignment with Company values and policies</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication with purchasing representatives</li> <li>• Supplier website</li> <li>• "GEN Te-Escucha" Ethics Hotline</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient supply chain</li> <li>• Long-term relationships</li> <li>• Alignment with Company values, standards and policies</li> <li>• Supplier Sustainability Program</li> <li>• Increased efficiency, reliability and transparency</li> </ul>
<b>Communities</b>	We foster relationships with neighboring communities, supporting the Sustainable Development Goals and the Company's Sustainability Model in every region in which we conduct business, and creating opportunities and partnerships to launch health and well-being programs.	<ul style="list-style-type: none"> <li>• Open dialogue with the community close to the operations</li> <li>• Company's responsibility and commitment towards the environment</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication with the social responsibility and sustainability area</li> <li>• "GEN Te-Escucha" Ethics Hotline</li> <li>• Dialogue with surrounding communities</li> <li>• Social initiatives</li> <li>• Volunteering</li> <li>• Fundación Genomma Lab Internacional Programs</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying concerns and needs</li> <li>• Comprehensive well-being</li> <li>• Trusting relationships</li> <li>• Social license to operate</li> <li>• Mitigation of social and environmental risks</li> </ul>





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Stakeholders	Relationship	Identified Concerns	Communication Channels	Results
<b>Authorities</b> 	<p>We manage our operations and relationships with governmental, regulatory, and legislative authorities in accordance with applicable laws and regulations in the countries where we operate.</p> <p>Acting in accordance with the provisions of our Integrity Policies, such as our Code of Conduct and Ethics and Anti-Corruption Policy.</p>	<ul style="list-style-type: none"> <li>• Ethics and legal compliance</li> <li>• Culture of legality</li> <li>• Labor Practices</li> <li>• Environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication with the regulatory affairs area</li> <li>• Direct communication with the legal department</li> <li>• Direct communication with the tax department</li> </ul>	<ul style="list-style-type: none"> <li>• Legal compliance</li> <li>• Adaptation to new local, national and regional regulations</li> <li>• Reduction of legal risks</li> <li>• Increasing the Company's trust and reputation</li> </ul>
<b>Members of NGOs</b> 	<p>We establish strategic relationships with non-profit organizations, such as foundations and institutions of health, education, human rights protection, and local and regional governments, with the aim of promoting welfare initiatives for vulnerable communities and groups.</p>	<ul style="list-style-type: none"> <li>• Company's sustainability performance</li> <li>• Building alliances to promote the development of the environment</li> <li>• Accessibility to well-being and health programs</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication with the social responsibility and sustainability area</li> <li>• Website</li> <li>• Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding of the Company's economic, environmental and social performance</li> <li>• Building strategic alliances to drive the development of the environment</li> <li>• Collaboration in capacity-building projects</li> </ul>
<b>Multilateral Organizations and Sectoral Chambers</b>  	<p>Long-term relationship with the World Bank's IFC and the Inter-American Development Bank's IDB Invest, in addition to receiving strategic advice on different technical, social, and environmental aspects.</p> <p>In addition, since 2008, we have been signatories to the United Nations Global Compact and actively participate in initiatives that promote the private sector's contribution to the United Nations Sustainable Development Goals. Our participation in external forums, such as sectoral chambers or associations, allows us to continue promoting best practices in our industry and to take an active part in the regulatory evolution in all the countries where we operate.</p>	<ul style="list-style-type: none"> <li>• Company's responsibility and commitment towards the environment</li> <li>• Ethics and legal compliance</li> <li>• Environmental Performance</li> <li>• Promoting best practices in the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication with the Investor Relations area</li> <li>• Direct communication with the legal department</li> <li>• Direct communication with the social responsibility and sustainability area</li> <li>• Direct communication with the regulatory affairs area</li> <li>• Periodic meetings</li> <li>• Annual conferences and forums</li> <li>• Specialized committees and working groups dealing with the international context</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding of the Company's economic, environmental and social performance</li> <li>• Implementation of environmental and social best practices</li> <li>• Reduction of environmental and social risks. Chambers</li> <li>• Development of coordinated initiatives with industry chambers</li> <li>• Adaptation to new local, national and regional regulations</li> <li>• Sharing industry best practices</li> </ul>



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# APPENDIX 5: MATERIALITY ANALYSIS

(GRI 3-1, 3-2)

As part of our commitment to sustainability and continuous improvement, in 2023 we updated the materiality analysis carried out in 2021, maintaining our “Double Materiality” approach. This entails determining which topics are relevant and should be prioritized based on how they affect our stakeholders. It also entails evaluating the opportunities and risks related to the company's financial factors.

The analysis's first phase's goal was to understand the Company's context by identifying its impacts, risks, and opportunities. During this stage, we created a preliminary list of potential topics using a variety of internal and external bibliographic resources. We then conducted interviews with several Genomma Lab Internacional management divisions and sectors to go deeper into each topic.

The second phase of the process consisted of assessing the importance of the identified impacts, risks, and opportunities. For this purpose, we conducted an internal assessment to determine the magnitude, severity, and probability of occurrence of each one, based on the experience of the areas in charge.

Additionally, through focused consultations, we actively involved stakeholders to get their perspective.

As a final step, we prioritized the most significant impacts, risks, and opportunities.

As a result of the bibliographic analysis and the 11 interviews conducted with key areas and management departments, we obtained an initial list of 27 potentially relevant topics, classified into four categories: i) Business model, ii) Social and human capital, iii) Governance, ethics, and compliance, and iv) Environment.

Lastly, we determined which topics had double materiality, meaning they mattered for the company both financially and impact-wise. For this purpose, we created a matrix based on the material topics grouped into: 1) topics with double materiality, 2) topics with financial materiality, 3) topics with material impact, and 4) topics with potential materiality.

Below is the double materiality matrix:





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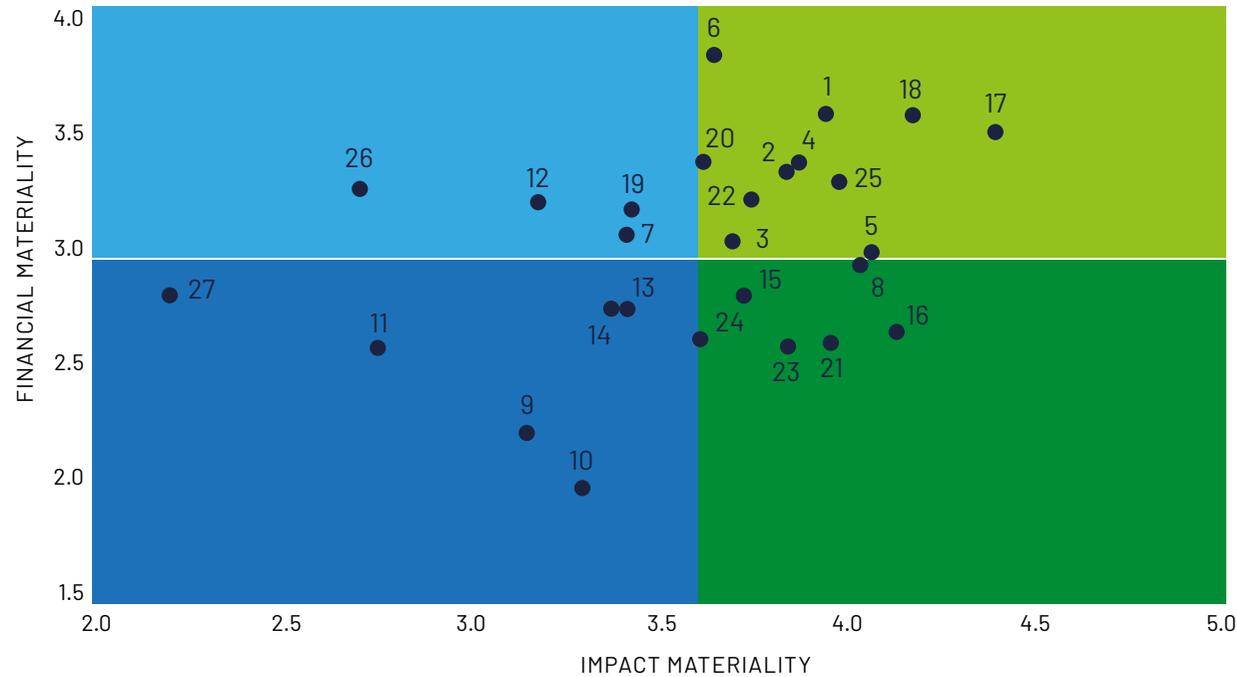
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# Double Materiality Matrix



The materiality analysis was performed by a company with expertise in the process. The material topics were reviewed and approved by the Board of Directors. In addition, the Board delegated authority to the Global Sustainability Committee to address social, economic, and environmental topics.

## FINANCIAL MATERIALITY TOPICS

- 19 Relationship with Authorities
- 7 Responsible Marketing and Labeling
- 12 Talent Attraction and Development
- 26 Managing Environmental Impacts in the Value Chain

## MATERIAL IMPACT TOPICS

- 8 Product Innovation and Research
- 16 Corporate Governance
- 21 Emissions Management
- 15 Ethics and Corruption
- 23 Energy Management

## DOUBLE MATERIALITY TOPICS

- 17 Economic Performance
- 18 Investor Relations
- 1 Circular Solutions
- 25 Physical Impacts and Risks of Climate Change
- 4 Consumer Health and Well-being
- 2 Product Safety and Quality
- 22 Water Management
- 3 Traceability
- 6 Responsible Management of the Value Chain
- 5 Accessibility and Affordability
- 20 Responsible Business

## POTENTIALLY MATERIAL TOPICS

- 24 Biodiversity and Deforestation
- 13 Employee Health and Safety
- 14 Social Inclusion
- 10 Diversity and Inclusion
- 9 Cybersecurity
- 11 Protection of Human Rights
- 27 Waste Management





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# Correlation of double-material topics with Sustainable Development Goals

Cuadro de texto We present the correlation between the double-material topics and our contribution to the 2030 Agenda and the United Nations Sustainable Development Goals (SDGs).





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# Material Subjects

Category	N°	Topic	Definition
<b>Business Model</b>	1	Circular Solutions	<p>When creating products and packaging, follow the best practices of the circular economy and sustainable design. This includes using recycled materials, using less material in packaging, making sure the components are recyclable, and supporting thorough waste management procedures.</p> <p>Reduce the number of single-use containers by using materials from renewable sources, enabling filling packages and containers at home or at points of sale, and utilizing innovative formulas like solid cosmetic products to cut down on the need for containers.</p> <p>Develop initiatives to help the industry commit to more responsible packaging and improve environmental performance throughout the packaging value chain.</p> <p>Adopt industry best practices to improve packaging design, use, and disposal to lessen waste and plastic usage's negative environmental effects. Encourage the use of recycled or environmentally friendly materials to provide value for the business.</p> <p>Encourage the removal and replacement of microplastics from cosmetic product formulae in order to prevent environmental pollution.</p>
	2	Product Safety and Quality	<p>Practices that ensure the products' quality and safety, for both raw materials and finished products.</p> <p>Make sure that no animal testing or studies are conducted to gather information about the products' safety and efficacy, and encourage the use of raw materials, processes, and components that are in line with this requirement.</p>
	3	Traceability	<p>Methods and technologies used to maintain product traceability throughout the supply chain and prevent product counterfeiting.</p> <p>Have a process in place to alert customers and business partners of potential or known risks associated with counterfeit products.</p>
	4	Health and Well-being	<p>Provide consumers with products that boost their health and well-being while having a lower environmental impact; encourage the removal and replacement of microplastics from cosmetic product formulas.</p> <p>Ensure that pharmaceutical and personal care products are marketed with an appropriate safety profile, identifying any potential risks and appropriate corrective or preventive measures to ensure the safety, trust, health, and well-being of consumers.</p> <p>When it comes to food, make sure the customer is aware of any allergens or other ingredients so they can take preventative measures. Labels should include the dosage, the product's therapeutic indication, warnings, particular indications and contraindications for each target group, potential adverse effects, and extra safety measures for vulnerable groups, including children and pregnant people.</p>





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Category	N°	Topic	Definition
<b>Business Model</b>	5	Accessibility and Affordability	Offer value-added products that are both affordable and accessible to consumers, especially those with lower incomes, in order to contribute to improving their quality of life. Different presentations available at different prices in supermarkets, pharmacies, convenience stores, and small businesses.
	6	Responsible Management of the Value Chain	Handle the supply chain by selecting and managing suppliers based on social, environmental, and corporate governance criteria. One way to do this is by using local suppliers and collaborating with them to enhance their operational and service quality standards.
	7	Responsible Marketing and Labeling	Design, promote and sell products communicating their characteristics in a transparent way so that the client has clear, accurate, and verifiable information and can make an informed decision in the purchase process. This will reassure customers about the veracity, honesty, and lawfulness of the information being shared about the products.
	8	Product innovation and Research	Invest in research for innovative processes, products, and investigation, or brands that offer added value at an accessible price; develop value-added formulas with the goal of coming up with creative ways to use less material in product packaging while also employing materials that have a smaller environmental effect by forming partnerships with suppliers and business partners.
	9	Cybersecurity	Protection measures to guarantee each stakeholder's personal information privacy in accordance with mutual confidentiality agreements, as well as the security and responsible use of data generated and/or shared by stakeholders.
<b>Social and Human Capital</b>	10	Diversity and Inclusion	Adopt and support procedures that allow for a safe, inclusive, and healthy work environment that is free from discrimination and violence. These procedures should also support each employee's full development, providing them with equal opportunities and full respect for their human rights both inside the company and among our different stakeholders.
	11	Protection of Human Rights	Policies, practices, and initiatives to protect, uphold, and promote Human Rights in all operations and throughout the value chain. Ensure that all activities follow the principles of dignity, equality, and nondiscrimination. Promote and monitor compliance with the commitment to end forced and child labor among business partners and suppliers.
	12	Talent Attraction and Development	Initiatives to motivate and lead the team to grow by gaining new skills and attitudes that complement the company's culture and business, as well as new knowledge that enables them to perform their functional roles better. Recruit key talent for developing new products and innovating; offer training and development programs; provide research opportunities; and develop their skills and creativity in order to stimulate curiosity and out-of-the-box thinking.





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**Social and Human Capital**

Category	N°	Topic	Definition
	13	Employee Health and Safety	<p>Policies and practices that support employees' physical, mental, and emotional well-being as well as their health and safety while maintaining a safe working environment.</p> <p>Guarantee the comprehensive development of the value chain while upholding a culture of health and safety throughout the whole process. Initiatives to prevent and manage accidents and/or occupational illnesses and constantly monitor them in order to reduce risks, accidents, and occupational illnesses to which employees may be exposed.</p> <p>Practices to provide physical safety in the workplace and to promote personal care and a healthy lifestyle, including programs and activities that support employee well-being, providing them with tools to achieve a work-life balance.</p>
	14	Social Inclusion	<p>Social initiatives that, particularly in the areas where we operate, work to improve the health and well-being of communities in vulnerable contexts by positively and constantly supporting their holistic development.</p>
	15	Ethics and Corruption	<p>Set up mechanisms that guarantee ethical behavior based on the Company's values and principles, ensuring that the Code of Ethics is known, understood, and applied. Develop internal standards and anti-corruption policies, procedures for reporting and monitoring, and a business culture that addresses these matters.</p>
	16	Corporate Governance	<p>Effectiveness of the Company's governance bodies, including their experience, diversity, evaluation, independence, structure, functions, and involvement with environmental, social, and corporate governance matters.</p> <p>A culture of open listening, which allows for a trusting and compliant work environment based on the best practices, standards, and laws applicable in each country where we operate, by preventing unethical behavior and fostering a culture of legality both within the Company and in the relationship with its stakeholders.</p>
	17	Economic Performance	<p>Positive financial results for the business, allowing us to continue with strategic investment plans, product development, and promotion.</p> <p>The creation of new products is essential to fostering economic growth since it enables us to broaden and bolster our product portfolio, draw in new customers, and provide high-quality products at prices lower than those of the competition.</p>
	18	Investor Relations	<p>Activities to encourage and strengthen the company's trust among its investors, such as the development of new communication channels.</p>
	19	Relationship with Authorities	<p>Activities to encourage and strengthen trust among authorities. For example, through participation in local roundtables with the government, alliances with institutions, and civil society organizations, among others.</p>
	20	Responsible Business	<p>Procedures and policies that protect the integrity of business operations and adherence to all applicable laws and regulations in the countries in which they conduct business.</p> <p>Disseminate the Company's values, building trust externally and internally with the goal of creating value for all stakeholders.</p>





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Category	N°	Topic	Definition
<b>Environment</b>	21	Emissions Management	Measurement and monitoring of greenhouse gas (GHG) emission sources from direct operations and throughout the value chain.
	22	Water Management	Ensure the sustainable and efficient use of water. Treat all operation-related wastewater adequately, put in place technologies that make recycling and reuse easier, and make sure water withdrawal is sustainable.
	23	Energy Management	Monitor actions to optimize energy consumption in operations and significantly reduce energy use by implementing environmentally friendly technologies and energy efficiency programs. Significantly increasing the share of renewable energy in the energy grid.
	24	Biodiversity and Deforestation	Protect biodiversity throughout the value chain and reduce its environmental impact, while making sure materials and products are traceable to prevent purchasing goods from unreliable suppliers or obtained through the destruction of natural ecosystems. Ensure the use of sustainably produced, deforestation-free palm oil.
	25	Physical Impacts and Risks of Climate Change	Create detailed plans of action to deal with the impacts of climate change, long-term climate opportunities and risks for the company, operational risks related to legislative changes, compliance requirements, value chain implications, and reputational concerns, among other matters.
	26	Managing Environmental Impacts in the Value Chain	Enhance logistics operations planning by prioritizing energy efficiency, route optimization, and circular economy. Work closely with logistics suppliers to reduce greenhouse gas (GHG) emissions associated with logistics transportation.
	27	Waste Management	Management strategies that prioritize circularity and prevention of potential input loss, centered on prevention, reduction, recycling, and reuse. Reduction of the largest amount of hazardous and non-recoverable waste and reuse of non-hazardous waste.

The table above shows that we have not eliminated material topics, but rather we have broken them down to more accurately describe our stakeholders' main concerns. Although these topics were already addressed in our sustainability reports in previous periods, this level of detail will allow us to provide more accurate and comprehensive information, thereby satisfying our stakeholders' demands.





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# Changes in material topics in relation to the previous period

Category	Inclusion of Material Topic	Exclusion of Material Topic	Comments
<b>Environment</b>	21. Emissions Management 23. Energy Management 24. Biodiversity and Deforestation 26. Managing Environmental Impacts in the Value Chain 27. Waste Management	None	The material topics “Packaging and Waste” and “Operational Waste” were grouped under the material topic “Waste Management”.
	4. Customer Health and Well-being 5. Accessibility and Affordability	None	The material topic “Boosting Health and Well-Being including Affordability and Accessibility” was broken down into two material topics.
<b>Social and Human Capital</b>	12. Talent Attraction and Development 13. Employee Health and Safety	None	The material topic “Talent Attraction, Employee Development and Health” was broken down into two material topics.
	10. Diversity and Inclusion 11. Protection of Human Rights	None	The material topic “Diversity, Inclusion and Gender Equity in our Team” was broken down into two material topics.
	14. Social Inclusion	None	The material topic “Community Engagement” was renamed.
<b>Business Model</b>	1. Circular Solutions 2. Product Safety and Quality 3. Traceability 4. Health and Well-being 7. Responsible Marketing and Labeling 9. Cybersecurity	“Consumer satisfaction” has not been included in the new materiality.	The material topic “Consumer Satisfaction” was not included in the new materiality, but the main consumer concerns have been incorporated as new material topics. For example: “Cybersecurity”, “Customer Health and Well-being”, “Responsible Marketing and Labeling”, among others.
	8. Product Innovation and Research	None	The material topic “Innovation” was renamed.
<b>Governance, Ethics, and Compliance</b>	15. Ethics and Corruption 16. Corporate Governance 17. Economic Performance 18. Investor Relations 19. Relationship with Authorities 20. Responsible Business	None	The material topic “Anti-Corruption Practices” was renamed.



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## GRI Index

Statement of Use: Genomma Lab has prepared the report in accordance with the GRI Standards for the period from January 1 to December 31, 2023

GRI standard	Contents	Location	Omission		
			Omitted requirement	Rationale	Explanation
<b>GRI 1: Foundation 2021</b>					
<b>General Contents</b>					
<b>GRI 2: General Disclosures 2021</b>	2-1.	Organizational details	13, 314		
	2-2.	Entities included in the organization's sustainability reporting	314		
	2-3.	Reporting period, frequency and contact point	314		
	2-4.	Restatements of information	314		
	2-5.	External assurance	314		
	2-6.	Activities, value chain and other business relationships	13, 14, 73, 75, 82, 94		
	2-7.	Employees	129, 276		
	2-8.	Workers who are not employees	157		
	2-9.	Governance structure and composition	220, 222, 231, 239, 275		
	2-10.	Nomination and selection of the highest governance body	229		
	2-11.	Chair of the highest governance body	229		
	2-12.	Role of the highest governance body in overseeing the management of impacts	228, 258		
	2-13.	Delegation of responsibility for managing impacts	228, 258		
	2-14.	Role of the highest governance body in sustainability reporting	239, 314		
	2-15.	Conflicts of Interest	251		
	2-16.	Communication of critical concerns	276		





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GRI standard	Contents	Location	Omitted requirement	Omission		
				Rationale	Explanation	
<b>GRI 2: General Disclosures 2021</b>	2-17.	Collective knowledge of the highest governance body	222			
	2-18.	Evaluation of the performance of the highest governance body	230			
	2-19.	Remuneration policies	156			
	2-20.	Process to determine remuneration	156, 230			
	2-21.	Annual total compensation ratio	NA	2-21.	Confidentiality	Information regarding the annual compensation ratio is of a sensitive nature for the organization
	2-22.	Statement on sustainable development strategy	6			
	2-23.	Policy commitments	19, 245			
	2-24.	Embedding policy commitments	19			
	2-25.	Processes to remediate negative impacts	247, 258			
	2-26.	Mechanisms for seeking advice and raising concerns	247, 258			
<b>GRI 3: Material Topics 2021</b>	2-27.	Compliance with laws and regulations	61, 182, 251			
	2-28.	Membership associations	71, 273			
	2-29.	Approach to stakeholder engagement	284			
<b>GRI 3: Material Topics 2021</b>	2-30.	Collective bargaining agreements	160			
	3-1.	Process to determine material topics	288			
<b>GRI 3: Material Topics 2021</b>	3-2.	List of material topics	288			
	<b>Circular Solutions</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	185			



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					Omission	
GRI standard		Contents	Location	Omitted requirement	Rationale	Explanation
<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts	191			
	306-2	Management of significant waste-related impacts	191			
	306-3	Waste generated	191			
	306-4	Waste diverted from disposal	191			
	306-5	Waste directed to disposal	191			
<b>Product Safety and Quality</b>						
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	53			
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria	NA	308-1	Information not available.	We report the total number of suppliers evaluated for social responsibility
	308-2	Negative environmental impacts in the supply chain and actions taken	100			
<b>GRI 414: Supplier Social Assessment</b>	414-1	New suppliers that were screened using social criteria	NA	414-1	Information not available.	We report the total number of suppliers evaluated for social responsibility
	414-2	Negative social impacts in the supply chain and actions taken	100			
<b>Traceability</b>						
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	67			
<b>Customer Health and Well-being</b>						
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	55			
<b>GRI 416: Customer health and safety 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories	55			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	61			



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**Omission**

GRI standard	Contents	Location	Omitted requirement	Rationale	Explanation
<b>Accessibility and Affordability</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	73			
<b>GRI 203: Indirect economic impacts 2016</b>	203-1 Infrastructure investments and services supported	168			
	203-2 Significant indirect economic impacts	73, 80, 168			
<b>Responsible Management of the Value Chain</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	94			
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	94, 97			
<b>Responsible Marketing and Labeling</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	113			
<b>GRI 417: Marketing and labeling 2016</b>	417-1 Requirements for product and service information and labeling	121			
	417-2 Incidents of non-compliance concerning product and service information and labeling	121			
	417-3 Incidents of non-compliance concerning marketing communications	121			
<b>Product innovation and Research</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	27			
<b>GRI 301: Materials 2016</b>	301-1. Materials used by weight or volume	185			
	301-2 Recycled input materials used	185			
	301-3 Reclaimed products and their packaging materials	185			



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				Omission		
GRI standard		Contents	Location	Omitted requirement	Rationale	Explanation
<b>Cybersecurity</b>						
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	264			
<b>GRI 418: Customer privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	89			
<b>Diversity and Inclusion</b>						
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	133			
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1	Diversity of governance bodies and employees	129, 220			
	405-2	Ratio of basic salary and remuneration of women to men	133			
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	159			
<b>Protection of Human Rights</b>						
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	103, 158			
<b>GRI 407: Freedom of association and collective bargaining 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	103, 160			
<b>GRI 408: Child Labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	103, 161			
<b>GRI 409: Forced or compulsory labor 2016</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	103, 161			
<b>Talent Attraction and Development</b>						
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	128, 140			





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**Omission**

GRI standard	Contents	Location	Omitted requirement	Rationale	Explanation
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	140, 278		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	146		
	401-3	Parental leave	146		
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	151		
	404-2	Programs for upgrading employee skills and transition assistance programs	151		
	404-3	Percentage of employees receiving regular performance and career development reviews	149		
<b>Employee health and safety</b>					
<b>GRI 403: Occupational health and safety 2018</b>	3-3.	Management of material topics	162		
	403-1	Occupational health and safety management system	162		
	403-2	Hazard identification, risk assessment, and incident investigation	163, 164		
	403-3	Occupational health services	164		
	403-4	Worker participation, consultation, and communication on occupational health and safety	163		
	403-5	Worker training on occupational health and safety	165		
	403-6	Promotion of worker health	164		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	164		
	403-8	Workers covered by an occupational health and safety management system	162		
	403-9	Work-related injuries	167		
403-10	Work-related ill health	167			
<b>Social Inclusion</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	168		



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**Omission**

GRI standard	Contents	Location	Omitted requirement	Rationale	Explanation
<b>GRI 413: Local communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	168		
	413-2	Operations with significant actual and potential negative impacts on local communities	168		
<b>Ethics and Corruption</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	251		
	205-1	Operations assessed for risks related to corruption	251		
	<b>GRI 205: Anti-Corruption 2016</b>	205-2	Communication and training about anti-corruption policies and procedures	100, 222, 251	
205-3		Confirmed incidents of corruption and actions taken	251		
<b>Corporate Governance</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	220		
<b>Economic Performance</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	19		
<b>Investor Relations</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	244		
<b>Relationship with Authorities</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	253		
<b>GRI 415: Public Policy 2016</b>	415-1	Political contributions	251, 253		
<b>Responsible Business</b>					
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	245, 251		



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GRI standard	Contents	Location	Omitted requirement	Omission		
				Rationale	Explanation	
<b>GRI 207: Taxation 2019</b>	207-1	Approach to tax	256			
	207-2	Tax governance, control, and risk management	256			
	207-3	Stakeholder engagement and management of concerns related to tax	256			
	207-4	Country-by-country reporting	NA	207-4	Confidentiality	This information is of a sensitive nature for the organization
<b>Emissions Management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	209			
	305-1	Direct (Scope 1) GHG emissions	209			
	305-2	Energy indirect (Scope 2) GHG emissions	209			
	305-3	Other indirect (Scope 3) GHG emissions	209			
	305-4	GHG emissions intensity	209			
	<b>GRI 305: Emisiones 2016</b>	305-5	Reduction of GHG emissions	209		
		305-6	Emissions of Ozone-depleting substances (ODS)	NA	305-6	Information not available
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	209				
<b>Water Management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3.	Management of material topics	200			
	303-1	Interaction with water as a shared resource	200			
	<b>GRI 303: Water and Effluents 2018</b>	303-2	Management of water discharge-related impacts	200		
		303-3	Water withdrawal	200		
		303-4	Water discharge	200		
		303-5	Water consumption	200		





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Omission

GRI standard	Contents	Location	Omitted requirement	Rationale	Explanation
<b>Energy Management</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	202			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	202			
	302-2 Energy consumption outside of the organization	202			
	302-3 Energy intensity	202			
	302-4 Reduction of energy consumption	202			
	302-5 Reductions in energy requirements of products and services	202			
<b>Biodiversity and Deforestation</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	213			
<b>Physical Impacts and Risks of Climate Change</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	205			
<b>GRI 201: Economic performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	283			
<b>Managing Environmental Impacts in the Value Chain</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	100			
<b>Waste Management</b>					
<b>GRI 3: Material Topics 2021</b>	3-3. Management of material topics	196			



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# BIOTECHNOLOGY AND PHARMACEUTICALS

Topic	Accounting parameter	Code	Location	Omission
<b>Safety of participants in clinical trials</b>	Analysis by world region on the management process to ensure quality and patient safety during clinical trials	HC-BP-210a.1	57	
	Number of FDA sponsor inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Advice for Voluntary Action (Indicación de Acción Voluntaria, IAV) and (2) Advice for Official Action (Indicación de Acción Oficial, IAO)	HC-BP-210a.2	NA	Not applicable. We do not conduct clinical trials
	Total amount of monetary losses resulting from legal proceedings associated with clinical trials in developing countries.	HC-BP-210a.3	NA	Not applicable. We do not conduct clinical trials
<b>Access to medicines</b>	Description of actions and initiatives to promote access to healthcare products for priority diseases and in priority countries, as defined in the Access to Medicines Index	HC-BP-240a.1	87, 88	
	Products on the WHO List of Prequalified Medicinal Products as part of the WHO Prequalification of Medicines Programme (PQP)	HC-BP-240a.2	88	
<b>Affordability and pricing</b>	Number of litigation resolutions on abbreviated new drug applications (ANDAs) that included payments or provisions to delay the market launch of an authorized generic product for a defined period of time	HC-BP-240b.1	255	
	Percentage change in: (1) average selling price and (2) average net price across the U.S. product portfolio compared to previous year	HC-BP-240b.2	75	
	Percentage change in: (1) sales price and (2) net price of the product with the highest increase compared to the previous year	HC-BP-240b.3	75	
<b>Drug safety</b>	List of products listed in the U.S. Food and Drug Administration's (FDA) MedWatch database of safety alerts for human medical products	HC-BP-250a.1	64	
	Number of product-associated deaths according to the FDA Adverse Event Reporting System	HC-BP-250a.2	64	
	Number of recalls issued, total number of units recalled	HC-BP-250a.3	66	
	Total quantity of product accepted for recovery, reuse or disposal	HC-BP-250a.4	198	
	Number of FDA enforcement actions taken in response to current Good Manufacturing Practice (GMP) violations	HC-BP-250a.5	NA	Not applicable. We have not committed any violations of good manufacturing practices





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Topic	Accounting parameter	Code	Location	Omission
<b>Counterfeit medicines</b>	Description of the methods and technologies used to maintain product traceability throughout the supply chain and prevent counterfeiting	HC-BP-260a.1	67	
	Analysis of the process for alerting customers and business partners of potential or known risks associated with counterfeit products	HC-BP-260a.2	67	
	Number of actions that resulted in raids, seizures, detentions or filing of criminal charges related to counterfeit products	HC-BP-260a.3	67	
<b>Ethical Marketing</b>	Total amount of monetary losses as a result of legal proceedings related to false promotional claims	HC-BP-270a.1	123	
	Description of the code of ethics regulating the advertising of uses for unauthorized product directions	HC-BP-270a.2	121	
<b>Employee recruitment, development and retention</b>	Analysis of talent recruitment and retention efforts for scientific and research and development staff	HC-BP-330a.1	141	
	1) Voluntary and (2) involuntary turnover rate for: a) senior executives and managers, b) mid-level managers, c) professionals, and d) all others	HC-BP-330a.2	145	
<b>Supply chain management</b>	Percentage of (1) entity facilities and (2) Tier I supplier facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for supply chain and ingredient integrity	HC-BP-430a.1	100	
<b>Business ethics</b>	Total amount of monetary losses as a result of legal proceedings related to corruption and bribery	HC-BP-510a.1	252	
	Description of the code of ethics governing interactions with healthcare professionals	HC-BP-510a.2	121	
Activity parameter		Code	Location	Omission
<b>Number of patients treated</b>		HC-BP-000.A	NA	Not applicable. We sell over-the-counter medications; we don't have a patient database
<b>Number of drugs (1) in the pipeline and (2) in research and development (Phases 1-3)</b>		HC-BP-000.B	47	





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# PERSONAL CARE AND HOME CARE PRODUCTS

Topic	Accounting parameter	Code	Location	Omission
<b>Water Management</b>	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high initial water stress	CG-HP-140a.1	201	
	Description of water management risks and analysis of strategies and practices to mitigate them	CG-HP-140a.2	200, 201	
<b>Environmental, health and safety performance of the product</b>	Revenue from products containing Substances of Very High Concern (SVHC) according to REACH regulation	CG-HP-250a.1	61	
	Revenue from products containing substances included in California's list of candidate chemicals for toxic substances control (DTSC)	CG-HP-250a.2	64	
	Analysis of the process of identification and management of new materials and chemicals of interest	CG-HP-250a.3	61, 62, 63, 64	
	Revenue from products designed according to the principles of green or sustainable chemistry	CG-HP-250a.4	NA	We do not have products designed according to green chemistry principles
<b>Packaging Lifecycle Management</b>	(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable or compostable	CG-HP-410a.1	185	
	Analysis of strategies to reduce the environmental impact of packaging throughout its life cycle	CG-HP-410a.2	188, 189	
<b>Environmental and social impacts of the palm oil supply chain</b>	Amount of palm oil obtained, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as: a) Identity Preserved, b) Segregation, c) Mass Balance, or d) Registration and Reclamation	CG-HP-430a.1	103	
<b>Activity parameter</b>		<b>Code</b>	<b>Location</b>	<b>Omission</b>
<b>Units of product sold, total weight of products sold</b>		CG-HP-000.A	107	
<b>Number of manufacturing facilities</b>		CG-HP-000.B	104	





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# SDG Index



SDG	Goal	GRI correlation	Contents	Description	Location	
	1.4	<b>GRI 413: Local communities 2016</b>	413-2	Operations with significant actual and potential negative impacts on local communities	168	
	2.3					
	3.2	<b>GRI 401: Employment 2016</b>	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	146	
			401-3	Parental leave	146	
	3.3	<b>GRI 403: Occupational health and safety 2018</b>	403-1	Occupational health and safety management system	162	
	3.6		403-9	Work-related injuries	167	
	3.7		403-6	Promotion of worker health	164	
			305-1	Reduction in energy requirements of products and services	209	
		3.9	<b>GRI 305: Emissions 2016</b>	305-2	Direct (Scope 1) GHG emissions	209
		305-3		Indirect (Scope 2) GHG emissions from power generation	209	
		305-6		Reduction of GHG emissions	ND	
			<b>GRI 306: Waste 2020</b>	305-7	Emissions of Ozone-depleting substances (ODS)	209
			306-4	Waste diverted from disposal	191	
	4.3	<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	151	
	4.4					
	4.5					
	5.1	<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1	Diversity of governance bodies and employees	129, 220	
	5.5					
	5.2	<b>GRI 414: Supplier Social Assessment</b>	414-1	New suppliers that have passed selection filters in accordance with social criteria	ND	





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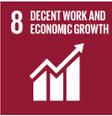
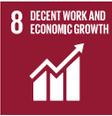
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SDG	Goal	GRI correlation	Contents	Description	Location	
	5.1	<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	140	
	5.4		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	146	
	6.A	<b>GRI 303: Water and Effluents 2018</b>	303-1	Interaction with water as a shared resource	200	
	6.B		303-2	Management of water discharge-related impacts	200	
	6.3		303-3	Water withdrawal		
			303-4	Water discharge		
	6.4		303-5	Water consumption	200	
			6.3	<b>GRI 306: Waste 2020</b>	306-2	Management of significant waste-related impacts
6.4		306-3	Waste generated		191	
6.6		306-3	Waste generated		191	
	7.2	<b>GRI 302: Energy 2016</b>	302-2	Energy consumption outside of the organization	202	
	7.3		302-3	Energy intensity	202	
	8.4	<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization	202	
			302-4	Reduction of energy consumption	202	
			302-5	Reductions in energy requirements of products and services	202	
	8.5	<b>GRI 301: Materials 2016</b>	301-3	Reclaimed products and their packaging materials	185	
			<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	140
	8.6	<b>GRI 404: Training and Education 2016</b>		404-2	Programs for upgrading employee skills and transition assistance programs	151
	8.5			404-3	Percentage of employees receiving regular performance and career development reviews	149
	8.2	<b>GRI 405: Diversity and equal opportunities 2016</b>	405-2	Ratio of basic salary and remuneration of women to men	133	





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SDG	Goal	GRI correlation	Contents	Description	Location		
	8.8	<b>GRI 403: Occupational health and safety 2018</b>	403-2	IPER - Incident investigation	163, 164		
			403-3	Occupational health services	164		
			403-4	Worker participation, consultation, and communication on occupational health and safety	163		
			403-5	Worker training on occupational health and safety	165		
			403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	164		
			403-8	Workers covered by an occupational health and safety management system	162		
			8.8	<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	159
				9.1	<b>GRI 203: Indirect economic impacts 2016</b>	203-1	Infrastructure investments and services supported
9.4							
	10.3	<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	140		
	10.3	<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1	Diversity of governance bodies and employees	129, 220		
	12.2	<b>GRI 301: Materials 2016</b>	301-1	Materials used by weight or volume	185		
	12.5		301-2	Recycled input materials used	185		
	12.2	<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization	202		
	12.4	<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts	191		
	12.5		306-2	Management of significant waste-related impacts	191		
	12.8	<b>GRI 417: Marketing and labeling 2016</b>	417-1	Requirements for product and service information and labeling	121		
		13.4	<b>GRI 305: Emissions 2016</b>	305-4	Other indirect (Scope 3) GHG emissions	209	
13.1		<b>GRI 305: Emissions 2016</b>	305-5	GHG emissions intensity	209		
	14.1	<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts	191		
	14.2	<b>GRI 306: Waste 2020</b>	306-5	Waste directed to disposal	191		





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SDG	Goal	GRI correlation	Contents	Description	Location
	15.1	<b>GRI 306: Waste 2020</b>	306-5	Waste directed to disposal	191
	15.5	<b>GRI 306: Waste 2020</b>	306-5	Waste directed to disposal	191
	16.1	<b>GRI 414: Supplier Social Assessment</b>	414-2	Negative social impacts in the supply chain and actions taken	100
	16.2	<b>GRI 408: Child Labor 2016</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	103, 161
		<b>GRI 205: Anti-Corruption 2016</b>	205-1	Operations assessed for risks related to corruption	252
	16.5	<b>GRI 415: Public Policy 2016</b>	205-2	Communication and training about anti-corruption policies and procedures	100, 222, 251
		<b>GRI 416: Customer health and safety 2016</b>	415-1	Political contributions	253
	16.3	<b>GRI 417: Marketing and labeling 2016</b>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	61
			417-2	Incidents of non-compliance concerning product and service information and labeling	121
	16.3	<b>GRI 417: Marketing and labeling 2016</b>	417-3	Incidents of non-compliance concerning marketing communications	121
16.10			<b>GRI 418: Customer privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data





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Verification Letter of 2023 Annual Report "EXPANSION IN OUR CORE"

To the Board of Directors of Genomma Lab Internacional, S.A.B. de C.V. (consequently Genomma Lab Internacional):

We inform you that Redes Sociales en Línea Timberlan was hired to carry out a limited and independent verification of a sample of GRI Disclosures presented in the 2023 Annual Report: "Expansion in our core" of Genomma Lab Internacional. The scope of our verification covered the results of the period from January 1st to December 31st, 2023 in the 18 countries where it operate for social and governance issues, while only the Mexico Industrial Complex was considered in environmental management.

The Sustainability Management of Genomma Lab Internacional is responsible for the preparation and publication of the information contained in the 2023 Annual Report and that presented in the verification process, which implies, but is not limited to, the identification of material issues, the selection and publication of the GRI Disclosures, as well as providing true and sufficient documentary and/or visual evidence to carry out the limited verification of the selected sample to be verified.

Our mission is to issue impartial and objective opinions about the quality of the data included in the selected sample to be verified, validating its certainty, traceability and reliability. The work carried out is based on the activities of the International Standard on Assurance Engagements (ISAE) 3000, issued by the International Auditing and Assurance Standards Board (IAASB), of the International Federation of Accountants. (International Federation of Accountants (IFAC) and the methodological requirements in accordance with the GRI Standards.

Among the activities during the verification process are listed:

- Interviews with the areas involved to learn about the information collection, management and control processes for the preparation of the 2023 Annual Report.
• Understanding of internal management systems (policies, processes, tools, source documents, etc.)
• Analysis of qualitative and quantitative information of visual, documentary and public evidence of the sample of indicators to be verified.
• Comparison of data from 1 previous year to validate reasonableness.
• Validation of methodological compliance in accordance with the GRI Standards.

Conclusions: As a result of our work and the review of the report, we did not identify any factor that would make us consider that the sample selected to be verified was not accurate and reliable and that it did not have traceability, likewise, that the 2023 Annual Report: "Expansion in our core" did not comply with the principles for preparing reports in accordance with the GRI Standards.

Recommendations: An exclusive internal report is delivered separately for the client, which contains areas of opportunity for a future report.

Declaration of independence and competence of Redes Sociales en Línea Timberlan.

The collaborators of Redes Sociales en Línea Timberlan have the necessary level of competence to verify compliance with standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on non-financial information reports, complying with the principles of independence, integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report, so no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on May 24th, two thousand twenty-four and is valid as long as no subsequent and substantial modifications are made to the 2023 Annual Report: "Expansion in our core" of Genomma Lab Internacional, S.A.B. of C.V.

Redes Sociales en Línea Timberlan S.A. de C.V. Pico Sorata 180, Jardines en la Montaña, Tlalpan, C.P. 14210, CDMX, (55) 54 46 74 84

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**Verified sample**

Verified sample GRI DISCLOSURES			
GRI DISCLOSURES	Verified KPI	SCOPE	
<b>Environment</b>			
302-1	Energy consumption within the organization <ul style="list-style-type: none"> <li>° Electricity: 38,962.91 Gj</li> <li>° Natural gas: 43,822.00 Gj</li> <li>° Diesel: 16,489.87 Gj</li> <li>° Gasoline: 36,381.61 Gj</li> <li>° Total: 135,656.39 Gj</li> </ul>	Mexico	
303-3	Water withdrawal	217.69 megaliters	
303-5	Water consumption	217.69 megaliters	
305-1	Direct (Scope 1) GHG emissions	3,100.84 tCO <sub>2</sub> e	
305-2	Energy indirect (Scope 2) GHG emissions	4,740.49 tCO <sub>2</sub> e	
305-3	Other indirect (Scope 3) GHG emissions	44,075.12 tCO <sub>2</sub> e	
306-3	Waste generated	<p>Hazardous waste</p> <ul style="list-style-type: none"> <li>° Over-the-Counter (OTC) Medicines Plant: 26.31 t</li> <li>° Distribution Center (CEDIS): 368.99 t</li> <li>° Personal Care Plant (PC): 115.81 t</li> <li>° Total hazardous waste: 511.12 t</li> </ul> <p>Non-hazardous waste</p> <ul style="list-style-type: none"> <li>° Over-the-Counter Medicines Plant (OTC): 41.45 t</li> <li>° Distribution Center (CEDIS): 2050.55 t</li> <li>° Personal Care Plant (PC): 195.53 t</li> <li>° Total non-hazardous waste: 2287.53 t</li> </ul>	Mexico
306-4	Waste diverted from disposal	<p>Scope: Mexico Industrial Complex</p> <p>Non-hazardous waste not designated for disposal</p> <ul style="list-style-type: none"> <li>° Recovery (Recycling or Reuse): 1,164.23 t</li> </ul> <p>Hazardous waste not designated for disposal</p> <ul style="list-style-type: none"> <li>° 0 t</li> </ul>	Mexico
306-5	Waste directed to disposal	<p>Non-hazardous waste destined for disposal</p> <ul style="list-style-type: none"> <li>° Sanitary landfill or authorized landfill: 284.70 t</li> <li>° Incineration with energy recovery: 838.60 t</li> </ul> <p>Hazardous waste designated for disposal</p> <ul style="list-style-type: none"> <li>° Incineration with energy recovery: 498.60 t</li> <li>° Incineration without energy recovery: 12.51 t</li> </ul>	Mexico

Verified sample GRI DISCLOSURES		
GRI DISCLOSURES	Verified KPI	SCOPE
<b>Social</b>		
2-6	Activities, value chain and other business relationships	Supplier management
404-1	Average hours of training per year per employee	See table: "Average training hours by job category" page 152
406-1	Incidents of discrimination and corrective actions taken	0 substantiated cases of discrimination
403-9	Work-related injuries	<p>Employees</p> <ul style="list-style-type: none"> <li>° work-related injuries: 17</li> <li>° Rate: 9.77</li> </ul> <p>Contractors</p> <ul style="list-style-type: none"> <li>° work-related injuries: 0</li> <li>° Rate: 0</li> </ul>
403-10	Work-related ill health	<p>Fatalities (employees): 0</p> <p>Fatalities (contractors): 0</p>
413-1	Operations with local community engagement, impact assessments, and development programs	Operations management system with community-focused p
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	0 cases of non-compliance in health and product safety
417-1	Requirements for product and service information and labeling	100% of product categories evaluated on labeling issues
417-2	Incidents of non-compliance concerning product and service information and labeling	0 cases of non-compliance on labeling issues
417-3	Incidents of non-compliance concerning marketing communications	0 cases of non-compliance in marketing issues
<b>Governance</b>		
2-9	Governance structure and composition	Governance structure, committees and decision-making roles <a href="https://inversionistas.genommalab.com/gobierno-corporativo/">https://inversionistas.genommalab.com/gobierno-corporativo/</a>
2-23	Policy commitments	Public policies and codes: <a href="https://esr.genommalab.com/es/politicas/">https://esr.genommalab.com/es/politicas/</a>
2-25	Processes to remediate negative impacts	Protocol for Attention to Ethical Reports <a href="https://esr.genommalab.com/wp-content/uploads/2023/08/Protocolo-Reportes-Eticos.pdf">https://esr.genommalab.com/wp-content/uploads/2023/08/Protocolo-Reportes-Eticos.pdf</a>
2-27	Compliance with laws and regulations	0 cases of non-compliance with environmental regulations. 0 cases of non-compliance related to consumer health and safety.
2-28	Membership associations	List of associations and/or other national or international affiliations in the sector. Consult annex "Sectoral associations" (Pp. 273 y 274)
415-1	Political contributions	\$0 allocated to contributions to political parties and representatives
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	0 substantiated claims regarding privacy violations or loss of personal data of clients or consumers.

Redes Sociales en Línea Timberlan S.A. de C.V. Pico Sorata 180, Jardines en la Montaña, Tlalpan, C.P. 14210, CDMX, (55) 54 46 74 84





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# APPENDIX 7: ABOUT THIS REPORT

(GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-14)

This report was created in accordance with the [Global Reporting Initiative \(GRI\) Standards](#), using the 2021 Universal Standards and the [parameters of the Sustainability Accounting Standards Board \(SASB\)](#) in the sectors of (i) Personal and Household Care Products and (ii) Biotechnology and Pharmaceuticals. In addition, we took into account our investors' and other stakeholders' interests through the requirements of S&P Global's Corporate Sustainability Assessment (CSA). Finally, we describe the actions that contribute to the Sustainable Development Goals (SDGs) and the 10 principles of the United Nations Global Compact.

The scope of this report covers all entities and subsidiaries included in the audit of our consolidated financial statements and was compiled by the sustainability team with support from all entities involved. The information reported regarding environmental and occupational health and safety impacts corresponds only to the operation in Mexico. The previous version corresponds to the fiscal year 2022, which was made public in 2023. This document is issued on an annual basis. An external consultant, in collaboration with the sustainability team of Genomma Lab Internacional, prepared this report, which has not been updated. It was endorsed by the Board of Directors and subjected to external verification by an independent third party, the external audit letter can be viewed on page (insert page number). It is crucial to note that the information contained in this report is purely informative and should not be interpreted as an official means of communication by Genomma Lab Internacional, S.A.B. de C.V. or its subsidiaries.

## Information for Investors and Stakeholders

<b>Company name</b>	Genomma Lab Internacional, S.A.B. de C.V.
<b>Corporate Office</b>	Av. Antonio Dovalí Jaime #70 Torre C Piso 2, Despacho A, Col. Santa Fe, Álvaro Obregón Municipality, Mexico City. ZC 01210
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<b>Mexican Stock Exchange</b>	Genomma Lab Internacional, S.A.B. de C.V. shares have been listed on the Mexican Stock Exchange under the ticker symbol "LABB" (Bloomberg: LABB.MM) since June 18, 2008.
<b>Annual report dissemination</b>	Official website, email, Mexican Stock Exchange and United Nations Global Compact website
<b>Report release date</b>	May 27, 2024
<b>Last report release date</b>	May 26, 2023



**Genomma Lab.®**  
*Internacional*

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