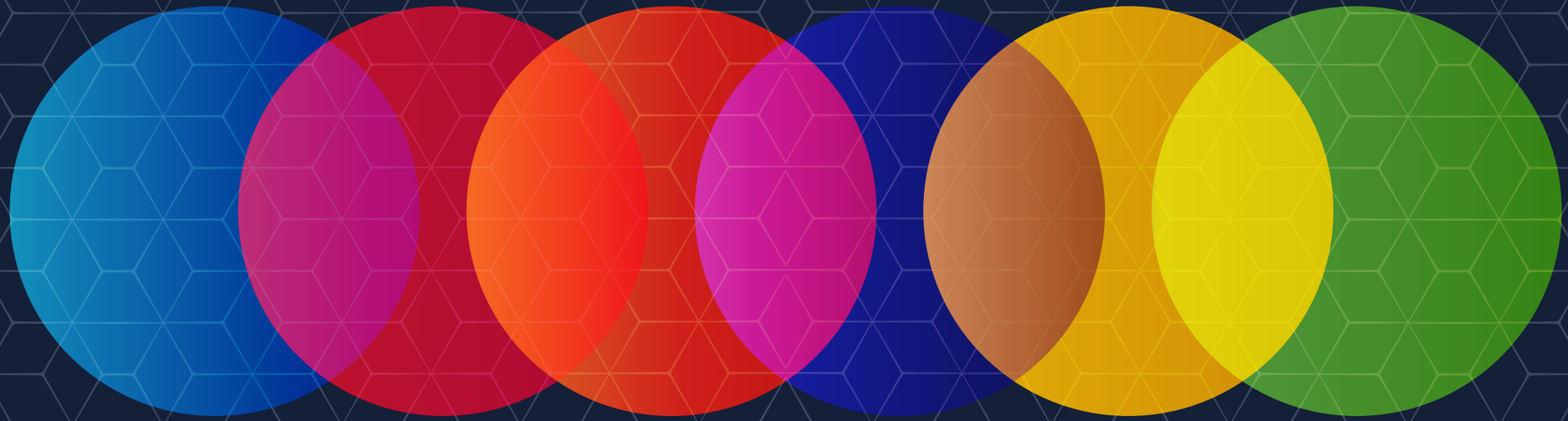
2022 ANNUAL REPORT

OUR PATH TO SUCCESS

Genomma Lab.®
Internacional



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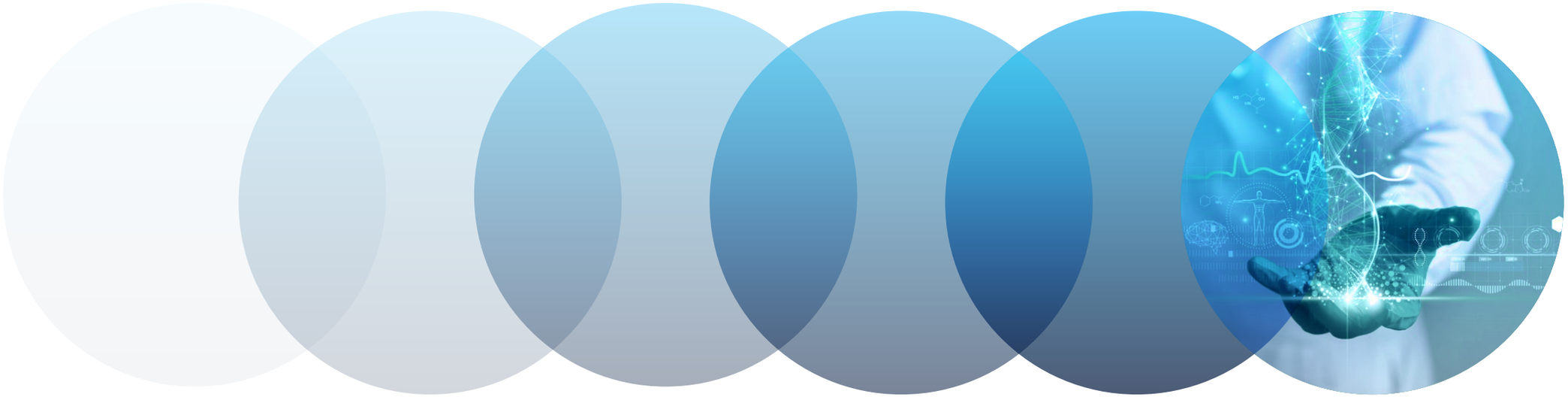


HOW TO READ THIS REPORT

(GRI 2-2)

We present our integrated annual report for the 2022 year.

The information in this report contains the results of the environmental, social and corporate governance management impacts, in addition to the main financial results of Genomma Lab Internacional. This reflects our commitment to transparency and accountability to our stakeholders on the Company's material issues.

The respective codes of the different metrics we are using are found at the beginning of each section, starting with their corresponding acronyms (GRI, for example). A specific index for each of the tools used can be found at the end of the report.

The scope of this report corresponds to all the entities and subsidiaries included in the audit of our consolidated financial statements, which are detailed on **page 175** of this report.

MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS AND THE CEO

(GRI 2-22)

To all our stakeholders,

We would like to begin this message by thanking you once again for the trust you have placed in Genomma Lab Internacional. After three years marked by a global pandemic triggered by the COVID-19 virus, which has affected and transformed the world and impacted our operations, today we can assure you that we have become stronger, more efficient and resilient.

Last year was marked with great excitement with the announcement of Marco Sparvieri as our new Chief Executive Officer (CEO). Marco has been part of our team for the last eight years and previously served as our Global Chief Operating Officer (COO). On the other hand, Jorge Brake, who has been instrumental in consolidating the new strategy taking the Company to the next level since his entry in 2018, has begun the transition process from Chief Executive Officer to Vice Chairman of the Board of Directors. In this way, he will continue to be actively involved in the strategic planning of Genomma Lab Internacional for the years to come.

This transition included a Succession and Leadership Plan, which was developed over the past three years, as well as a strengthening of our corporate governance model.

Today, despite the complex global economic and political landscape in some of the countries where we operate, we feel confident to face new challenges, supported by our solid growth strategy and its six pillars: Product Innovation, Go-To-Market, World-Class Supply Chain, Corporate Culture, Organizational Development & Sustainability, Strategic Alliances, and Communication & Marketing, consistently delivering superior brand value.

The sum of all parts has allowed us to deliver added value to our investors, with continued growth in sales and EBITDA for the fourth consecutive year. During 2022, consolidated net sales increased +8.6% to billion pesos, thanks to a solid innovation strategy, outstanding operational execution and a continued focus on profitability, achieving an EBITDA margin of 20.5% and operating profit of $3,245.2 billion pesos. We would also like to highlight two dividend payments were made to shareholders for the first time in the Company's history.

Sales of our pharmaceutical products represented 58% of our total sales, and sales of our personal care products represented 42% of our total sales. Confirming Genomma Lab as the ideal partner for both Latin America and the U.S. Hispanic market in the categories in which we participate.

"We are convinced that the right way to operate, to source, to relate and to do business must be responsibly and in harmony with the environment, as well as with society."

> Our Industrial Complex became the first pharmaceutical plant in the Western Hemisphere to meet the standards required by this certification."

Our purpose has been adapted to the modern needs of our customers and stakeholders: **"ICONIC solutions for your health and wellness".**

We want to accompany our consumers and provide them with adequate and transparent information that allows them to make the best decisions when choosing a product for their health and wellness. Along the same lines, we also seek to make our products available and accessible to everyone. To this end, we increased our points of sale in the traditional channel and maintain our multichannel strategy, with a priority on managing adequate visibility at the point of sale.

In addition, our decision to reinforce our online sales strategy through an appropriate e-commerce plan is enabling us to provide access to over-the-counter medicines and personal care products to a potential population of more than 600 million people living in the 18 countries where we operate.

In recent years, the Company has maintained a continuous focus on product innovation, highlighting during this year the expansion of the Suerox® isotonic beverage category to more territories, the launch of the Lafedryl® brand, expanding the presence of Tío Nacho® with its 100% recycled and recyclable packaging, not to mention the expansion of the analgesic category in the Andean and Central American Cluster through the introduction of Alliviax® in Peru and Xray Dol® in Ecuador and Costa Rica.

Our Industrial Complex located in the State of Mexico, has been a dream come true for all the members of this great team, with which we have been able to increase the traceability of our value chain, by integrating processes that were previously carried out by third parties, to improve our profitability, productivity and service.

During this year we started operations of all the production lines within our beverage and personal care Manufacturing Plant. The first to achieve the desired levels of efficiency was the Suerox® production line, which reached an average monthly production of 7.5 million bottles and obtained the Good Manufacturing Practices (GMP) certification, which will allow Genomma to export isotonic beverages to markets that require them. The other personal care manufacturing lines will continue their Ramp-Up process.

In addition, we are proud of the progress made in our manufacturing plant for over-the-counter (OTC) medicines. In 2022, the Company began manufacturing and marketing, for the Mexican market, semi-solid products such as the Silka®, Unesia®, Ultra Bengue® and X-Ray® (gel) brands, as well as solid products, including the manufacture of the Next® brand.

Another major milestone is the achievement of EDGE (Excellence in Design for Greater Efficiencies) certification for the entire Industrial Complex, which is made up of the aforementioned Personal Care (PC) and Pharmaceutical Products (OTC) manufacturing plants, as well as the Distribution Center. This certification is awarded to those that demonstrate at least 20% efficiency in energy, water and energy incorporated in building materials.

Our Industrial Complex became the first pharmaceutical plant in the Western Hemisphere to meet the standards required by this certification.

We are convinced that the right way to operate, to source, to relate and to do business must be responsibly and in harmony with the environment, as well as with society. To this end, we are guided by our 2025 Sustainability Strategy, which is made up of 10 strategic pillars aligned with the United Nations Sustainable

Development Goals and involves our entire value chain. We continue our efforts to turn our products into less environmental impact versions, as well as to promote and position the importance of managing forest resources through responsible sourcing and cleaner industrial processes.

In addition, during 2022 we strengthened our corporate volunteer program “Gen Contigo” by carrying out more than 500 social responsibility activities and actions for the environment, which positively impacted more than 32,200 people in alliance with 40 institutions and the participation of more than 400 Genomma volunteers. Thanks to all these efforts, we were recognized and considered for the third consecutive year to be part of the Dow Jones Sustainability MILA Pacific Alliance Index, as well as the S&P/BMV Total Mexico ESG Index.

We know that we could not have met any challenge, nor achieved any of the results we have shared above without the support and effort of our organization, whose talent, energy and commitment are the primary enablers to make any corporate plan or strategy a reality.

This year we continued to strengthen our talent attraction, training, organizational development and internal communication programs. The latter to ensure that our employees have all the necessary information about the path the Company is taking, within an environment where diversity and inclusion are basic elements of our organizational culture.

We are a company of people, which evolves, works and has clear objectives. We will continue to excel every day to make our purpose a reality and maximize the added value we provide to each of our stakeholders.

We are People with Purpose!

Rodrigo Herrera Aspra
and Jorge Brake

OUR 2022

(GRI 2-6)

2022 SALES

$16,819.9 MILLION PESOS

+8.6% ANNUAL GROWTH

+1,800

EMPLOYEES

EBITDA

$3,453.1

MILLION PESOS

18

MEGA BRANDS

+50

BRANDS

+500 THOUSAND

POINTS OF SALE

+1,300 TONS

OF RECYCLED MATERIAL IN OUR PACKAGING

+380,000

PRODUCTS DONATED GLOBALLY

+2,400

HOURS OF GEN CONTIGO VOLUNTEERING

TERRITORIAL EXPANSION OF **SUEROX®**

ISOTONIC BEVERAGES

CONSOLIDATION OF THE LAUNCH OF **TÍO NACHO® SUSTENTABLE**

All **production lines** of the beverage and personal care products Manufacturing Plant have started operations.

TERRITORIAL EXPANSION OF **GROOMEN®**

(STRATEGIC ALLIANCES WITH EDGEWELL)

Member of **Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

50.3%

WOMEN

49.7%

MEN

INTEGRATION INTO THE **S&P/BMV TOTAL MEXICO ESG INDEX** FOR THE THIRD CONSECUTIVE YEAR

MEJORES LUGARES PARA TRABAJAR

2022 Por Equidad LGBTQ+

100% HRC EQUIDAD MX.

We **started manufacturing** solid and semi-solid products at our OTC Manufacturing Plant

OUR FINANCIAL RESULTS

(Figures in millions of Mexican Pesos)

RESULTS	ANNUAL GROWTH	2022 (1)	%/SALE	2021 (1)	%/SALE
Net Sales	+8.6%	16,819.9	100.0%	15,487.1	100.0%
Gross Profit	+6.3%	10,163.5	60.4%	9,563.2	61.7%
Operating Income	+6.5%	3,245.2	19.3%	3,046.6	19.7%
EBITDA (2)	+7.6%	3,453.1	20.5%	3,209.8	20.7%
Net Income	+6.2%	1,389.2	8.3%	1,307.9	8.4%

BALANCE	ANNUAL GROWTH	2022 (1)	2021 (1)
Total Assets	+0.3%	21,606.5	21,543.0
Total Debt	+8.0%	6,377.7	5,904.3
Stockholders' Equity	+0.8%	10,152.5	10,072.2
Cash Conversion Cycle	(9) days	100	109

STOCK MARKET DATA	ANNUAL GROWTH	2022 (1)	2021 (1)
Earnings per Share	+12.9%	1.40	1.38
Book Value per Share	+0.9%	9.68	9.61
Outstanding Shares	-	1,048.0	1,048.0

OPERATION	ANNUAL GROWTH	2022 (1)	2021 (1)
Employees	-13.72%	1,861	2,157

(1) Figures in millions of nominal pesos and under IFRS standards, except for cash conversion cycle, share, number of units and employees.

(2) EBITDA - Earnings before interest, taxes, depreciation and amortization.

ABOUT US

(GRI 2-1, 2-6)

We are Genomma Lab Internacional S.A.B. de C.V., a 100% Mexican company leader in the development, production, marketing and promotion of products that empower people to have excellent health and wellness. Since our founding in 2007, we have maintained an accelerated pace of growth and today we have presence in 18 countries in the region.

Every year we maintain a constant innovation in our products to adapt them to the new needs of our customers and consumers, in this way we offer ICONIC solutions for their health and wellness. During the year, we expanded the Suerox® isotonic beverage category to more territories, expanded the presence of Tío Nacho® with its 100% recycled and recyclable packaging, launched the Lafedryl® brand in Argentina, and expanded the analgesic category in the Andean and Central American Cluster through the introduction of Alliviax® in Peru and Xray Dol® in Ecuador and Costa Rica, among other countries in the region.

The growth of our operations is the result of a dedicated innovation process, coupled with the vertical integration strategy that began in Mexico and that we expect to expand to our other countries of operation. In this sense, since 2021 we have started operations in our Industrial Complex where we have consolidated the production of some of the products in our portfolio, which allows us to have greater control over our costs, as well as over the production process that was previously carried out by third parties. As of 2022, all lines of the Personal Care Manufacturing Plant are currently in operation and in the ramp-up process. In addition, our OTC Manufacturing Plant this year began manufacturing semi-solid products such as Silka®, Unesia®, Ultra Bengue® and X-Ray® (gel) and solid products, including the Next® brand.

Our goal is to support our consumers by providing them with clear and accurate information so that they can make informed decisions when choosing a product for their health and well-being.

In addition, we want our products to be available and accessible to everyone. Therefore, we have increased our points of sale in the traditional channel and continue to offer our products through multiple channels, focusing on ensuring adequate visibility at the point of sale. In addition, we are strengthening our online sales strategy with a plan tailored exclusively to the e-commerce format, enabling us to offer access to over-the-counter medicines and personal care products to a potential population of more than 600 million people in the 18 countries in which we operate.

Over the last three years we have had steady growth in sales. We seek to be the ideal partner for Latin America and the U.S. Hispanic market through the positioning of our mega brands with great value.

CORPORATE PURPOSE

We transform and evolve from our purpose. During 2022 we conducted an initiative through an exercise involving all members of the Genomma Lab Internacional team to redefine our corporate purpose, which is:

> "Iconic Solutions for Your Health and Wellness."

OUR OPERATION

2022 SALES

$16,819.9 MILLION PESOS

58%
OVER-THE-COUNTER MEDICINES

42%
PERSONAL CARE

SALES BY REGION

41%
SALES IN MEXICO

9%
SALES IN THE UNITED STATES

50%
SALES IN LATAM

+50
BRANDS

18
COUNTRIES OF OPERATION

+1,800
EMPLOYEES

50.3%
WOMEN

49.7%
MEN

OUR BRANDS

(SASB CG-HP-000.A, CG-HP-000.B, HC-BP-000.A)

We offer our products mainly under the categories of personal care and over-the-counter (OTC) medicines. However, we are also growing in the isotonic beverages, infant nutrition and men's care categories.

18

"MEGA BRANDS"

42%

OF SALES STEM FROM PERSONAL CARE

58%

OF SALES FOR OVER-THE-COUNTER MEDICINES

PERSONAL CARE PRODUCTS

SPECIALIZED HAIR CARE

SKIN CARE

BEAUTY CARE

SHAMPOO

ANTI-ACNE & COSMETICS

OVER-THE-COUNTER PRODUCTS

PAIN RELIEF

CAUGH & COLD

GASTRO & ANTI-HEMORRHOIDS

ANTI-MYCOTICS & SEXUAL HEALTH

ANTI-FLU

ISOTONIC BEVERAGES

NEW CATEGORIES

ANTIBACTERIAL

MALE CARE & GROOMING

INFANT NUTRITION

In addition, we are innovating in the men's care categories with Groomen® brand razors and infant nutrition through the Novamil® brand.

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

OPERATION 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

OUR PURPOSE

"Iconic Solutions for Your Health and Wellness."

(GRI 2-23)

OUR 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 MISSION

To improve and preserve the health and wellness 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.

OUR GOAL

In line with our purpose, our goal is to be the healthiest company in the world since health and wellness are at the core of our business strategy.

OUR DNA: OUR ORIGIN AND OUR PATH

1. We innovate, we empower our team to challenge the status quo.
2. We have an entrepreneurial spirit.
3. We make decisions and take risks based on information and analysis.
4. We are courageous. We always step out of our comfort zone looking for the best future for the Company.
5. We have fun while working.
6. We generate trust both externally and internally, as we always fulfill our commitments.
7. We focus on the priorities most relevant to our Company's objectives.
8. We are passionate about what we do, as we know that we are creating a common good.
9. We always collaborate as one team. United.
10. We learn quickly: We identify the best. We match the best. We beat the best.

VALUES AND PRINCIPLES

WE ARE RELIABLE
We always do the right thing, honestly, respectfully and responsibly.

WE ARE TRANSPARENT
We always tell the truth in a in an open way and honest.

WE ARE INCLUSIVE
We value diversity and embrace our differences as they make us stronger.

WE ARE TRANSFORMATIONAL LEADERS
who develop and inspire by example; we help our team succeed.

WE CARE ABOUT YOU
We need you, we listen to you, you belong here, what you do is important.

WE BELIEVE IN MERITOCRACY
We recognize people based on their proven abilities.

WE ARE HUMBLE
We acknowledge our vulnerabilities.

WE LEARN FROM OUR MISTAKES
We are not afraid to seek support from others.

WE HAVE FUN
We work in a cheerful environment, where the most important thing is our supreme well-being and good spirits.

OUR GROWTH STRATEGY

(GRI 2-23, 2-24)

PRODUCT INNOVATION

We create value for our consumers, customers and society in general through the combination of science and knowledge of their expectations and needs. We seek to develop products that improve the quality of life, especially the health and wellness, of our consumers.

We have more than **18 mega brands.** Launch of Tío Nacho® **100% sustainable packaging** in all countries. High quality products through Cicatricure® Gold Lift.

PERFECT GO-TO-MARKET

We strive to ensure that our products are always available and affordable for our consumers. In addition, we are working to improve and adapt our presence in both traditional and modern channels and are constantly developing our e-commerce platforms.

More than 400,000 points of sale, concentrating on the growth of the traditional channel, where we have **more than 300,000 points of sale.** In addition, we have developed e-commerce through alliances with major partners such as Amazon and other retailers.

MANUFACTURING AND SUPPLY CHAIN

We seek to improve the efficiency and sustainability of our supply chain. We value the importance of having ethical and trusting relationships with our suppliers and are aware of the need to efficiently use available resources.

New industrial complex in Mexico with **EDGE certification** by the International Finance Corporation (IFC).

COMPREHENSIVE COMMUNICATION AND MARKETING

Based on our knowledge of our target audience, we invest in advertising, mainly on television, where we communicate the benefits of our products. In addition, we have a strategy to promote health and well-being through initiatives such as "Gen Expertos", a training program with informative capsules on our products.

We have a **strategy** that allows us to execute creative communication processes four times faster and more efficiently, **with a 70-80% reduction in costs.** In addition, this helps us to have multiple interactions and focus more on the consumer.

STRATEGIC ALLIANCES

We generate strategic alliances with companies to develop new high quality products that we can market in all the countries where we operate. We are the ideal partner for Latin America and the U.S. Hispanic market through brand positioning and understanding the needs of consumers in the region.

Edgewell and UP International, among others.

ORGANIZATION, CORPORATE CULTURE AND SUSTAINABILITY

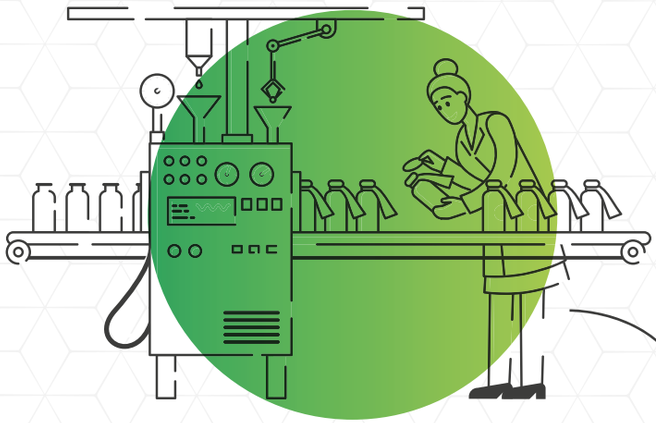
Our employees make up a fundamental team to achieve our goals and objectives as a company. We prioritize the physical and emotional well-being, continuous professional development and productivity of our team, offering a decent, honest, safe, healthy, ethical and inclusive work environment with equal opportunities and continuous training. We encourage the growth of each of our employees in order to attract and retain key talent, following the values of meritocracy, teamwork and an organizational environment based on respect and well-being.

More than 1,800 employees.

OPERATIONAL MODEL

Our operation's success is based on the good interaction and integration between the different business, operational and sustainability areas.

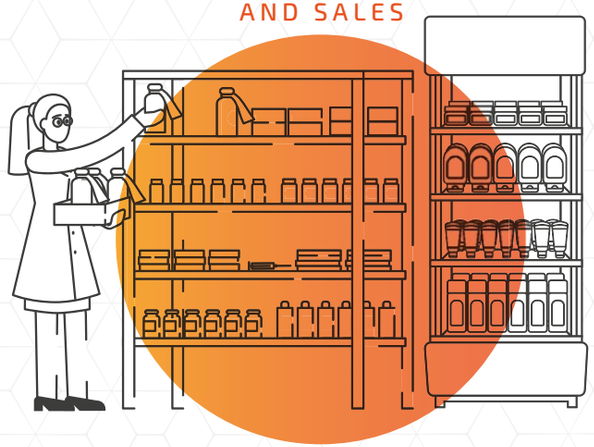
MANUFACTURE



INNOVATION AND DEVELOPMENT

CORPORATE GOVERNANCE

PROMOTION AND SALES



LOGISTICS AND DISTRIBUTION

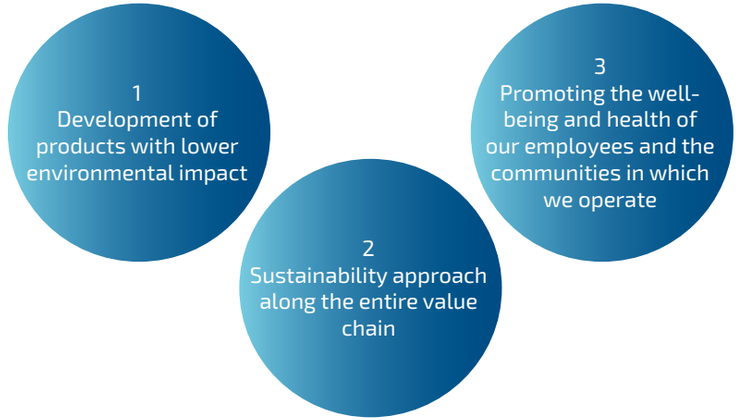
SUSTAINABILITY MODEL, STAKEHOLDERS AND 2025 SUSTAINABILITY STRATEGY

(GRI 2-23, 2-24)

The foundations of the Company's ESG (Environmental, Social and Corporate Governance) management are set out in our **Sustainability Model,** which consists of the three central pillars of **ENVIRONMENT, SOCIETY and RESPONSIBLE BUSINESS.** For the past three years, integrating sustainability into our business model has been a priority for us. This effort permeates throughout the organization, driven from the highest level by the Chairman of the Board of Directors, Rodrigo Herrera Aspra, by the general management and all members of senior management, who share a genuine conviction towards the implementation of actions to ensure not only the sustainability of Genomma Lab International in the coming years, but to continue generating value for our stakeholders in order to contribute to a better world.

During 2020 we consolidated the **Global Sustainability Committee,** which is led by the Chairman of the Board of Directors and the Chief Executive Officer and includes key leaders from strategic areas. The outcome of this Committee is an **action plan** to address the priority material issues for the Company and our stakeholders in terms of sustainability in the short, medium and long term. **Our 2025 Sustainability Strategy** is a roadmap that defines our environmental and social goals, considering 10 areas of action prioritized according to our business model and aligned to contribute to the fulfillment of the **United Nations Sustainable Development Goals (SDGs)** such as No.3: Good Health and Well-being and No.12: Responsible Consumption and Production.

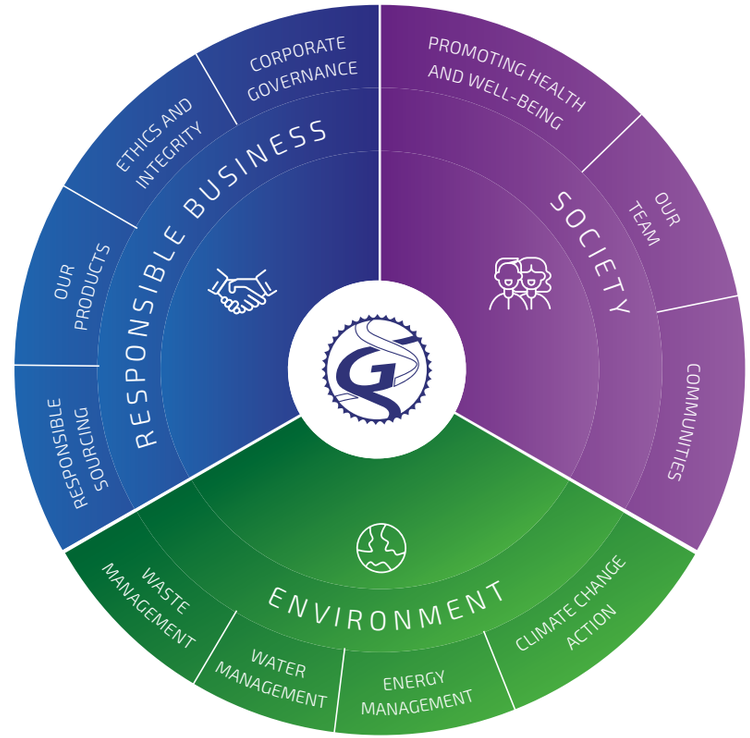
The Sustainability Strategy goals are grouped into three categories:



At Genomma Lab, we promote the integration of sustainable practices in all our operations and seek to invest in projects with positive social and environmental impacts. In addition, our business decisions take into account environmental management and our relationship with the communities, as well as the rest of our stakeholders.

We also have a Global Social Responsibility Committee, which is responsible for carrying out social initiatives with local and international impact, chaired by the Global Leader of Social Responsibility, Human Resources, Institutional Relations and Media. It is made up of Ambassadors with Purpose, who are responsible for the implementation and management of these initiatives in each country or region in which we operate.

SUSTAINABILITY MODEL



STAKEHOLDERS

(GRI 2-29)

We strive to maintain open and transparent communication with all our stakeholders, taking into account their needs, concerns and expectations. In addition, we foster a culture of participation, communication and environmental commitment among them. Through our Stakeholder Engagement Policy, we identify and prioritize potential operational risks that could adversely affect our environment. Some of our key stakeholders include:

EMPLOYEES

CONSUMERS

COMMUNITIES

CLIENTS

INVESTORS

SUPPLIERS AND BUSINESS PARTNERS

AUTHORITIES

NGO AND ACADEMY

CHAMBERS AND SECTORAL ASSOCIATIONS

MULTILATERAL ORGANIZATIONS

2025 SUSTAINABILITY STRATEGY

OUR PRODUCTS

OUR VALUE CHAIN

OUR MANUFACTURING PLANT

OUR WASTE MANAGEMENT

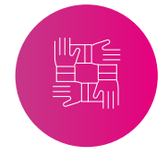
OUR WATER MANAGEMENT

OUR CLIMATE CHANGE ACTIONS

OUR LOGISTICS

OUR COMPREHENSIVE MANAGEMENT

OUR TEAM



OUR CONTRIBUTION TO SOCIETY

For more details on our 2025 Sustainability Strategy, please visit the following link:

https://enr.genommalab.com/wp-content/uploads/2021/03/sustainability-strategy-2025.pdf

PRODUCT INNOVATION AND PORTFOLIO OPTIMIZATION

(GRI 3-3: Innovación)

"We bring together the minds that create innovation, with real people who need it. We unite those who distribute wellness, with the people who expect it. Some call it the supply chain. We call it commitment."

Rodrigo Herrera Aspra
Chairman of the Board of Directors

"In innovation, the most important thing is mental change. Innovation is not just new technology. It is about models, processes, structures, experiences...Without the right (mental) attitude, it's very difficult to innovate, regardless of what you do."

Jorge Brake
CEO

Due to high inflation rates worldwide over the past two years, customers are looking for brands that offer benefit at an affordable price[3]. In this context, innovation is now necessary in order to be competitive in the marketplace. It requires creative thinking and a willingness to take certain risks to stay one-step ahead of the competitors and meet the needs of our customers and clients.

In Genomma Lab Internacional, **, innovation is part of our organizational culture;** it is part of our DNA and one of our most significant enablers. This motivates us to find opportunities that not only challenge the status quo, but also completely redefine it. All of this is framed within our well-known **"Formula for Success",** the space where the common good, the passion for innovating in the field of health and well-being, and the business profitability converge.

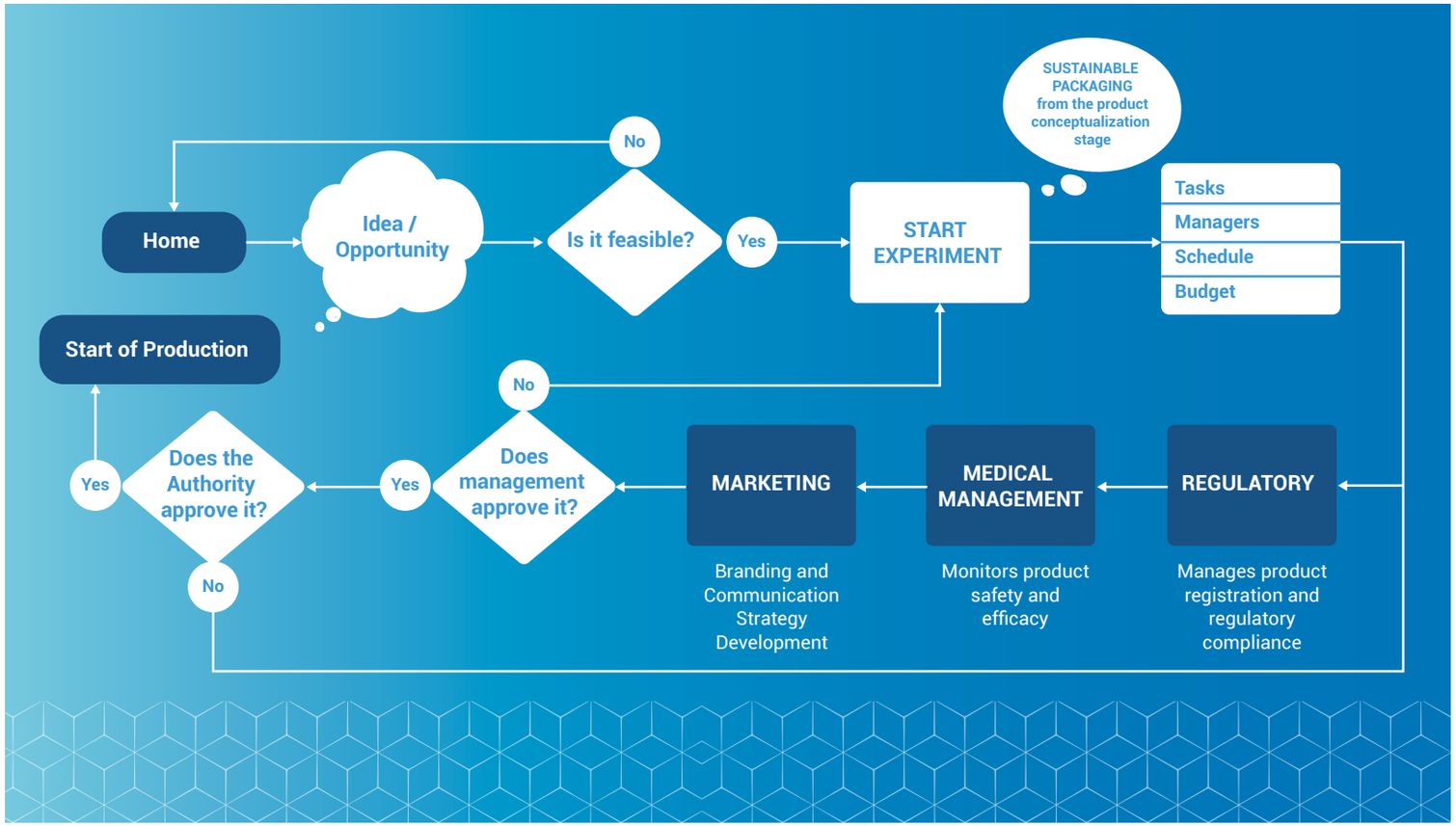
As a result, **Product Innovation and Portfolio Optimization** is the first of the six pillars that make up our growth strategy. In addition, consistent with our corporate purpose of providing **"Iconic Solutions for your Health and Well-being",** we have dedicated great effort to developing value-added formulas, launching new brands and line extensions in different countries in the region, and creating new presentations of our products to make them available and accessible to all. Because of those efforts, in addition to providing solutions for our customers and clients, we have been able to increase our market share in the United States and Latin America.

3 https://www.kantar.com/latin-america/inspiracion/consumidor/2022-consumo-en-america-latina-priorizacion-de-productos

NEW PRODUCT DEVELOPMENT PROCESS

Developing new products is fundamental to drive the Company's economic growth. This allows us to offer high quality products at a more affordable price than that of our competitors, to expand and strengthen our portfolio, to achieve loyalty and to attract new customers.

Our new product creation process described in the following flowchart:



The Innovation Committee composed of the CEO, as well as global leaders and managers from different strategic areas related to product research, development and launch, manages the innovation process. Its purpose is to approve initiatives and provide feedback to improve process efficiency.

STAGES FOR NEW PRODUCT DEVELOPMENT

STAGE 1

Product, customer and market research

We seek to be at the forefront of trends in the industries we are involved. We attend international exhibitions and send research teams to major cities around the world to discover new product opportunities, monitor the latest market trends and learn about the latest active ingredients in the production of medicines and personal care products. We apply this same approach to monitoring trends in packaging design.

STAGE 2

Formula development and packaging design

We develop new formulations through our research and development team, which analyzes existing products in different categories, such as over-the-counter medicines and personal care products. This stage also includes visual presentation and packaging design, which are key to adding value to brands, as they positively influence customers' purchasing decisions. This topic will be adressed in greater depth in the "Go-to-Market" chapter of this report.

STAGE 3

Formula regulations

We offer safe and innovative products thanks to the work carried out through our Regulatory Affairs Management System, which supports our Business Units in evaluating possible new formulations and new ingredients. The process ensures compliance with applicable regulations in each country where we operate, including registration, production, packaging, advertising and export legislation. We also perform audits on our finished product suppliers to verify regulatory compliance in their manufacturing processes. This process is detailed in the **"Regulatory Management System"** section of this chapter.

OUR COMMITMENT TO CIRCULAR ECONOMY

As part of our 2025 Sustainability Strategy, we have integrated principles of circular economy and sustainable design into the innovation of our products in order to reduce environmental impact. The latter achieved by integrating recycled and recyclable materials in our packaging and containers. As a result, we will be able to reduce the amount of virgin materials used in manufacturing and contribute to the proper management of post-consumer waste.

100% of cases manufactured in Argentina are **FSC certified[4].**

Our **polyethylene packaging** of the Vanart®, Siluet®, Alert®, Cicatricure®, Goicoechea®, Sistema GB®, Teatrical® brands, which are manufactured in Mexico, include **30% post-consumer recycled material ""I'm Green Recycled"[5]**, thus replacing the use of approximately **1,003.57 tons of virgin resin** with post-consumer resin, while using approximately **300 tons of 30% post-consumer resin during 2022**.

In Argentina, some of **our** "Recyclable Polyethylene" and "Recyclable Polyethylene Terephthalate" **containers** are **certified by Ecoplas[6]**, which identifies and certifies their plastic raw material as recyclable.

Tío Nacho® PET packaging made from **100% recycled material**, avoiding **over 500 tons of virgin plastic per year**. As of 2022, Tio Nacho® shampoos and conditioners manufactured in Argentina and Brazil have also switched to recycled and recyclable materials.

During 2022 Colombia's largest retailer nominated our flagship product **"Tío Nacho Sustentable"** in the **"Sustainable Product of the Year"** category.

The Groomen 200 and Groomen 300 models of the Groomen® disposable **razor feature a sustainable design using 65% and 57% recycled material in their handles,** respectively. This avoided the use of more than 10 tons of virgin plastic during 2022.

We are founding members and participate in the **Circular Economy Business Group (Grupo Empresarial de Economía Circular, GEECI)**. In 2022, around **190 tons of plastic waste were collected as part of their initiatives.**

Since 2021, we have eliminated microplastics from our rinsable products globally, thus avoiding contributing to marine pollution.

To learn more about our progress in the use of recycled inputs in our packaging and waste management, please refer to the "Materials" section of the Environmental chapter of this report.

4 FSC forest management certification confirms that the forest being managed in a way that preserves biodiversity and benefits local populations and workers, while ensuring its economic viability.
5 I'm Green Recycled is the sustainable product line of the thermoplastic resin manufacturer Braskem Idesa.
6 Ecoplas is a non-profit organization specializing in plastics and the environment, responsible for promoting the sustainable development of plastics in a circular economy.

INNOVATION MODELS

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

New products (NP): Includes the development and launching of new brands in our portfolio.

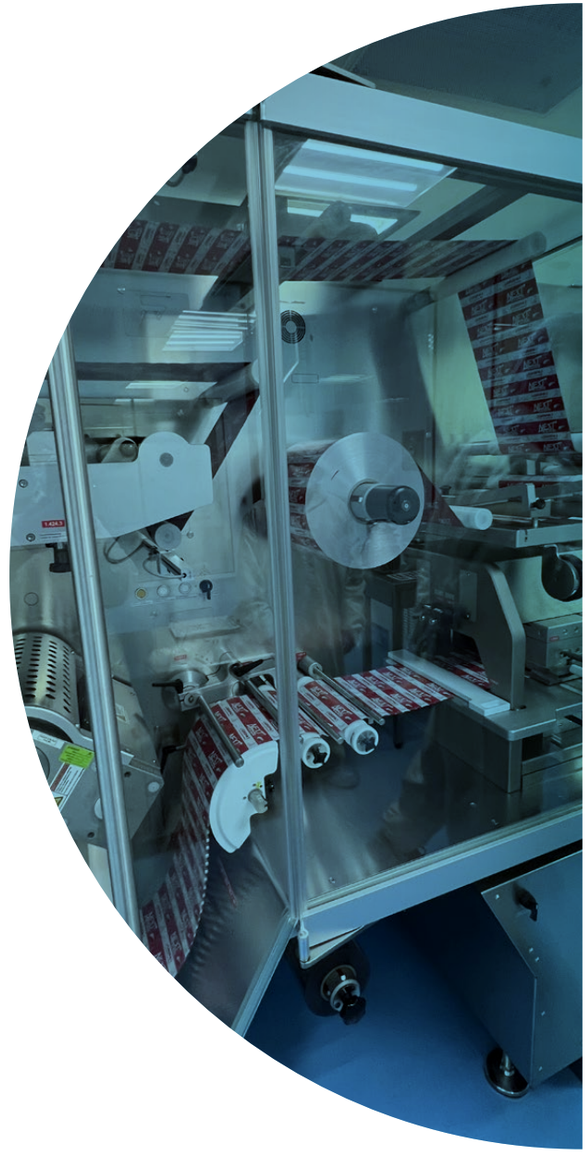
Line Extensions (LE): Includes any kind of variation in the formulation or presentation of products belonging to a previously existing brand within our categories in order to meet our customers' specific needs.

Expansion of international presence (EIP): Includes launches of successful brands in the different countries where we operate.

Affordability (A): Includes the search for, diversification and adaptation of formats and presentation of our products to facilitate customer access to our products in the different sales channels.

Environmental performance (EP): Includes the reduction of our products' environmental impact by acting in accordance with the goals established in our 2025 Sustainability Strategy.

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



PERSONAL CARE PRODUCT INNOVATION

We are focused on designing a portfolio suitable for the traditional channel. An example of this is the presentation format of our iconic Tío Nacho® brand, which was launch in countries such as Peru and Colombia for the first time in a sachet version. In this way, we place one of our mega brands within the reach of more customers.

On the other hand, we continued our circular economy efforts with the launch of the Tío Nacho® Sustentable brand, reaching the markets of Argentina, Brazil, Peru, Colombia and Central America, offering recycled and recyclable packaging, as well as packaging from certified forests. It is important to highlight that Colombia's largest retailer nominated the Tío Nacho® Sustentable brand in the "Sustainable Product of the Year" category.

Here are some of the most significant innovations in our personal care products during 2022:

TÍO NACHO® SACHETS

Launched in Peru, Colombia and Ecuador in the traditional channel.

TÍO NACHO® SUSTENTABLE

Launch in Central America, Argentina, Peru, Colombia and Brazil with recycled and recyclable containers and packaging from certified forests.

TÍO NACHO®
(Egyptian Henna, Purifying, Ultra Moisturizing, Anti-damage, Thickening)

Launch of new presentations in Chile, Colombia, Central America (product availability and presentations vary by country).

CICATRICURE® GEL SACHETS

Launch in Ecuador and Peru for the traditional channel.

CICATRICURE® EYE CREAM FOR FACE

VANART® LECHE DE CACAO

Launch in Mexico in a new format and using new technology to reduce the amount of material used. Less than 50% of packaging material.

ASEPXIA® PIÑA

OVER-THE-COUNTER (OTC) MEDICINE INNOVATION

In the case of the over-the-counter medicine portfolio, our innovation efforts have been aimed at improving the accessibility of our products to consumers by entering new market channels.

Therefore, we have adapted our products to formats and doses that are more affordable to the customers' economy. An example of this is the market launch of the Chao® and Bio Electro® brands in a new two-pill presentation, as well as the Medicasp® shampoo in sachet format for sale in Peru.

It is also important to highlight the launch of the Lafedryl®[7] brand in Argentina, at a more accessible price than the leading product in the segment. With this, we remain faithful to our purpose of providing "Iconic Solutions for your health and well-being", offering quality products at affordable prices, while entering a new category in the Argentine market.

During 2022, around 23 global innovation initiatives were carried out in this category, some of which we can highlight are:

SHOT COLÁGENO®

Launch in Peru.

ALLI-TRIPLE®

7 Brand for relief of pain and itching caused by rash, sunburn or insect bites.

ALLIVIAX®

Launch in Paraguay.

FLEXFULL®

We entered the topical analgesics category in Chile.

QG5®

Launch in Peru and Chile.

CHAO®

Launch of a new two-unit blister presentation in Peru.

BIOELECTRO®

Launch of a new two-unit blister presentation in Peru.

MEDICASP®

Launch of a new presentation in sachet format in Peru.

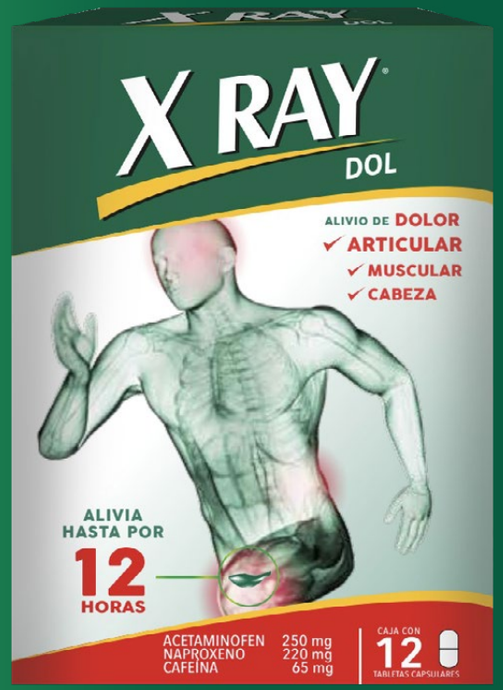
NEXT®
(GL, T-Forte, Night Flu)

Launch in the Andean Cluster (product availability varies by country).

NIKZON®

Launch in Argentina.

X-RAY® DOL



Launch in Ecuador and Central America and the Caribbean.

TUKOL® SINUS

Launch in the U.S.A.

LAFEDRYL®

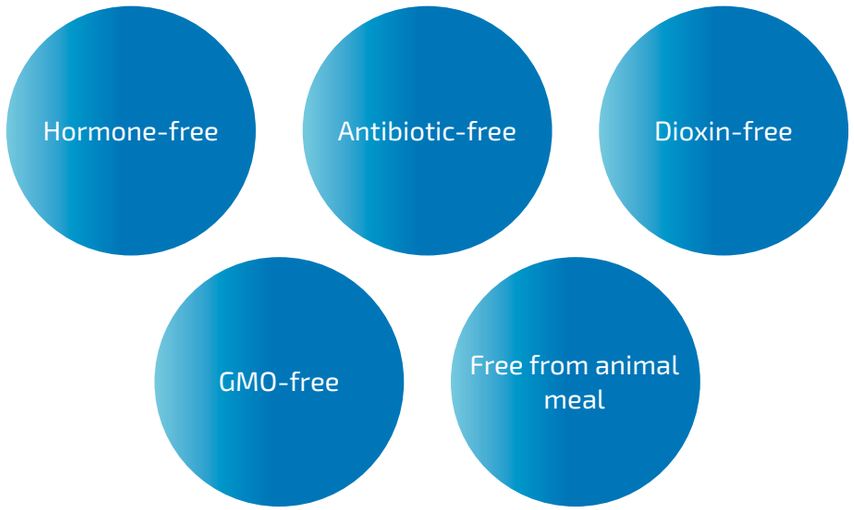
Launch in Argentina at a more affordable price than the leading brand in the category.

INNOVATION IN INFANT NUTRITION PRODUCTS

Thanks to our strategic alliance with UP International[8], we have the exclusive license to market the full range of infant nutrition products under the Novamil® and Novalac® brands in Mexico. In November 2022, we expanded our product offering with the launch of Novamil ARD Pax®, an iron-containing formula developed for infants with special nutritional needs.

For more than 30 years, Novamil® has been dedicated to providing high-quality infant and toddler formulas. The company follows rigorous selection, feeding, milking and water standards in its manufacturing plants. In addition, it uses fresh milk that has been collected within the last 48 hours to produce its milk formulas and performs approximately 500 chemical and microbiological controls on all its products to ensure total quality.

In addition, Novamil® and Novalac® source formulas comply with the recommendations of the European Society of Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN), CODEX[9] and the Mexican Official Standards (Normas Oficiales Mexicanas, NOM)[10]. They also have the Agriconfiance[11] certificate, which guarantees a product:



In compliance with the General Health Law on Advertising and its regulations, as well as applicable regulations, as an organization we are committed to informing our customers about the importance and benefits of exclusive breastfeeding and the correct use of infant formulas, by means of our communication pieces and product labeling.

Likewise, we recognize the importance of promoting the health and well-being of babies and their mothers, and we believe that providing accurate and reliable information is essential to achieve this goal.

For more information about our commitment to ethical communication, please refer to the "Comprehensive Communication and Marketing" chapter of this report.

8 For more information about our partnership with UP International, please see the "Strategic Partnerships" chapter of this report.
9 The Codex Alimentarius Commission is the United Nations body responsible for establishing food standards.
10 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.
11 Website: https://www.agriconfiance.coop/en/who-we-are

INNOVATION IN MALE CARE PRODUCTS & ISOTONIC BEVERAGES

During 2022, our Male Care and Isotonic Beverages business unit played a significant role in expanding into new markets. One of our brands, Groomen®, achieved excellent acceptance in the markets where it was launched.

In addition, we expanded our portfolio of isotonic beverages with the line extensions of Suerox®, a brand recognized for its quality and effectiveness in hydration. These new extensions allow us to offer our customers a wider variety of flavors and hydration options, with the characteristic quality and taste.

Details of innovations can be found next:

SUEROX®

(Lemon Lime, Coconut Lime, Pica Lemon, Pineapple, Red Fruits, Aloe Vera- Lychee)

In Chile, a new 1 liter format was launched.

TRIATOP®

Relaunch in Argentina.

GROOMEN®

Launch in Chile.

SAFETY AND EFFICACY OF OUR PRODUCTS

(GRI 3-3: Product Safety and Quality)(GRI 416-1)

PRODUCT ASSESSMENT

The Medical Management and Cosmetic Effectiveness team is responsible for providing medical and scientific advice to ensure that our products are safe and effective. Our team is highly trained to conduct research on the functionality of our products through clinical and cosmetic efficacy studies.

The goal of the process is to ensure that all of our pharmaceutical and personal care products are marketed with an appropriate safety profile. This involves identifying any potential risks and taking corrective or preventive measures to ensure the safety, confidence, health and well-being of our customers. In parallel, this team provides scientific support for the messages created by the Brand Operations and Creativity areas, resulting in responsible, ethical and truthful communication campaigns.

MACRO PROCESS

PHARMACOVIGILANCE, TECHNOVIGILANCE AND COSMETOVIGILANCE AT GENOMMA LAB

MAIN GOAL: Creating and supporting our safety profile.

PRE-AUTHORIZATION – PRE-MARKETING	REGISTRATION, ENROLLMENT, RENEWAL	POST-MARKETING
Routine activities Monitoring, Clinical Trials for all Phases, Cosmetic Efficacy and Safety Studies, Brand Development and Design. **Clinical Trial 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 Report, 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

*This process follows current international and local regulations.

AE - Adverse event

RMP - Risk Management Plan

PSR - Periodic Safety Report

PVR - Pharmacovigilance Report

TVR - Technovigilance Report

ICSR - Individual Case Safety Report

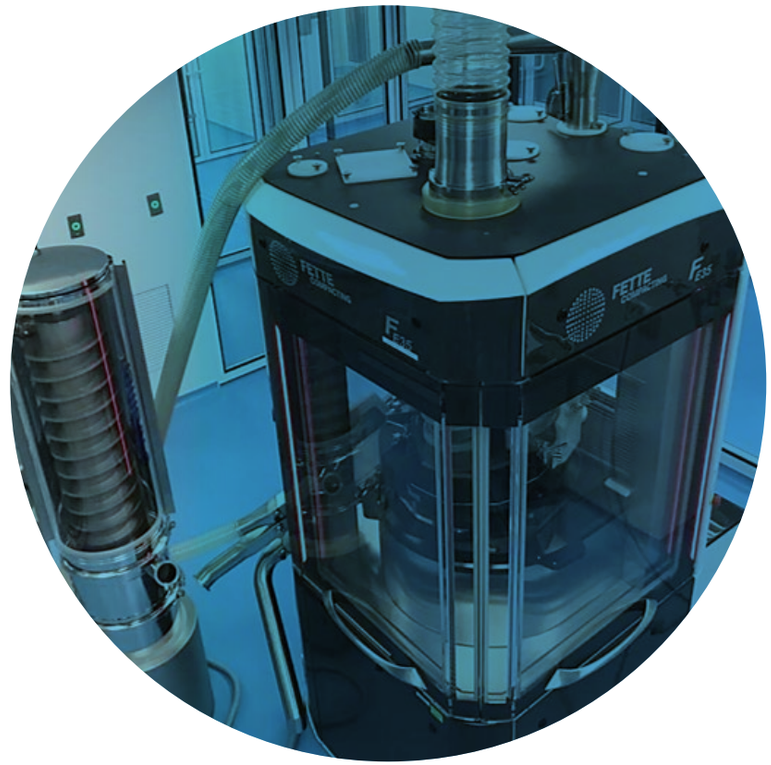
PHARMACOVIGILANCE

The pharmacovigilance process governed by various international standards, such as the **WHO (World Health Organization) Uppsala Monitoring Center[12], The International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH)[13], the European Medicines Agency (EMA)[14]** and the **2011 Good Pharmacovigilance Practices for the Americas.[15]**

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[16] and ANVISA[17] .

In addition, we have a local pharmacovigilance leader who is responsible for maintaining constant communication with the regulatory authorities to take the necessary measures in cases of safety issues related to the use of our products.

"This allows us to implement specialized pharmacovigilance units in each country where we market medicines and other products."



CLINICAL TRIALS

(SASB HC-BP-210a.1, HC-BP-210 a.2, HC-BP-210a.3)

Since the OTC medicines we market are released patents, we do not conduct clinical trials[18]. However, as part of the product innovation and development process, if necessary, the Medical Management area conducts clinical studies[19] in external accredited laboratories (physicochemical, microbiological and cosmetic plant) 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 who participate in them.

12 The Uppsala Monitoring Center (UMC) is an independent center for drug safety and scientific research working for a world where safe and effective use of drugs is commonplace.
13 The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) is a unique entity bringing together regulatory authorities and the pharmaceutical industry to discuss the scientific and technical aspects of pharmaceuticals and develop ICH guidelines.
14 The EMA ensures the scientific evaluation, supervision and monitoring of the safety of medicinal products for human and veterinary use in the EU.
15 The Colombian National Institute for Drug and Food Surveillance (Instituto Nacional de Vigilancia de Medicamentos y Alimentos, INVIMA) is a technical-scientific surveillance and control entity that works for the protection of the individual and collective health of Colombians, through the application of sanitary regulations associated with the consumption and use of food, drugs, medical devices and other products subject to sanitary surveillance.
16 The National Administration of Drugs, Food and Medical Technology (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica, ANMAT) - Argentina. It is an organization that aims to protect the population by ensuring that health products are effective, safe and high-quality.
17 National Health Surveillance Agency (Agencia Nacional de Vigilancia Sanitaria, Anvisa) - Brazil.
18 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.
19 Observational studies serve to verify that the efficacy criteria that the drug 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**

REGULATORY COMPLIANCE

(GRI 2-27) (GRI 416-2)

REGULATORY AFFAIRS MANAGEMENT

At Genomma Lab Internacional, Regulatory Affairs Management is essential to ensure the quality and safety of our products in all countries where we operate. This management based on three pillars **Regulatory Operations, Regulatory Support for Innovation and External Influence**, in addition to local regulatory input in each country.

In 2022, we carried out a restructuring process in the area, assigning a work team for each of our business units: personal care (which also includes male care and beverages) and OTC medicines. As a result, each regulatory team began to work in a more focused way on the plans of each business, contributing new ideas according to their experience, thus accompanying and enabling the processes of product innovation and go-to-market.

Over the past year, we have made significant progress in global regulatory matters. Regarding the personal care business unit, around 1,313 regulatory procedures were carried out, 95% of which were sanitary registration procedures (26% related to innovation projects) with an effectiveness rate of 99%.[20]

With respect to the OTC medicines business unit, 530 procedures were completed with an effectiveness rate of 97%, which allowed several countries to increase their portfolios with key products such as X-Ray Dol®, Unesia® and Next®, among others. We also achieved 96% effectiveness in innovation registrations, which allowed us to add 46 more innovations to the company's portfolio.

SAFETY ASSESSMENT TEAM

In 2018, the Safety Assessment Team (SAT) was formed, whose function is to provide support to the safety assessment to which our products are subjected; mainly in cases in which the existing regulatory guidelines are not exhaustive to ensure the quality and safety of the products, as is the case of personal care products, food and phytomedicines.

HAZARDOUS PRODUCT MANAGEMENT

The Regulatory Affairs area evaluates the ingredients of our formulations applying the criteria of the standards of the countries where we operate, the safety and efficacy criteria established in monographs of high surveillance agencies and/or applicable monographs. It also incorporates the opinions of the various international reference bodies (mainly in Europe and the United States) and the main requirements established in legislation, and the Regulation on Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) in Europe.

The purpose of all this is to improve the protection of human health and the environment against the risks derived from chemical substances and mixtures, to verify compliance with the regulations in force in the countries where the product is to be marketed, and to analyze the toxicological profile of the product under normal and foreseeable conditions of use.

20 The effectiveness was calculated as follows: procedures approved / procedures completed.

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

- **Changes in the regulated lists of ingredients issued by the authorities of each country:** In this case, the specifications of the affected ingredients are updated and the entire portfolio is reviewed to determine whether reformulation or a change to any product is necessary.

- **Request for addition of new ingredients by the innovation team:** : In this case, information received and reference listings reviewed to add the specifications assigned to the material in the product safety evaluation database.

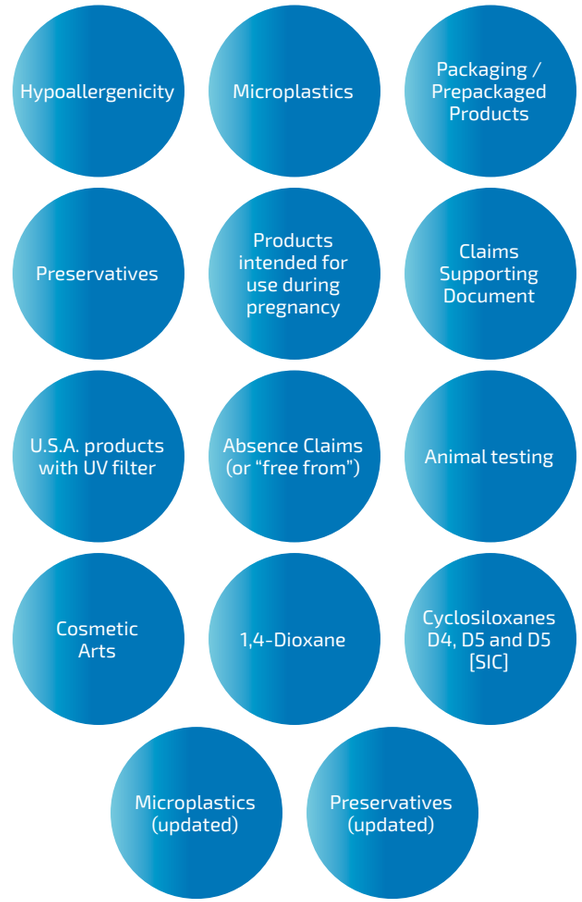
Supplementary assessment tools

The following are some tools that complement the safety assessment of products:

- **Brain:** This tool 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 condition.

- **Product Assessment:** The safety assessment of a formulation is carried out taking into account the nature of the functional ingredients, 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

(SASB HC-BP-250a.1, HC-BP-250a.2, CG-HP-250a.1, CG-HP-250a.2, CG-HP-250a.4)

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.

(GRI 416-2) (SASB HC-BP-250a.5)

We received a warning letter from the FDA regarding the apparent OTC availability of two pharmaceutical products containing an active ingredient (hydroquinone) for which the agency had withdrawn the OTC status. The FDA was informed that the production and distribution of the pharmaceutical products included in the scope of the warning had been discontinued for several years, and that the products had been removed from the FDA's National Drug Code database. There was no other response or action from the FDA.

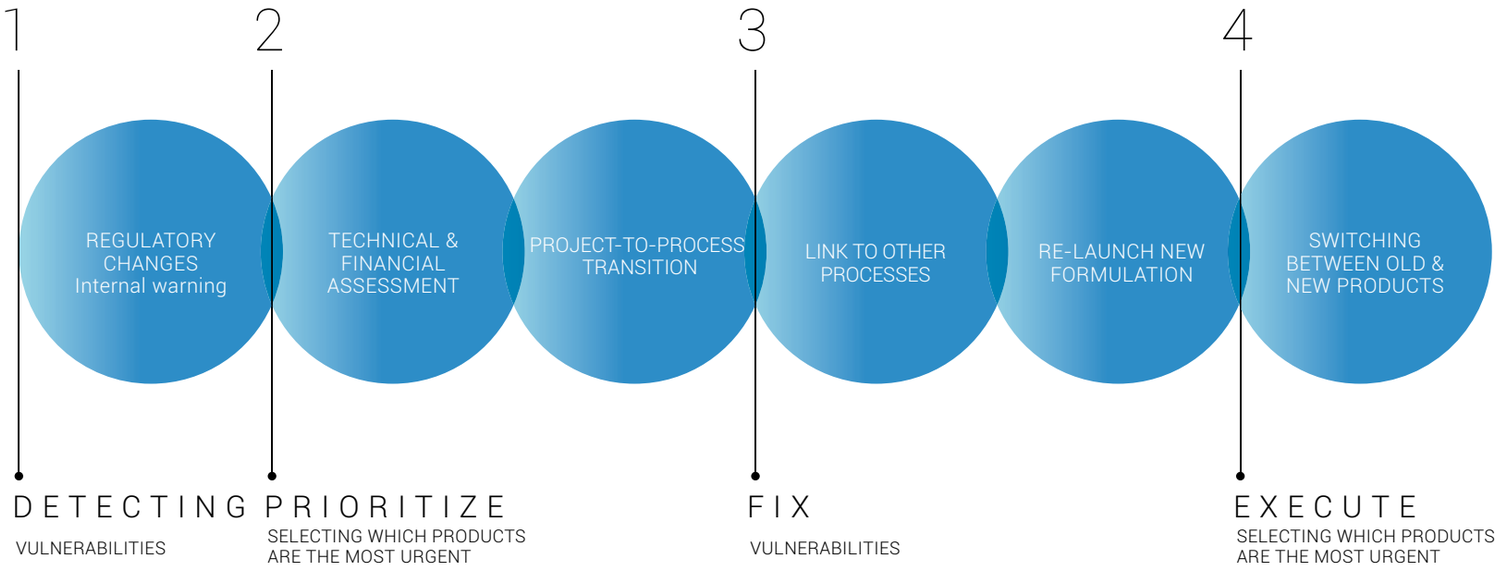
As can be inferred from the above, during the reporting period we have not failed to comply with any standards or voluntary codes relating to the health and safety impacts of our products on the health and safety of customers.

PRODUCT REMEDIATION PROCESS

(SASB CG-HP-250a.3)

The product remediation process begins when a “non-conformity” detected during audits performed by the regulatory area or when the health authorities of each country in which we operate periodically update their established standards.
The 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 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.



LABELING AND ADVERTISING

(GRI 417-1)

RESPONSIBLE LABELING

The labeling of Genomma Lab Internacional products is carried out in compliance with the global regulations applicable to each of the product categories, to ensure their correct administration and use. To this end, a labeling support, management and review system is in place to ensure regulatory compliance and endorsement of the claims used on packaging. In the case of our Tío Nacho® Sustentable product, we have also followed the best labeling practices established in international standards.

The Medical Management area conducts safety and efficacy studies to support the advertising claims proposed by the Brand Operations area right from the product development phase. This is done to ensure that 100% of product packaging contains clear, accurate and verifiable information. As an example, we have the proclamation "Dermatologically Tested", which is frequently used. The Medical Management area conducts the study and the support of the proclamation is recorded in an internal document called the Claims Assessment and Claims Support Document.

Regulatory assessment consists of two stages. In the first, the proclamations that will be used to promote the product are defined, as well as the most suitable support for each one. In the second stage, the safety of the product formulation is evaluated, and any necessary precautions to ensure consumer safety are identified. In the case of personal care products, specific measures are established to ensure their safe use, depending on the product and the target group. For food products, customers are clearly informed about allergens or other ingredients so that they can take precautionary measures.

In the case of OTC medicines, labeling is done in accordance with the pharmacological monograph and/or information approved by the health authorities of each country, as required by regulation. In addition, labels include the dosage, therapeutic indication of the product, warnings, specific indications and contraindications for each group or target, as well as possible adverse reactions and special precautions for sensitive populations, such as pregnant women, children, among others.

In this way, we ensure that our labels contain all the information necessary for customers to manage and use our products appropriately.

To promote transparent and effective communication between customers and our company, customer service numbers are included.

It is important to highlight that our Pharmacovigilance System participates in the responsible labeling process, detecting and evaluating possible risks that have not been previously described, as well as those that have sufficient evidence to be considered dangerous for customer safety. In such cases, we make the necessary changes to our product labels, either on our own initiative or at the request of the relevant regulatory authority. To learn more about our activities related to Advertising and Ethical Marketing during 2022, please refer to the "Comprehensive Communication and Marketing" chapter of our report.

QUALITY MANAGEMENT SYSTEM

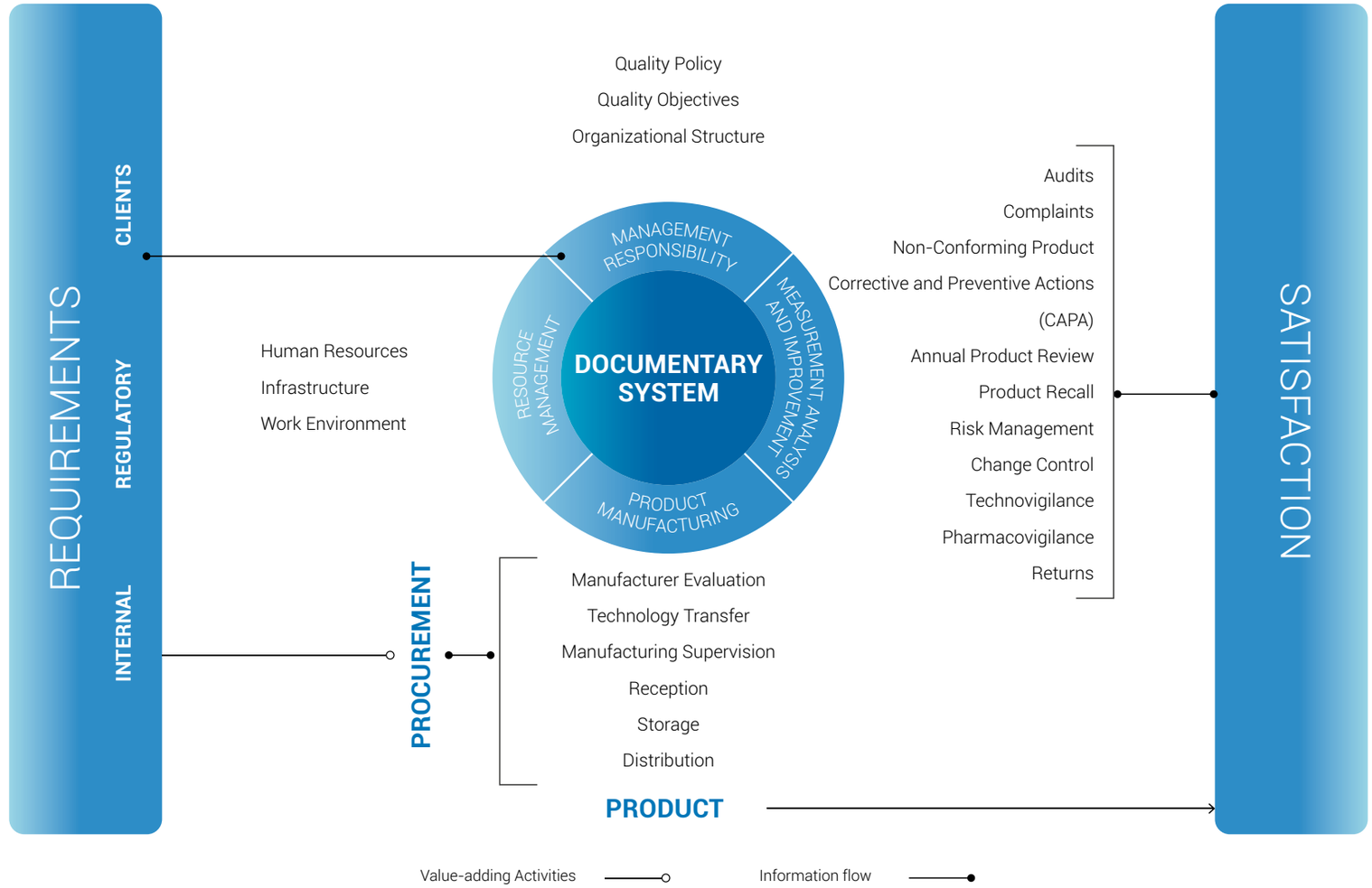
(GRI 3-3: Product safety and quality)

According to Genomma Lab International's Quality Manual, our Quality Management System allows us to control our operations by implementing and verifying compliance with best practices and applicable local and international regulatory requirements. The system's objective is to ensure the quality, safety and efficacy of our products, and is led by our Quality Committee. This Committee generates quarterly reports to monitor the key elements of the Quality Management System and ensure compliance with the established policies.

We also have a team of professionals dedicated to ensuring compliance with the Quality Management System, and we work with our suppliers to ensure that production standards met at all times.

The Quality Management System continuous improvement model shown below:

QUALITY MANAGEMENT SYSTEM CONTINUOUS IMPROVEMENT



TRACEABILITY

(SASB HC-BP-260a.1, HC-BP-260a.2, HC-BP-260a.3)

Our products have a unique identification on their labels to preserve their traceability across the supply chain. They also have primary and/or secondary packaging that integrate precise data such as sanitary registration, batch number and expiration date, as well as security elements such as holograms, security seals and security tape on opening points, among others.

Although each country has its own particularities, they all keep an inventory control of each lot received, either in a document, database or system, detailing relevant data such as input codes, manufacturers, product origin, among others.

The local quality area performs a documentation review of each lot prior to release for marketing. Through waybills/invoices or their equivalent in the rest of the countries, we control the products distributed by the logistics operator.

If a counterfeit product is suspected, the quality control department evaluates the product in accordance with established standards and, if necessary, the product is retained. In general, it is the competent authority in each country that is responsible for detecting possible counterfeits and, if any are confirmed, notifies both the company and the public through the communication channels available to them.

During 2022, we cooperated with the Peruvian General Directorate of Medicines, Inputs and Drugs (Dirección General de Medicamentos, Insumos y Drogas, DIGEMID) to provide timely follow-up on three reports of falsified Chao® brand products, maintaining continuous communication at all times to facilitate the resolution of the investigation by the corresponding authority (Report No. 078, 079 and 123-2022).

RELEASING THE PRODUCT INTO THE MARKET

The owner of the sanitary registration performs the final release of the product, based on their own procedures and using the information provided by the Industrial Complex or the provider of the finished product.

As part of our rigorous quality assurance process, a thorough review of the batch file performed at the production site to ensure that all GMP requirements, procedures, established limits and quality specifications are met, using the “Finished Product Release” procedure. We also carry out periodic audits of our finished product suppliers to evaluate the handling and control of inputs and/or products in order to guarantee product quality.

PRODUCT RECALLS

(SASB- HC-BP-250a.3, HC-BP-250a.4)

If applicable, the product recall management performed by the holder of the registration, i.e., it may be performed by Genomma Lab Internacional or by one of the suppliers of the finished product, as appropriate. The responsibilities of the parties are stablished in the Technical Quality Agreement, the manufacturing plant provides all the information required to be able to manage the recall and is coordinated by the person in charge of the company holding the sanitary registration.

During the reporting period, we have not recalled any product from the market, on our own initiative, by request or order of the U.S. Food and Drug Administration (FDA) or by any other regulatory authority.

ANNUAL PRODUCT REVIEW

The Annual Product Review (APR) is performed jointly between our production plant, or the finished product supplier if applicable, and the holder of the sanitary registration. This is done to obtain information on product performance and process consistency, based on regulatory and legal requirements, and to achieve continuous product and process improvements, based on trend analysis and risk assessment.

INNOVATION AND EXTERNAL INFLUENCE

(GRI 2-28)

The pharmaceutical and personal care industries in Latin America and the United States are highly regulated, and the regulations governing their operation are constantly being updated. For this reason, membership in industry chambers or sector associations is of vital 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 work together with the authorities to monitor these regulations and ensure that they are fair and favorable to the sector and the population in general.

During 2022, there were challenges in Mexico related to changes in sanitary surveillance, as well as updates in regulatory schemes in several countries in the region. To face this new regulatory environment, at Genomma Lab Internacional we approached the authorities and worked closely with the industry chambers, succeeding in understanding these changes without experiencing significant impacts. In addition, for the fourth consecutive term, we maintained our leadership of the Board of Directors of the Cosmetics, Toiletries and Home Care Industry Council for Latin America (Consejo de la Industria de Cosméticos, de Aseo Personal y Cuidado del Hogar en Latinoamérica, CASIC), and Luciana Santi (Global Corporate Leader for Personal Care Regulatory Affairs) was elected to the position of Secretary of the Board of Directors.

At present, we belong to approximately 19 regulatory and scientific-technical committees or forums in prestigious chambers and entities in the region, of which 12 are in the personal care area and 7 in the medicine area, forming part of the steering committees of the chambers in which the Company participates and prioritizing those that deal with issues relevant to the categories in which we compete.

It is important to mention that during 2022 we invested approximately $5,675,985 Mexican pesos[21] in memberships to chambers and sector associations at the international level. However, we did not make any political contribution to political parties or to any chamber or association that has had an impact on changing any public policy or legislation in any of the countries where we operate.

A list of the chambers and associations to which we belong provided in the Appendix **"Sectoral Associations"**.

21 270,285 US dollars. Exchange rate: 21 pesos for each US dollar.


ANTICASPA
Cuidado de la Piel
TIO NACHO
REDUCE LA CAÍDA
EN 4 SEMANAS
REDUCE LA CAÍDA EN 4 SEMANAS

GO-TO-MARKET

ACCESSIBLE AND AFFORDABLE PRODUCTS

(GRI 3-3: Good Health and Well-Being)

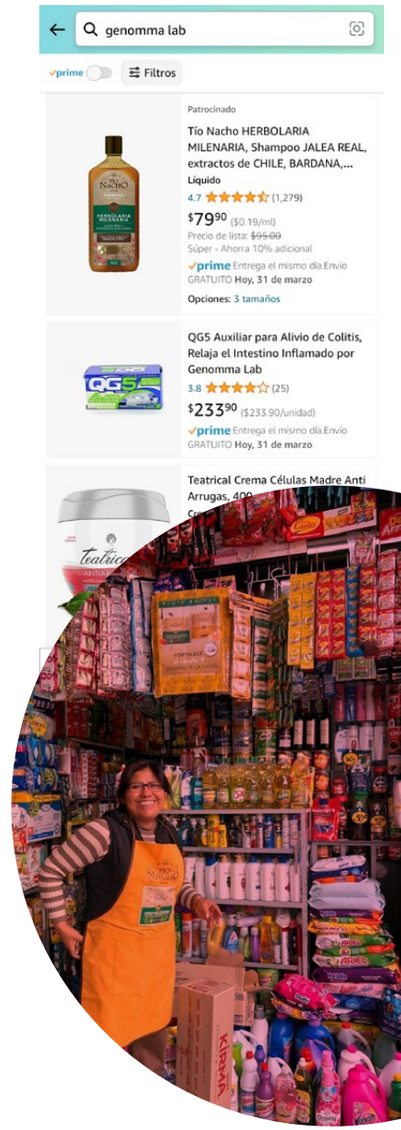
Our goal is to make our products available and accessible for everyone. We have worked hard to increase our number of points of sale served. We maintained our multichannel strategy and focused on achieving good visibility in our more than 500,000 points of sale globally. In addition, we reinforced our online commercial strategy through, which allows us to offer access to our personal care products and over-the-counter medicines to a potential population of more than 600 million people throughout the 18 countries in which we operate.

CHANNEL	% OF NET SALES IN 2022 (MEXICO)
Independent pharmacies, changarros or small shops, grocery distributors and pharmaceutical chains (through wholesalers)	36.0%
Self-service and Department Stores*	35.9%
Chain Pharmacies	22.2%
Convenience stores and other	5.9%
Total	**100%**

Our growth strategy is based on a portfolio designed to offer value-added products that are both affordable and accessible to our customers, especially those with lower incomes, in order to contribute to improving their quality of life. This is why we offer a variety of presentations, available at different prices, in self-service stores, pharmacies, convenience stores and small shops.

During 2022, we worked on several actions, including the following:

- **Development of the traditional channel:** We expanded our presence in the traditional channel. Mexico and the Andean Cluster were an example of this, where we adapted our products to more affordable formats and doses for our customers' economies. Some examples by category are as follows:
  - **Personal care:** We launched our Tío Nacho® mega brand in Colombia and Peru in sachet format, reaching 1.7% of the SOM[22] (Serviceable Obtainable Market) in the first three months of the campaign.
  - **Over-the-counter medicines:** We launched the Chao® and Bio Electro® brands in a new "2-pill" presentation and Medicasp® shampoo in sachet format for sale in Peru.
  - **Male Care:** Groomen® shaving brand disposable formats allowed us to compete in the traditional channel and independent pharmacies in Chile and Mexico.
- **E-commerce growth[23]:** Every day we reach a wider customer base through different digital platforms. This will be explained in detail in the e-commerce section of this chapter.
- **Reinforcement of communication and marketing campaigns at the point of sale:** We executed our Perfect Store strategy[24] hand in hand with the implementation of "In-store as Media"[25], which aims to leverage the point of sale as an effective mean to drive the purchase decision. We have entered into alliances with several pharmacy and supermarket chains, achieving greater visibility for our products and brands. This topic will be discussed in more detail in the Point-of-Sale Visibility section of this chapter.



22 SOM (Serviceable Obtainable Market): It allows us to estimate the market share we can achieve in the short or medium term.
23 E-commerce or electronic commerce is the distribution, sale, purchase, marketing and information supply of products or services through the Internet.
24 Genomma Lab Internacional defines a perfect store as the application of best practices and strategies to improve the shopper's experience, with a correct arrangement of products, at accessible prices, and with communication items that spark interest and drive the purchase. The results are presented in the "Point-of-Sale Visibility" section of this chapter.
25 In-store as Media is advertising that is found in the physical environment of the point of sale. It fulfills one of three main functions: orientation, promotion or brand visibility. The type of media used can vary from printed signage to digital displays.

ACCESS TO PRODUCTS DESIGNED TO TREAT SYMPTOMS OF CRITICAL ILLNESSES

(SASB-HC-BP-240a.1)

At Genomma Lab Internacional, our way of doing business is governed by our purpose of providing "Iconic Solutions for your Health and Well-being", making available accessible and affordable products.

In this sense, the manufacture, distribution and sale of our products play an important role in alleviating symptoms and detecting diseases identified as critical in countries identified as priority by the World Health Organization (WHO)[26]. The following are some examples of the positive impact of our products on the health of vulnerable populations.

TAFIROL® AND COVID-19

Tafirol is part of Genomma Lab Internacional' product portfolio within the category of medicines called analgesics and antipyretics. It contains paracetamol, which is one of the most widely consumed over-the-counter medicines prescribed for the treatment of mild to moderate pain symptoms as well as fever.

The disease caused by the COVID-19 virus can cause fever, headache and muscle aches, among other symptoms. Considering that access to healthcare in developing countries and for the Hispanic community in the United States may be limited; the manufacture and distribution of Tafirol® in the Latin American and U.S. Hispanic market is important to aid in the treatment of symptoms related to this disease.

During and after the pandemic, we made a great effort and managed to maintain the supply of Tafirol® despite the worldwide shortage of raw materials.

26 https://www.paho.org/es/noticias/31-1-2023-nuevo-director-ops-poner-fin-pandemia-covid-19-construir-sistema-salud

KAOPECTATE® AND THE HEALTH RISKS ASSOCIATED WITH DIARRHEA

Our brand Kaopectate® is an effective medicine against diarrhea. It has three active ingredients that complement each other to fight this condition: neomycin sulfate, kaolin and pectin, recommended for infectious and non-infectious diarrhea, traveler's diarrhea and foodborne diarrhea. It is important to take measures to treat it adequately to avoid serious complications, especially in vulnerable populations. Distribution and sales of Kaopectate® in developing countries of Latin America contributes to the improvement of the health and quality of life of vulnerable populations.

(SASB-HC-BP-240a.2)

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).

SALES PRICES

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

During 2022, we have implemented a plan to reduce costs and ensure the production of our portfolio, thereby improving product cost, despite the context of raw material shortages.

Regarding the Company's price stability, our products globally presented a price adjustment during 2022, mainly due to the global economic context. In the United States, the total product portfolio had an average sales price variation of 8% and an average net sales price variation of 3%.

POINT-OF-SALE VISIBILITY

PERFECT STORE

Throughout 2022, we worked hard on the implementation of the Perfect Store format that aims to improve our consumers' shopping experience. We have implemented several strategies, such as providing affordable prices and ensuring the availability of our products to all segments of the population. In addition, we have worked on successfully displaying our products and

(GRI 3-3: Promotion of health and wellbeing)

generating communication items that spark interest and drive purchases.

Progress in the execution of our Perfect Store strategy is as follows:

Availability of our products

Argentina

- High availability of our products in chain pharmacies in record time, through improvements in manufacturing processes that positively impacted the *fill rate*.[27]
- We improved our *full line up*[28] in pharmacies.

Colombia

- We deployed 1,600 pill dispensers in small shops.

Mexico

- Increased availability of the Novamil® brand in chain pharmacies, from 63%[29] to 78% by December 2022.

27 In logistics, the fulfillment rate is the number of products delivered divided by the total number of products ordered. A 100% execution rate means that all orders have been executed on time and in full.
28 "Full line up distribution" in marketing means that a brand or company's entire product line is being distributed at a specific point of sale, rather than just selected products. In other words, the aim is to make all the brand's products available at all points of sale where they are marketed. This can help increase brand visibility and presence, as well as maximize cross-selling opportunities between different products within the line.
29 Data corresponding to June 2021, which was the best performance of the year.

In-store as Media

Argentina

- Alliance with one of the main Argentine chain pharmacies, Farmacity®, enabling us to be present in 5,000 pharmacies.

Peru

- Alliance with one of the main Peruvian chain pharmacies, Inkafarma®, achieving a better exposure of our products and brands in their stores.

U.S.A.

- Alliance with Walgreens®, CVS® and Walmart® stores, allowing us to install advertising material for our brands on a monthly basis.
- We secured permanent bilingual displays in stores with a high presence of the Hispanic community.

Global

- We invested in *endcaps*[30] at the point of sale for the anti-flu, analgesic and gastrointestinal categories.

We participated for the first time in the POPAI Shop®[31] Argentina Contest, winning two awards for the development of displays for our Tafirol® and Tío Nacho® brands, the latter related to our 100% recycled and recyclable product innovation.

GEN EXPERTOS PROGRAM

We implemented our Gen Expertos loyalty program, focused on driving the main sales pillars: Recommendation, Distribution and Visibility. The program seeks to encourage the sales force of our distributors in the pharmacy channel and, in this way, improve the availability and visibility of our products.

Our sales in the 6,500 pharmacies affiliated with the Gen Expertos program grew 40% more than the rest of the pharmacy channel, surpassing US$16 million in sales during 2022.

In the same way, thanks to the program, 1 out of 2 pharmacies have a visibility vehicle for our brands, and salesclerks recommend us 60% more.

30 Product display placed at the end of an aisle in a store, which allows for a much faster sale of products.
31 POPAI Shop is an ecosystem that brings together all companies committed to creating better shopper experiences in shopping environments, and better business outcomes for everyone.

DIRECT DISTRIBUTION

> Direct distribution to small local retailers allows us to increase our market reach, covering populations of between 50 and 100 thousand inhabitants where other distribution channels have no presence.

As a result, we generate a positive impact on the local economy, not only by helping small businesses increase their sales through the most popular products in our portfolio, but also by providing access to healthcare to people in underserved areas.

In Mexico, we have approximately 550 exclusive routes and 800 non-exclusive routes covering a total of approximately 200,000 points of sale.

In Argentina, we achieved direct distribution to 2,800 independent pharmacies, improving weighted distribution[32] from 36% to 50%. We have also ventured into catalog sales through the company Novaventa®, which has a sales force of more than 50,000 women.

GEN ORDER

During 2022 we launched our pilot program of the "Gen-Order" digital platform, which is a tool designed for small businesses or shopkeepers to place an order for our products and market them.

Through a website we will provide an easy and accessible platform for small retailers to purchase products conveniently and quickly. This will allow us to establish closer and longer lasting relationships with shopkeepers and help support the local economy.

32 The weighted distribution (WD) is the percentage of points of sale where a product is available, assigning each one a weight proportional to its sales in the category. The percentage weight of a large store in WD will be higher than the percentage weight of a small store.

E-COMMERCE

E-commerce has experienced impressive growth since 2019, showing that more and more customers prefer to shop online due to the convenience, security and variety of options offered through this sales channel.

In this context, in Genomma Lab Internacional we continue strengthen our sales strategy through digital channels, which provides sustained profitability to the Company.

In Mexico, e-commerce generated 44.5% more revenue than in 2021, representing 2% of Genomma Lab Mexico's total sales. In addition, the platform www.novamil3.com was developed in 2022, offering the Novamil® portfolio to the end customer at a competitive price, ensuring its availability at all times. In the case of the U.S., we achieved 64% growth in digital channels and sales of $7.2 million dollars through the Amazon.com® and Walmart.com® platforms. The B2B[33] channel also grew, reaching sales of close to $700,000 dollars and currently having more than 10 customers [SIC] who can order products through the website www.mygenommalab.com.

In Argentina, the digital channel increased 134% compared to 2021. Currently, e-commerce accounts for 2% of Genomma Lab Argentina's total sales.

In Peru, the local currency e-commerce channel increased by 22% compared to that reported in 2021. The e-commerce channel represents 4.1% of total sales in that country.

In Colombia, the e-commerce business already represents 12% of the country's total sales. These figures were achieved through significant growth in the Novaventa®, Rappi® and Farmatodo® platforms, as well as in digital self-service chains such as Éxito®.

33 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.

CUSTOMER SERVICE

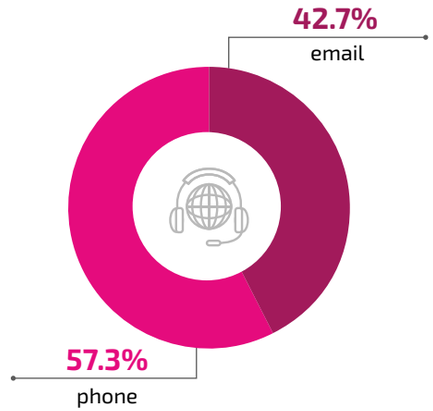
(GRI 3-3: Customer Satisfaction) (GRI 417-2, 418-1)

In compliance with our Global Advertising and Communication Policy, we are committed to providing accurate and up-to-date information through all our communication channels. This includes telephone numbers, which appear on all our product labels and provide detailed information about their use, ingredients and benefits.

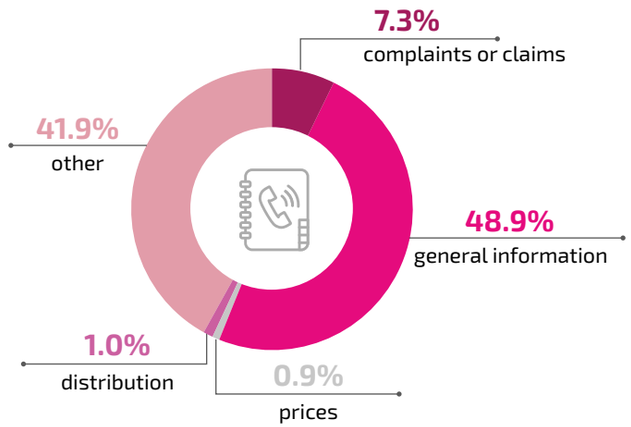
Our customer service is available 24 hours a day, 7 days a week, through different means, such as e-mail atención@genommalab.com and the telephone numbers that are available in each country where we operate. It is important to note that calls are handled by a third-party agency.

At year-end 2022, a total of 11,329 calls were received through our international hotline.

Report reception means



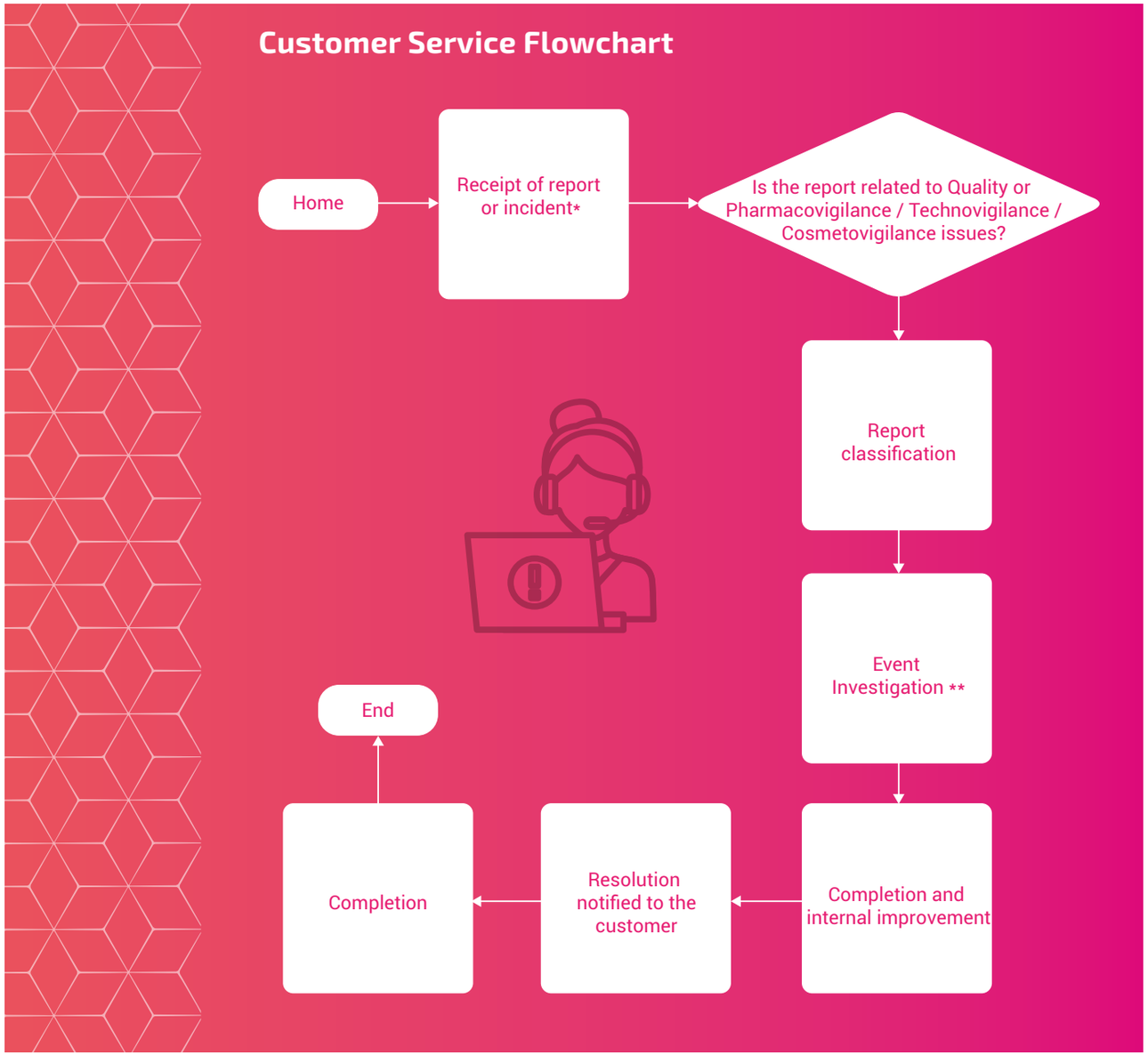
Report classification



In the "other" category, customer service follow-up calls regarding complaints can be included, as well as:

- 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
- Request for donations
- Product/promotion/advertising suggestion [SIC]
- Request for communication with an officer or other Genomma location, information on job openings, presentation of services, request for employment references. Request for certificates.

During 2022 we had no non-compliance with regulations or voluntary codes related to the information and labeling of our products.It should be noted that we have not received substantiated claims regarding violations of customer privacy and customer data loss. More details will be shared in the Comprehensive Communication and Marketing chapter.



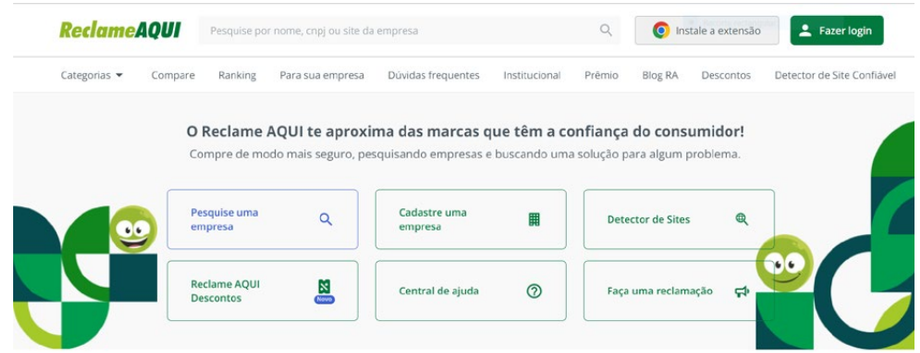
COMPLAINT OR REPORT MANAGEMENT

The management of consumer and customer complaints is addressed following the internal guidelines established in the current "Complaint Management" procedure. Our focus is to improve and optimize the internal process to achieve effective completion and improve quality in the future.

In the event that the implicated product should be inspected, a thorough investigation will be conducted at the plant where it was manufactured to determine the root cause and develop a corrective and preventive action (CPA) plan.

We keep retention samples of each batch of product manufactured and input analyzed in accordance with the current PNO.01.AC.023 Retention Sample Storage and Control procedure.

It is worth noting that in Brazil we were candidates for public voting as "Best in Consumer Care" by the **Reclame aquí®** website [13], in the categories of personal care and over-the-counter medicines, obtaining the best evaluation. Less than 1% of companies become candidates, so we are very proud of this recognition.



* It is received through any of our available customer service channels in the corresponding country and directed to the corresponding customer service hotline.
** The investigation of the reported event may involve various areas within the company.

MANUFACTURING AND SUPPLY CHAIN

EFFICIENT AND RESPONSIBLE MANAGEMENT

(GRI 3-3: Responsible management of the value chain)

The proper management of our supply chain is fundamental to the continuity of our operations, as it allows us to generate efficiencies, reduce costs, improve the quality of our products and be more flexible in the face of market changes.

During 2022, our Sourcing and Demand Planning team managed to overcome a number of challenges. The following are the most relevant ones:

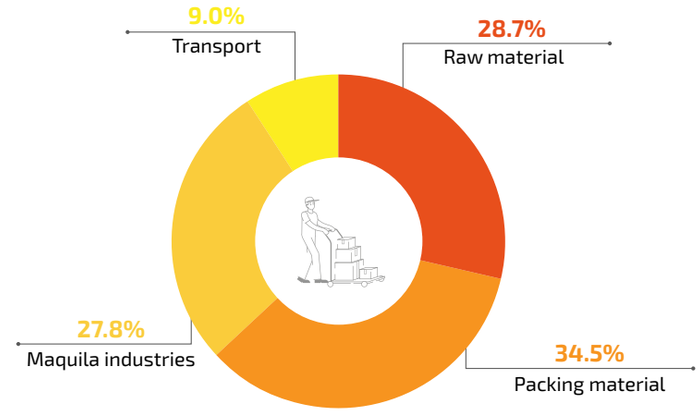
- Shortage of certain active ingredients due to increased demand for medicines.
- Delays in the supply of some raw materials for personal care products.
- Disruption in the export of some inputs, which had a slight impact on the supply chain of the Novamil® brand.

We have been able to guarantee a constant supply of our products thanks to a mixed sourcing strategy, which combines production at our Industrial Complex and suppliers of finished products. In addition, we conduct direct negotiations with manufacturers of raw materials, APIs[34] and excipients[35] to ensure a sustainable supply in the short, medium and long term. We also have the Genommalink platform, which allows us to work together with maquila industries and suppliers in the development of an annual plan based on the projection of demand, making decisions in advance and minimizing the risk of shortages in the supply chain.

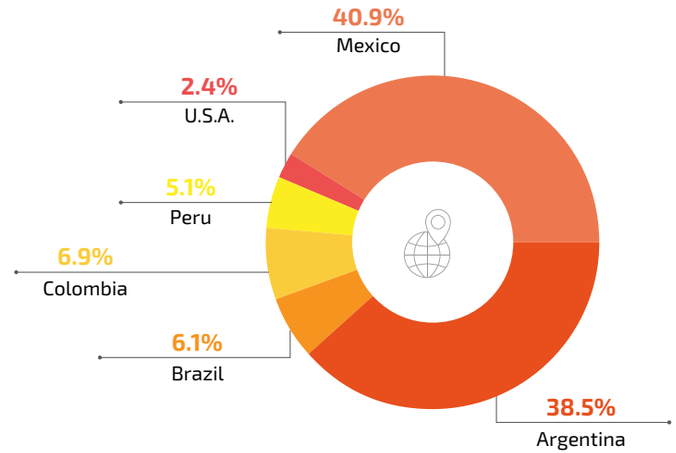
It is worth mentioning that since our Industrial Complex began producing the volume of products that was originally produced by third parties, we decided not to continue operations with those suppliers that did not match our high quality standards. As a result, the fill rate[36] of a couple of our brands was affected during the end of the year.

We currently have approximately **435 suppliers globally[37],** which are mainly classified as follows:

Type of suppliers in the supply chain



Suppliers by country where the trade agreement is established



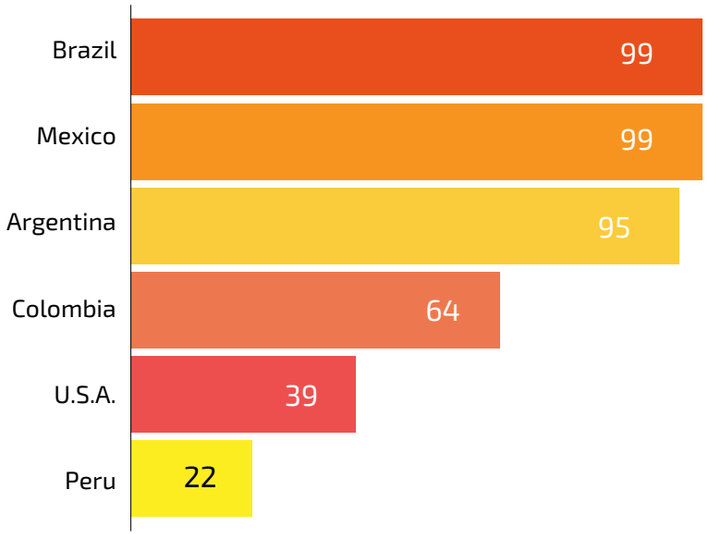
34 Active Pharmaceutical Ingredient (API) refers to active pharmaceutical ingredients or substances that may eventually be converted into a drug.
35 A substance that is mixed with medications to give them consistency, shape, flavor or other qualities that facilitate their use.
36 In logistics, the fulfillment rate is the number of products delivered divided by the total number of products ordered. A 100% execution rate means that all orders have been executed on time and in full.
37 The calculation considers countries with significant operations, such as Argentina, Brazil, Colombia, Mexico, the USA and Peru. The chart includes suppliers in the categories of raw materials, packaging material, finished product (maquila) and transportation (logistics).

LOCAL SUPPLIERS

(GRI 204-1)

We intend to allocate as much of the purchasing budget as possible to local suppliers, i.e., those located in the same country where the commercial agreement is made.

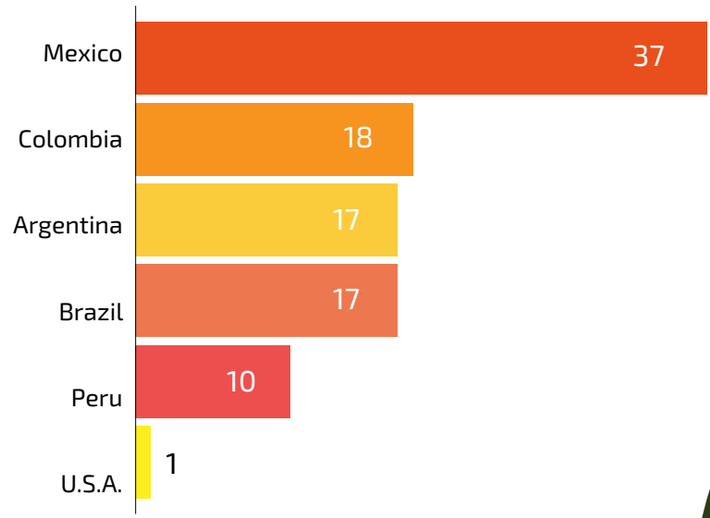
Percentage of budget allocated to local suppliers



CRITICAL SUPPLIERS

We define critical suppliers as those that can significantly affect the continuity of our operations and business model. In addition, as criteria for this identification, we consider the volume of supply and the availability of essential and irreplaceable components in our supply chain.

Number of critical suppliers per country



GUAVA LEAF

Since 2010, we have maintained a strategic partnership with La Joya del Campo S.A. de C.V., a community supplier. This supplier harvests and markets guava leaves (Psidium guajava) in the Totonac farming communities of Veracruz as part of its production model. Quercetin, the active ingredient in our QG5 product for treating colitis, is obtained from this raw material.

During 2020, guava leaf production was reduced as a result of increased rainfall in the area. For this reason, during 2021 we purchased a large volume (27 tons) of this raw material to supply the year's production and have a surplus in case of a possible shortage. As a result, the volume of guava leaf purchased during 2022 was lower (9 tons). In doing so, we reaffirm our commitment to the economic development of the totonac communities.

SUPPLIER SUSTAINABILITY PROGRAM

(GRI 3-3: Responsible Value Chain Management) (GRI 2-6) (GRI 205-2, 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2) (SASB-HC-BP-430a.1)

Since 2019, we have been working to integrate sustainability into each of our decisions, having a special focus on the management of our value chain. This is the origin of our Supplier Sustainability Program, which aims to promote good practices, cooperation and continuous improvement among the members of our supply chain, based on the pillars of economic transparency, social responsibility and environmental performance adapted to their line of business.

This program applies to suppliers of raw materials, packaging material, maquilas (finished product) and transportation (logistics), in order to reduce any potential risk and strengthen our relationships of trust, honesty and integrity.

The program consists of three stages:

- Information: Read and sign the Supplier Code of Conduct and Ethics.
- Evaluation: Carry out the self-assessment in Social Responsibility and Sustainability
- Training

Sostenibilidad para Proveedores
Programa Genomma Lab®

As part of this program, we present our **Supplier Code of Conduct and Ethics,** comprised of the principles and values to which we expect our suppliers and business partners to align themselves. By reading and signing the code, our suppliers agree to follow the principles set forth therein.

On the other hand, in order to identify good practices and opportunities for improvement in our value chain, our suppliers and business partners carry out a Social Responsibility and Sustainability Self-Assessment. The topics addressed in this evaluation are as follows:

The questions have a specific weighting depending on the supplier's line of business, which will result in their level of maturity in each subject. They must also provide evidence to support each of their answers.

It should be noted that at Genomma Lab Internacional, we have not identified any risks related to child labor, forced labor, or restrictions on freedom of collective association in our supply chain during the 2022 period.

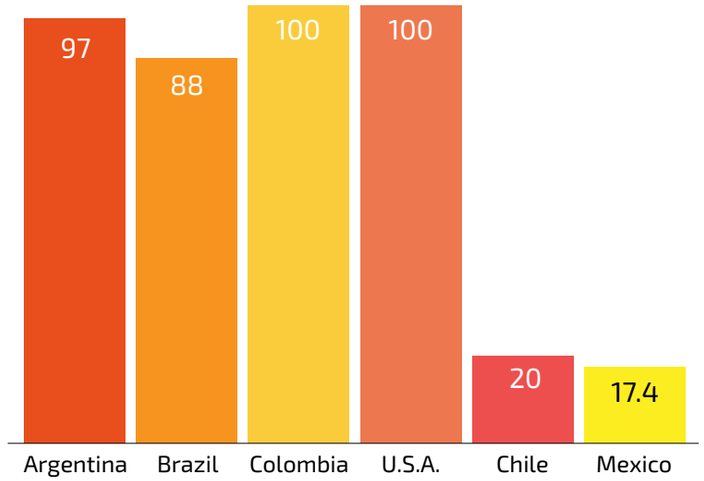
SUPPLIER CODE OF CONDUCT AND ETHICS

(GRI 3-3: Responsible Value Chain Management (GRI 2-6) (GRI 205-2, 308-2)

Our Supplier Code of Conduct and Ethics (hereinafter the Code) establishes clear negotiation standards and contributes to the fulfillment of our ethical, social and environmental commitments as defined in our sustainability strategy. The code focuses on key issues such as fair labor conditions, human rights, occupational health and safety, ethics and environmental management.

As part of the Supplier Sustainability Program, we aim for 100% of our global supply chain suppliers to know and sign our Supplier Code of Conduct and Ethics. Below we present our progress:

Percentage of suppliers that have signed our Supplier Code of Conduct and Ethics



In the case of Argentina[38], Colombia and the United States, we have achieved that 100% of our suppliers of raw materials, packaging material, maquilas (finished product) and transportation (logistics) know and sign our Code of Conduct. In the other countries, we continued to make progress, with 88% compliance in Brazil, 20% in Chile and 17.4% in Mexico. Ecuador and Peru will begin implementing the program during 2023.

Our suppliers have also been evaluated under social and environmental criteria. In Argentina and Colombia and the USA we have evaluated 100% of our suppliers. In the rest of the countries, self-assessment has been carried out as follows: 83% in Brazil, 15.7% in Mexico and 20% in Chile. No suppliers with significant negative impacts on the community and the environment have been identified in the evaluations performed.

It is important to mention that adhering to our integrity policies is a mandatory requirement for any supplier who wants to start or maintain a business relationship with Genomma Lab Internacional.

38 The remaining 3% had a similar Code that was submitted during the homologation process.

PALM OIL

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

Genomma Lab Internacional does not use palm oil to manufacture its products. However, palm oil is part of the ingredients used in the formulation of the Novamil® product line, of which we have an exclusive marketing license in Mexico and Latin America (except Brazil).

It is important to mention that the composition of all Novamil® brand products, developed by UP International, is the result of many years of studies and research in order to meet the maximum nutritional requirements of infants.

Breast milk contains about 17-25% palmitic acid (C16:0), as can be corroborated in the publication by **Delplanque et al.** conducted in 2015, which is available from the U.S. Government's National Center for Biotechnology Information (NCBI)[39]. Palmitic acid (C16:0) is the main source of saturated fatty acid in human milk. This fatty acid is essential for the healthy development of infants. Therefore, the milk fat substitutes used in Novamil® products contain about 23.6% palmitic acid. This is possible thanks to the blend of specific and adapted vegetable oils, which necessarily contain palm oil.

In fact, among all vegetable oils suitable for the manufacture of infant food, palm oil is the only one that can be used to manufacture a product whose fatty acid profile is as similar as possible to that of human milk. On how palm oil is obtained, international non-profit organizations have developed and implemented sustainable palm oil production standards. These standards include criteria for the protection of primary forests, respect for the rights of local populations, farmers, etc.

100% of the palm oil used for the Novamil® formulas marketed by Genomma Lab Internacional is certified by an international organization in sustainability matters.

39 The National Center for Biotechnology Information promotes the advance of science and health by facilitating access to biomedical and genomic information.

SUPPLIER QUALITY ASSURANCE

(GRI 3-3: Responsible Value Chain Management)
(GRI 2-6) (GRI 205-2, 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2)

We have a due diligence process through which we verify our suppliers' compliance with quality requirements. This is done through audits, document review and analysis by authorized third parties. Below, as an example, we mention some of the actions carried out on this matter in the countries where we have operations:

- The following audits were conducted in Mexico:

  Audits of the manufacturing plants of our Industrial Complex.

  Audits of new suppliers (inputs and services).

  Audits to suppliers of finished products in the following categories: Beverages, Cosmetics, Drugs and Medical Devices.
  .

- In Chile, we conducted inspection visits to the three Suerox® plants in order to supervise the manufacturing process of the product.

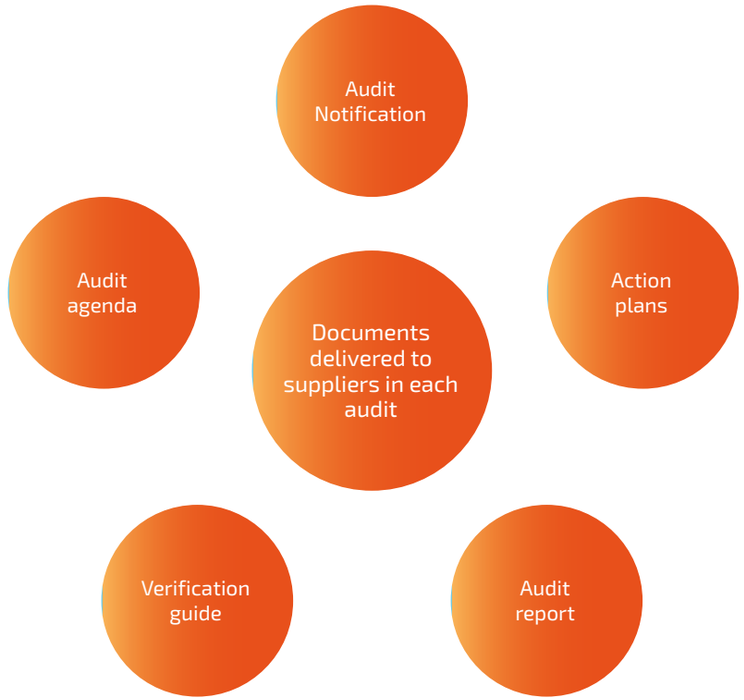
- In Argentina, more than 23 *maquiladoras* were evaluated and 10 internal audits were conducted to ensure regulatory compliance[40].

- In Peru, three audit[41] were carried out in 2022 on suppliers of distribution and transportation, warehousing and product manufacturing.

40 BPM 3827/2018 (Good Manufacturing Practices Guide for Manufacturers, Importers/Exporters of Medicines for Human Use) of the National Administration of Medicines, Food and Medical Technology (Administración Nacional de Medicamentos, Alimentos y Tecnología Médica, ANMAT), and the legal matrix of labor and environmental laws of Argentina.
41 RM Nº 833-2015/MINSA Manual of Good Distribution and Transportation Practices for Pharmaceutical Products, Medical Devices and Medical Products and its amendments R.M.N 132-2015/MINSA, Manual of Good Storage Practices for Pharmaceutical Products, Medical Devices and Medical Products in Laboratories, Drugstores, Specialized Warehouses and Customs Warehouses and its amendments. D.S. Nº 021-2018-SA that approves the Manual of Good Manufacturing Practices for Pharmaceutical Products.

SUPPLIER QUALITY ASSURANCE PROCESS [42]

The documents delivered in each audit to our suppliers / maquiladoras are as follows:



During the evaluation, critical issues for the operation are reviewed, such as:

42 The Standards and Certifications applicable to suppliers, but not limited to, are as follows:
ISO 9001:2015: Quality Management Systems-Requirements.
ISO 14001: Environmental Management Systems
ISO 28001: Supply Chain Security Management Systems
ISO 27001: Information Security Management Systems
ISO 15378: GMPs for manufacturers of primary packaging of medicinal products
ISO 17025: General requirements for the competence of testing and calibration laboratories.
ISO 22000:2018 Food safety / quality management systems.
ISO 14971:2019: Managing the risks associated with the use of a medical product.
ISO 13485: Requirements for a quality management system.
ISO 45001:2018 Occupational health and safety management systems.
ISO17025:2017: General requirements for the competence of testing and calibration laboratories.
NOM-251-SSA1-2009, Official Mexican Standard, Hygienic Practices for the Processing of Food, Beverages or Food Supplements.
PROY-NOM-259-SSA1-2014, Official Mexican Standard, Products and Services. Good manufacturing practices in cosmetic products.
NOM-059-SSA1: Good manufacturing practices for medicines.
NOM-176-SSA1: Health requirements to be met by manufacturers, distributors and suppliers of drugs used in the manufacture of medicines for human use.
NOM-164-SSA1: Good Manufacturing Practices for Pharmaceuticals.
NOM-052-SEMARNAT in force, which establishes the characteristics, identification procedure, classification and lists of hazardous waste.
NOM-241-SSA1-2021, Good manufacturing practices for medical devices.
Health Supplies Regulation.
ICH Q7: Good Manufacturing Practice Guidance for Active Pharmaceutical Ingredients.
ICH Q11: On development and manufacture of drug substances (chemical entities and biotechnological/biological entities)
IPEC: Good Distribution Practices Guide for Pharmaceutical Excipients.
FDA CFR Part 11: Policy Describing Electronic Recordkeeping Requirements

For audits to Manufacturers (Active Ingredients) with facilities abroad, the above described can be applied and can also be performed under the following modalities:

Audit performed by the distributor to the manufacturer of the input

Modalities for audits of Manufacturers (Active Ingredients) with facilities abroad

Procurement area audit report

Application for a Certificate of Best Manufacturing Practices (CBPF, in Spanish) issued or recognized by Mexico's Federal Commission for the Protection against Sanitary Risks (Comisión Federal para la Protección contra Riesgos Sanitarios, COFEPRIS).

1. Input name
2. Certification of staff performing the audit
3. Audit report, findings and results
4. Plan of action
5. Saving information in the supplier's folder

MANUFACTURING: OUR INDUSTRIAL COMPLEX IN MEXICO

(GRI 2-6)(SASB CG-HP-000.B)

> It is important to highlight the achievement of the Edge certification (Excellence in Design for Greater Efficiencies), which recognizes an efficiency of 20% or more in the consumption of energy, water and materials in the construction of our Industrial Complex. During the construction of our manufacturing plants and distribution center, we were able to generate the following efficiencies:

Our Industrial Complex in Mexico has been designed and built with sustainable infrastructure and technology, allowing for cleaner, safer and more environmentally friendly industrial processes. It consists of an over-the-counter medicine plant, a personal care plant and a distribution center, all of which are equipped with state-of-the-art automated technology. In addition, the central warehouse is strategically located and has a capacity to store more than 50,000 storage positions..

$256

MILLION MEXICAN PESOS WERE INVESTED IN THE INDUSTRIAL COMPLEX DURING 2022

Personal Care Manufacturing Plant	**31%** energy	**41%** of built-in energy[10]	**52%** water	**87** tons of CO_2
Over-the-counter Medicine Manufacturing Plant	**45%** energy	**42%** of built-in energy[10]	**37%** water	**33** tons of CO_2
Distribution Center	**26%** energy	**38%** of built-in energy[43]	**54%** water	**277** tons of CO_2

Excellence In Design For Greater Efficiencies

Edge

In this way, we became the first OTC medicine plant in the Western Hemisphere to meet these standards.

Our OTC product Manufacturing Plant has five production lines: solids, semi-solids, oral liquids, topical liquids, and coated tablets, all of which are made with best-in-class equipment.

43 Refers to the total amount of energy required to produce a good or service, including all stages of production, from extraction and processing of raw materials to manufacturing, transportation and final disposal of the product.

SOLIDS

Production capacity of
10 trillion tablets per year

High-speed blister packing machine with a production capacity of **70,000 blisters per hour**

Tablet press machine with capacity to produce **1 million tablets per hour**

Tablet bottle filler machine with a filling capacity of **5,600 bottles per hour**

Capsule filler machine with capacity of **150,000 capsules per hour**

During 2022, we produced more than **6,000,000 items**

SEMI-SOLID

Two **3-ton tanks**

Production capacity of **1.6 million kg per year**

Automatic cleaning *on site*

Manufacturing reactor **5-ton**

Tube filler machine with a filling capacity of **50 million tubes per year**

During 2022, we produced more than **1,000,000 items.**

TOPICAL LIQUIDS

Manufacturing capacity of approximately **4 million liters per year**

Manufacturing tanks with capacity of **150 tons per month**

Production capacity of more than **250 million sachets per year**

Sachet fillers with capacity of up to **30,000 sachets per hour**

ORAL LIQUIDS

Manufacturing capacity of approximately **40 million bottles per year**

5,000-liter tank

Bottle filler machine with capacity of up to **6,000 bottles per hour**

COATED TABLETS

Production capacity of up to
85,000 coated tablets per hour

Tablet coating machine with production capacity up to
750,000 kg per year

Genomma Lab Internacional's pharmaceutical plant increased its production levels during the fourth quarter of 2022, producing 27 million Next® tablets and more than 1 million semi-solid units for the Mexican market. This also represents our successful completion of the process of transferring production to our own lines for the Unesia®, Xray® Dol, Silka Medic® and Ultra Bengue® brands.

During the fourth quarter of 2022, Genomma's pharmaceutical plant underwent an inspection by the Mexican Health Authority (COFEPRIS), which represents an initial step towards obtaining the operating licenses for the manufacturing lines of oral liquids, topical liquids and coated tablets. Once the operating licenses for these procedures are granted, the Company will begin the process of obtaining its Good Manufacturing Practices (GMP) certificate for Mexico. Subsequently, Genomma will also seek GMP certification for export markets.

The following table represents the status of Good Manufacturing Practices (GMP) certifications for Mexico and for export markets:

● Granted ● Pending Approval

	Solids	Semi-solids	Oral liquids	Topical liquids	Coating
International GMPs					
GMPs Mexico	●	●			
Operating license	●	●	●	●	●

As for the performance of our personal care manufacturing plant, during 2022 we have added 2 new production lines (ointments and body lotions) which totals 5 production lines in full operation: isotonic drinks, shampoos, ointments, facial creams and body lotions.

> We obtained excellent results in our shampoo line, with an annual production of more than 6 million units (300% more than the previous year). Meanwhile, the ointment line achieved a 93% efficiency rate, producing more than 5 million units, while the body lotion line achieved an annual production of more than 200,000 bottles.

> In turn, the Suerox® manufacturing line continued to deliver results above expectations, reaching a production of up to 72 million bottles during 2022, approximately 8.5 million bottles per month.

NEW FACILITIES AT MERCADO CENTRAL, ARGENTINA

During 2022, we designed, supervised and commissioned the new facilities at Mercado Central in Argentina for the storage, sampling and fractioning of medicinal supplies. In addition, we expanded the Quality Control laboratory, modifying its structure and acquiring new equipment. This allowed us to sample internally the paracetamol DC 90%[44].

44 DC90 is a commercially available directly compressible paracetamol granulate consisting of approximately 90% paracetamol by weight along with pregelatinized starch, sodium croscarmellose, polyvinylpyrrolidone and stearic acid.

LOGISTICS

(GRI 2-6)

Logistics is key to our business model, as it enables us to improve customer satisfaction, reduce costs and mitigate the risks associated with product delivery. This is why we identify the main opportunities in our process performance using various management tools.

As a result, during this period we increased the number of pallets[45] used to transport our products and incorporated the use of recycled and rented pallets. Under this model, during 2022 we achieved additional savings of up to $5 million pesos and saved approximately 3,000 trees.

In addition, we achieved efficiencies when moving pallets from the racks to the shipping preparation and unloading area. This resulted in savings of approximately $6.7 million pesos per year in the rental of mobile equipment (forklifts). In Brazil, we implemented the Logistics Control Tower, which allows total control of all warehouse processes and 100% inventory accuracy.

DISTRIBUTION CENTERS (DCS)

Our distribution center, located in the Mexico Industrial Complex, has a total surface area of 33,000 m^2 and a capacity of up to 50,000 storage positions. Our DC has 65 loading stations[46] to which 77 forklifts travel 60 km per day for loading and unloading operations. We also have additional distribution centers globally, which in addition to the one in Mexico, provide more than 76,000 storage locations.

45 Rigid horizontal platform used in the transportation of goods. More pallets in the load can reduce empty space inside the container or truck, which increases transportation efficiency and lowers shipping costs per unit of product.

46 A loading station is a specific point around or inside a warehouse where transport vehicles are parked for loading or unloading.

OPERATIONS AT OUR DC LOCATED IN THE MEXICO INDUSTRIAL COMPLEX

50,000

TOTAL NUMBER OF STORAGE POSITIONS

+ 900

PALLETS RECEIVED PER DAY

+ 30

TRUCKS LEAVING THE DC DAILY ON AVERAGE

MAIN ROUTES SERVED OR CRITICAL ROUTES

39,000

NUMBER OF STORAGE POSITIONS 2022

PALLET PER HOUR RATIO

56 PALLETS/HOUR INBOUND

59 PALLETS/HORA OUTBOUND

PRODUCT TRANSPORTATION

During 2022, we relocated our Colombia distribution center to its new facilities, increasing its installed capacity from 2,456 to 2,992 storage positions, in order to support our sales projection for 2025. In addition, in the United States we opened a new distribution center in Riverside, California for the Suerox® brand, reducing by 60% the distance for West Coast orders, which represent 20% of total orders shipped during 2022.

It is important to mention that our Mexican operation continues to increase the percentage of our product transportation occupancy by means of cross-docking (a tool whose logic is to bring trucks with large loads to small distribution centers and separate the cargo into smaller trucks for local transportation). All this is done in a short storage and handling time, which reduces the impact on the cost of the products.

On the other hand, we streamlined our time and resources by reducing the volume of finished product transported to the distribution center as a result of the relocation of the manufacturing lines to our Industrial Complex.

As expressed in our Sustainability Strategy, we continue to improve the planning of our logistics operations and energy efficiency by working together with our global transportation and warehousing suppliers[47]. They are our strategic allies in optimizing routes and reducing our greenhouse gas (GHG) emissions related to logistics transportation.

100% of our logistics suppliers in Mexico have joined the Clean Transportation[48] program, and in Argentina, 100% are members of the Intelligent Transportation Program (*Programa Transporte Inteligente, PTI*)[49] of the Argentine Ministry of Economy (*Ministerio de Economía de la Nación Argentina*). Both programs aim to address energy efficiency and climate change mitigation issues.

In the U.S., 100% of our logistics suppliers participate in the Environmental Protection Agency's (EPA) SmartWay program, which aims to promote supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. For more information about our energy efficiency actions, please refer to the Environment chapter of this report.

As part of our due diligence, we conduct internal audits and controls to prevent any actions contrary to our integrity policies. Together with our property security team, we organize our schedules and routes and conduct continuous reviews of our operators, implementing high-level security standards. As a result, we have achieved 97.7% compliance with our product delivery schedules in Mexico and reduced customer returns by 77%.

TRANSPORTE INTELIGENTE

47 Genomma Lab Internacional outsources transportation and warehousing services globally, excluding Mexico.
48 It is a voluntary program of the Mexican Government that promotes the adoption of strategies, technologies and best practices that make transportation more efficient, safe and sustainable, thereby increasing the competitiveness of the sector.
49 The program is voluntary and is made up of transportation companies, freight forwarders, chambers, federations, efficiency technology and service providers, universities and related government units. Participants must select and implement energy efficiency measures in the vehicles involved. They also undertake to provide information on the distances traveled and fuel consumed, in order to determine their initial performance and the savings obtained after the implementation of efficiency strategies.

COMPREHENSIVE COMMUNICATION AND MARKETING

(GRI 3-3: Customer satisfaction)

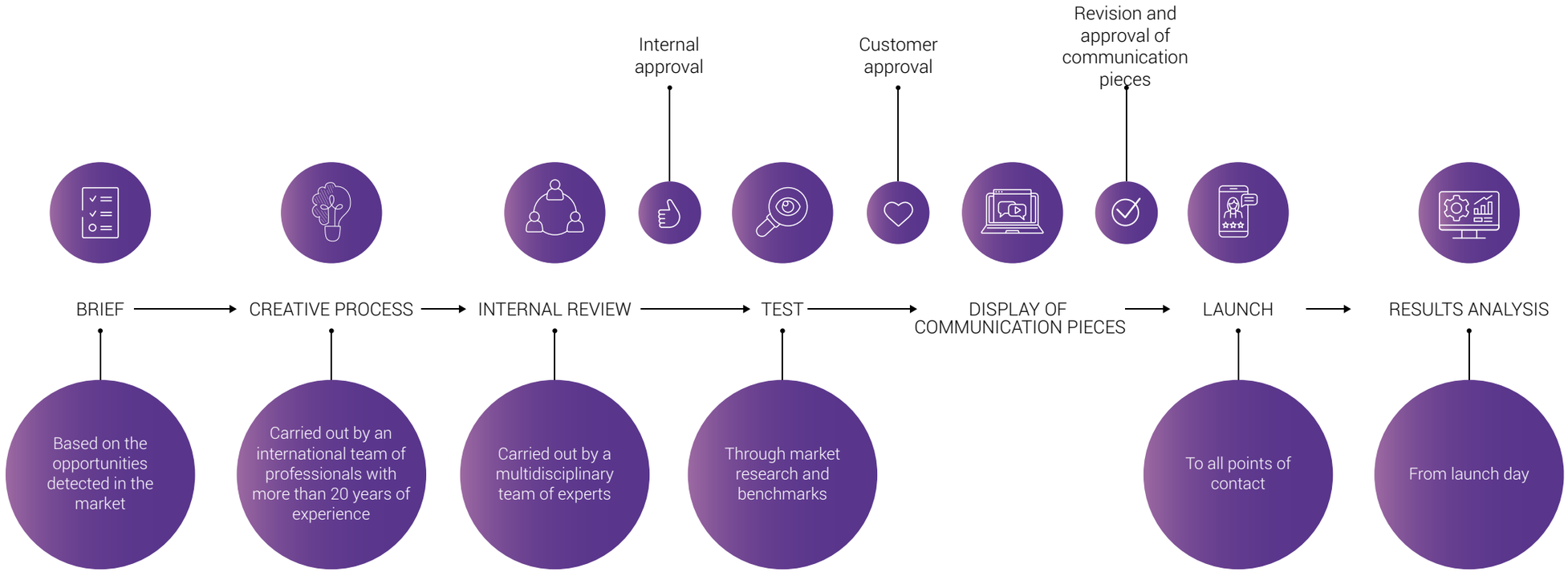
Our main priority is to provide solutions for health and well-being. Likewise, it is our responsibility to establish a relationship of trust with our consumers through truthful and honest communication. Therefore, we are committed to providing clear information about the use, benefits, ingredients, innovations, and launches of our products in our advertising and communication, as set forth in our **Global Advertising and Communication Policy**.

CREATING ADVERTISING PIECES PROCESS

GEN COMMUNICATION SYSTEM

We engage our consumers from the beginning of the product innovation process as well as the creation of advertising concepts, understanding their needs and preferences through surveys, market research and competitor analysis. We also seek their feedback on our packaging design. Our goal is to effectively convey the benefits of our products through attractive designs that add value and make them stand out from our competitors at the point of sale.

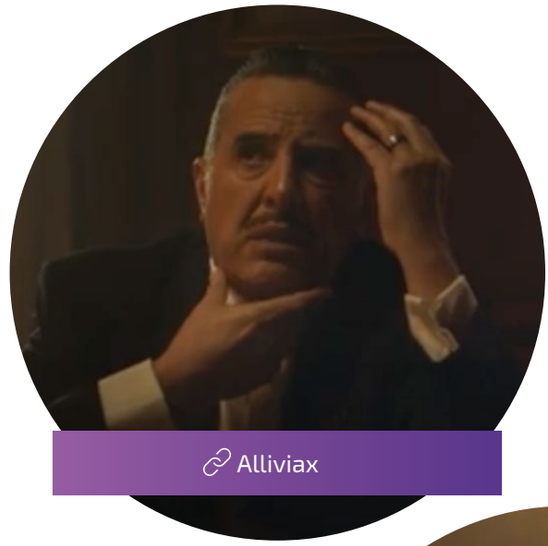
This means that ultimately, the customer is who decides which product to launch on the market and how to advertise it. This unconventional way of doing communication, called the "GEN Communication System", has proven to be foolproof. It has resulted in four times faster execution, 70-80% lower costs, multiple interactions and a greater focus on the customer.



Our innovative system has allowed us to evolve and adapt to constant customer evolution, as well as to new platforms and media. Having more than 25 years of experience in creating multimedia content in Latin America, we are continuously transforming our communication campaigns for our main brands, expanding our reach through different points of contact, promoting healthy and sustainable solutions. Furthermore, we have recently incorporated artificial intelligence to optimize media investment.

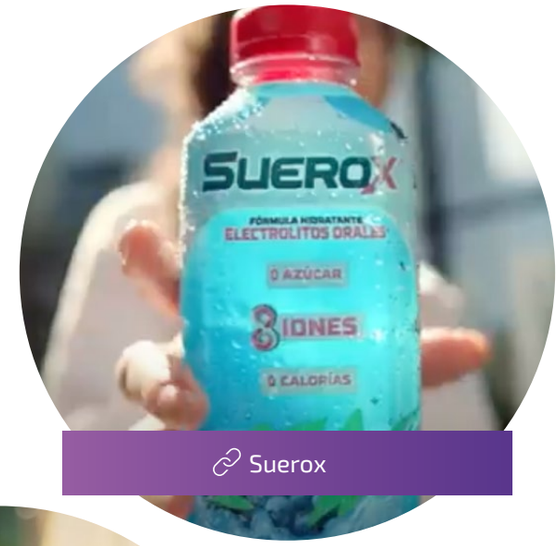
During 2022, we produced ***more than 180 new television spots*** for our customers in all the countries where we operate, **more than 1,500 spot demos[50] and more than 600 iterated spot demos** (evaluated by customers) by the Production and Postproduction team of Genomma Lab Internacional, which is made up of more than 35 professionals specialized in photography, editing, animation, audio production and audiovisual direction.

OUR MOST SUCCESSFUL CAMPAIGNS IN 2022

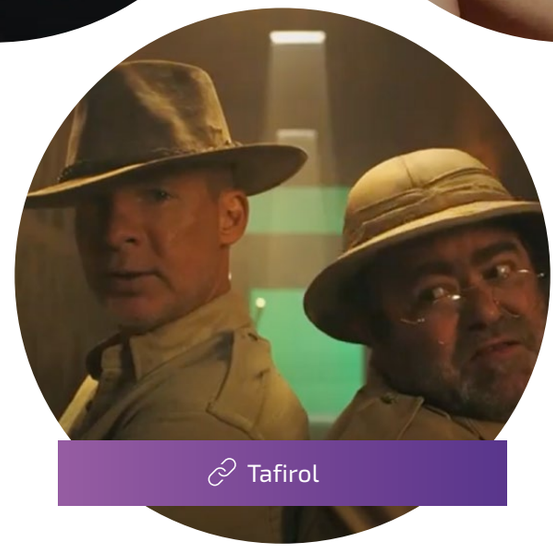


Alliviax

Cicatricure



Suerox



Tafirol

Tío Nacho

50 A demo is usually 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 in the final piece. Demos are used to review and make changes to the original ad idea, to make sure it meets the objectives and messages of the advertising campaign before the final production phase is reached. It can also be used to present and sell the idea to clients or customers before investing in the production of the full ad.

OUR DIGITAL PLATFORMS

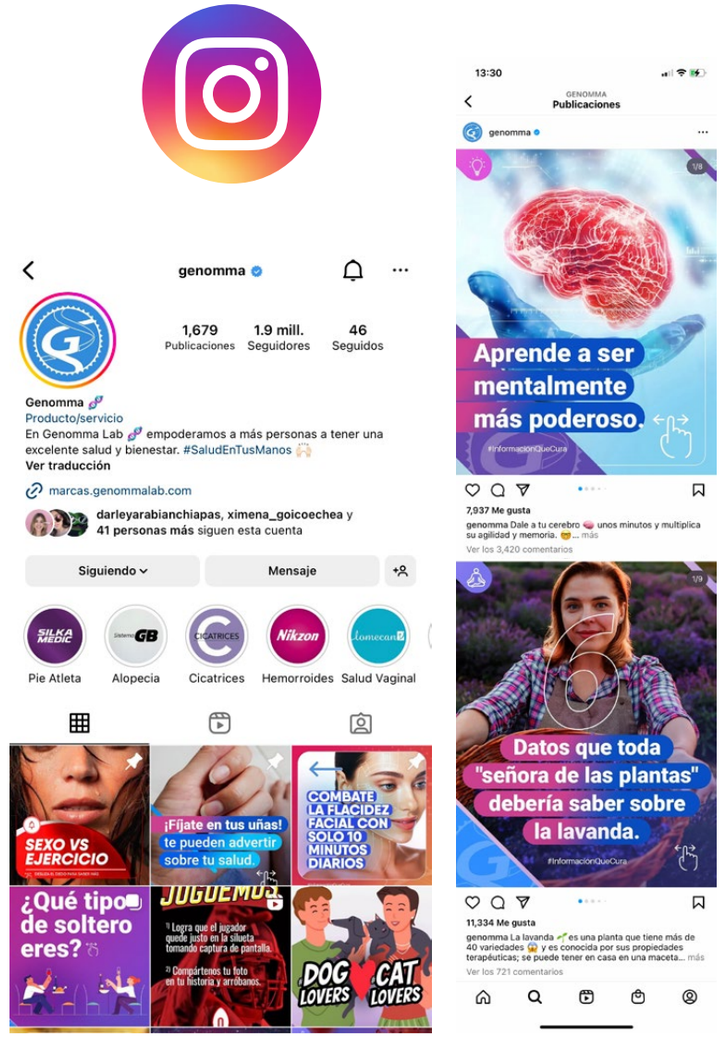
Instagram® - @Genomma

During 2022, we succeeded keeping our position as one of the most important health and wellness accounts on the platform, with more than **2M followers and a 3.5% *engagement rate*[51].**

883, 336
PEOPLE REACHED

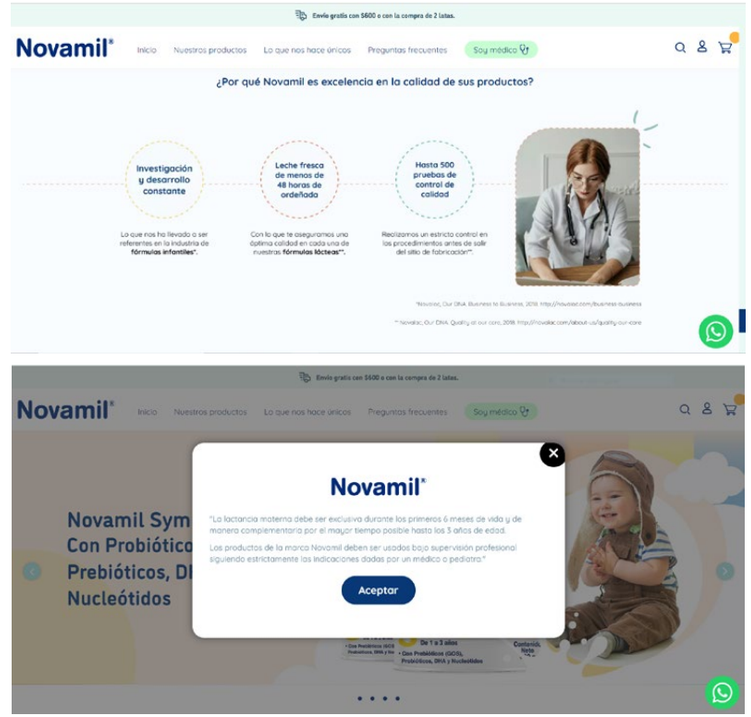
3, 394
COMMENTS

16, 385
SHARES



Novamil® e-commerce

We optimized and relaunched our e-commerce site for the Novamil® brand, which has generated very good results since it has being launched, ranking third in sales within the infant formula[52] category. In the last quarter of 2022, it rose to second place, with an upward trend and an average growth rate of more than 30% per month.



51 Engagement rate based on the number of interactions achieved in relation to the number of times a content has been visualized, thus becoming potential over others. Therefore, the post with the greatest reach will be taken as a reference in relation to future creations.

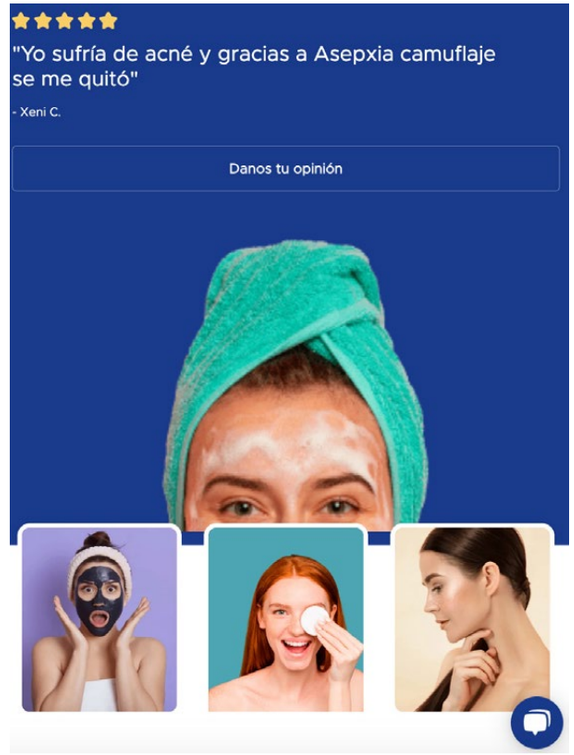
52 The ranking only considers brands that have their own online store.

Podcast

For the first time ever, the company launched a podcast as a communication channel, addressing different health-related topics in an entertaining way. Led by our hostess and specialists guest, the podcast has so far garnered more than **35,000 streams on Spotify® and the brand's website,** with an average playback time of 15 minutes per episode, which represents a retention rate of more than 50%.

UX/UI optimization on our websites

2022 was the year of UX/UI[53], as we optimized more than six of our brands' websites, assisted by experts who contributed to our team's knowledge. As a result, we improved dwell time by up to 33%, and increased the number of customers visiting the shopping section by up to 59%.



53 UX (User Experience): It refers to the overall customer experience when interacting with a product or service. The goal of UX design is to create a positive and meaningful experience for the customer, making it easier to navigate and interact with the product or service. UI (User Interface): It refers to the user interface, i.e., the set of graphic and visual elements that allow the customer to interact with the product or service. The goal of UI design is to create an attractive, intuitive and user-friendly interface that facilitates the customer's interaction with the product or service.

ETHICS AND COMMUNICATION

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

OUR PRINCIPLES

We consider that communication is a fundamental aspect of our business and, therefore, we ensure that all our communications are legal, ethical, decent, honest and truthful.

We respect human dignity and equal opportunities, and therefore our commercial advertising does not incite or encourage any form of discrimination based on ethnic origin or nationality, skin color, culture, social or economic status, religion, age, gender identity, sexual orientation and/or disability.

Furthermore, to ensure the correct use of our products, our commercial advertising does not contain any visual representation or description of potentially dangerous practices or situations that show disregard for the safety or health of people.

We firmly believe in honest competition, which is why our communication campaigns are based on the principles of fair competition and comply with applicable legislation in terms of regulatory, consumer protection and intellectual property laws. Making sure that our communication campaigns are transparent and respectful toward all parties involved, is very important to us.

We comply with all international and local regulations applicable to product advertising in the countries where we do business, and that we voluntarily adhere to the codes of ethics of the industry chambers to which we belong, some of which are described below:

- 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)

OUR COMMUNICATION

At Genomma Lab Internacional we are committed to produce honest and clear presentations of our brands using the current product available to customers, ensuring that we do not use scientific jargon and/or terminology to deceive or mislead customers, and that our advertising and promotion complies with international regulations and applicable local standards.

Thus, the Medical Management team, through the cosmetic efficacy and clinical research process, is responsible for verifying and approving the claims or disclosures in advertising videos, key visuals[54] and POP material[55] prior to their release to the market. The claims must be aligned with the results obtained in the safety and efficacy studies carried out in the product development phase and the medical support. Communication about the environmental aspects or advantages of our products is also verified by different areas of the company to ensure that their object is clear, whether it is the product, a specific component of its formulation or its packaging.

Likewise, the information provided on the label of our OTC products complies with the pharmacological monograph and/or information approved by the health authorities of each country as established in the regulations. For safety reasons, labels include the dosage, therapeutic indication of the product, warnings, indications and contraindications according to the target group, as well as adverse reactions and special precautions for sensitive populations (such as pregnant women, children, etc.).

Regarding the personal care category, in compliance with current regulations, our labels include the directions for use and the necessary warnings so that the consumer is informed about the safety aspects of the product. In relation to the food or beverage category, we declare the content of allergens or any type of ingredient subject to specific precautions (colorants, sweeteners, etc.).

Our labels also include the batch code to ensure product traceability in the market and the customer service numbers for the correct and transparent communication between the consumer and the company. It is important to mention that our Pharmacovigilance System participates in the responsible labeling process on its own initiative or at the request of the regulatory authority, promoting changes in our product labels when identifying a risk that has not been previously described or when there is sufficient evidence to be considered as having an impact on the safety of consumers. Significantly, the Medical, Regulatory and Legal Departments are involved in reviewing and updating our Global Advertising and Communication Policy.

54 Campaign visual reference or guide.
55 Point-of-purchase (POP) advertising material refers to printed or digital advertising placed in close proximity to the products being advertised to allow the customer to interact with the product.

OUR AUDIENCE

We ensure that interactions with our customers and healthcare professionals are always ethical and based on key principles, such as providing information about our innovative products and services in an open, transparent, honest, timely and compliant manner. We also ensure that we do not provide undue advantages when prescribing our products.

In addition, we take special care with commercial advertising featuring infants, children or adolescents, and we ensure that we represent them fairly and protect their privacy when we collect personal data.

All of the above is aligned with our **Code of Conduct and Ethics**. This Code is reviewed annually and made known to all members of our organization in order to promote responsible and correct behavior in terms of communication and content generation among our employees and stakeholders.

It is worth mentioning that during 2022 a report was issued by PROFECO[56], pointing out that the name “Suerox Mora Azul-Hierbabuena”, and a mention on the label that the product contains oral electrolytes could confuse customers, leading them to think that it is a saline solution, and not a hydrating beverage. While we have not failed to comply with any regulations, we have taken up the recommendations made by the authority to improve our brand communication and advertising to ensure the well-being of our customers.

As a result of our Integral Communication and Marketing policies and processes, during the reporting period there have been no non-compliances with regulations or voluntary codes related to the information and labeling of our products, nor with reference to the information provided in the advertising and marketing of our products. Therefore, we have not incurred any expenses related to fines or penalties in this matter.

56 The main function of the Consumer Protection Federal Agency (Procuraduría Federal del Consumidor, PROFECO) has been to promote and protect the rights and interests of consumers, as well as to ensure fairness and legal certainty between suppliers and consumers.

STRATEGIC PARTNERSHIPS

(GRI 2-28)

We continue to leverage commercial opportunities aligned with the Company's values and long-term objectives, harnessing our unique manufacturing and marketing skills. To achieve this, we have established collaborations with commercial partners to introduce new categories, line extensions, high quality and affordable products for our customers, making us the ideal partner for Latin America and the U.S. Hispanic market. Among our most outstanding alliances are UP International, through which we hold the exclusive license to commercialize Novamil®; and Edgewell®, allowing us to develop our Groomen® brand.

PARTNERSHIP WITH UP INTERNATIONAL ®

In order to meet the specific nutritional needs of babies, our alliance with UP International was born. This alliance grants Genomma Lab Internacional the exclusive license to market in Mexico and Latin America (except Brazil) the entire line of infant nutrition products under the Novamil® and Novalac® brands.

Since 1991, France-based UP International has been developing specialized formulas for pregnant and lactating women. In addition, they have pioneering nutritional formulas for babies for the control and treatment of common digestive disorders in the first years of life, such as allergies, constipation, reflux and gastrointestinal discomfort.

Each formula is developed by pharmacists, engineers, technicians and dietitians, in collaboration with international multidisciplinary teams composed of gastroenterology professors, pediatricians and nutritionists.

To ensure the quality of its products, UP International's manufacturing plants in France, Germany and Spain comply with high quality standards in cattle selection, feeding, milking and watering, and use around 700 chemical and microbiological controls.

In addition, it is important to highlight that the formulas used in Novamil® and Novalac® comply with ISO 9001, quality certificate, ISO 22000, food safety management certificate on risk management, as well as the recommendations of the European Society of Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN), CODEX[57] and the Mexican Official Standards (Normas Oficiales Mexicanas, NOM)[58].

From a commercial perspective, it is important to note that Novamil® is present in 60 countries and is backed by leading pharmaceutical companies in all continents. In addition, it is the number one selling brand in France and Australia, having proven its efficacy in more than 40 clinical trials and studies worldwide. In the Mexican market, Novamil® has great growth potential, with a value opportunity in the Latin American market of more than $80 million US dollars.

Ongoing research and development

This has led us to become a benchmark in the **infant formula** industry*.

Fresh milk less than 48 hours of milking

This guarantees optimum quality in each of our **formulas****.

Up to 500 quality control tests

We perform strict control procedures before it is shipped from the manufacturing site**.

* Novalac, Our DNA. Business to Business, 2018. http://novalac.com/business-business
** Novalac, Our DNA, Quality at our core, 2018. http://novalac.com/about-us/quality-our-core

57 The Codex Alimentarius Commission is the United Nations food standards-setting body.
58 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.

PARTNERSHIP WITH EDGEWELL PERSONAL CARE®

In 2021, we entered into a partnership with Edgewell, a leading razor company renowned for its legacy of technological innovation and focus on the customer experience. Through this partnership, we developed our Groomen® brand, entering a category with great growth potential in the Mexican and Latin American market, with a market value opportunity of more than $100 million US dollars.

Our Groomen® brand is revolutionizing the shaving category, offering access to the best technology and shopping experience with a disposable razor that stands out in the traditional channel due to its affordability, quality and disruptive nature. This brand was specifically designed to meet the new demands of the male consumer, who is currently more interested in personal care, health and the environment.

We currently market three versions: Groomen® 300 (3 blades), Groomen® 500 (5 blades) and Groomen® 600 (6 blades). Groomen® razors have a double lubricating strip with activated carbon and aloe, which help prevent skin irritation that can occur during shaving, allowing the razors to glide more smoothly and precisely over the customer's skin.

The blades of the Groomen® 500 razors are made of stainless steel and have a ceramic nanotechnology-based coating, similar to the technology used to make ceramic kitchen knives, which preserves their sharpness for longer and reduces friction with each stroke. In addition, it has a rear blade for specific cuts where greater precision is required.

It should be noted that, in line with our 2025 Sustainability Strategy, the Groomen® 300 model features sustainable design elements in its handle made from 57% recycled material. In addition, each Groomen® blade cartridge is guaranteed to last for 30 days of average use[59] while all versions of the cartridges are interchangeable.

Edgewell® is on a mission to find materials and technologies that reduce the amount of virgin plastic used in disposable razor handles and packaging by 50%. Our alliance with Edgewell clearly reflects our search for companies that share the same vision and active responsibility in caring for our planet.
cuidado de nuestro planeta.

59 Based on an average use of three shaves per week.


The ideal partner for Latin America
and the U.S. Hispanic market
Edgewell™
PERSONAL CARE
UP International®
Genomma Lab.®
Internacional

ORGANIZATION, CORPORATE CULTURE AND SUSTAINABILITY

OUR PEOPLE

(GRI 3-3: Talent attraction and employee development)

Talent attraction, our team development and the positive impact on our environment are paramount for our Company. For this reason, Organization, Corporate Culture and Sustainability conform one of our Company's growth strategy pillars. At Genomma Lab, we are aware of the importance of investing in our talent to be able to reach the goals we have set.

Our talent management is supported by several policies and processes which are subject to ongoing revision and updating to achieve ongoing improvement. The Code of Conduct and Ethics is available to all our employees; it provides for guidelines to be followed, considering a legality culture for each operation scope. All our activities are based on principles of inclusion, respect, and tolerance, aligned with compliance with the Diversity, Inclusion and Gender Equality Policy and the Human Rights Policy, which allows to promote a suitable working environment.

In order to ensure we have the required team, every year we prepare a Talent Strategic Plan including the following steps:

1

We analyze the current situation, considering the number of employees, the information on their performance, training results, among other factors.

2

Based on the strategic goals set by the Company, we determine the abilities and roles we will require.

3

We identify gaps and needs to be met.

4

We implement a plan which includes recruitment, retention, and ongoing training.

5

We project talent needs to be met. This exercise is carried out with the finance group to guarantee feasibly of the plans under the profit and loss or the income statement methodology.

6

Throughout the year, we evaluate and adjust the talent plan, considering the market and company's needs.

EMPLOYEE INFORMATION

(GRI 2-7) (GRI 405-1)

In 2022, we had a total of 1,861 full-time employees with a permanent employment agreement[60].
Below is this information broken down in several ways:

Total employees by gender and country

2021

48.7% — 1,050 male

2,157 total

51.3% — 1,107 female

871	49.2%	MEXICO	1,771	50.8%	900
21	72.4%	U.S.A.	29	27.6%	8
32	43.8%	BRAZIL	73	56.2%	41
70	45.2%	ARGENTINA	155	54.8%	85
10	29.4%	COLOMBIA	34	70.6%	24
11	47.8%	ECUADOR	23	52.2%	12
9	60.0%	CARICAM	15	40.0%	6
14	45.2%	CHILE	31	54.8%	17
11	55.0%	PERU	20	45.0%	9
0	0.0%	URUGUAY	3	100.0%	3
0	0.0%	BOLIVIA	2	100.0%	2
1	100.0%	PARAGUAY	1	0.0%	0

All collaborators work full time and have a permanent contract. The percentages were calculated based on the total for each country.

2022

49.7% — 925 male

1,861 total

50.3% — 936 female

731	50.5%	MEXICO	1,446	49.4%	715
24	72.7%	U.S.A.	33	27.3%	9
37	49.3%	BRAZIL	75	50.7%	38
76	44.4%	ARGENTINA	171	55.6%	95
14	34.1%	COLOMBIA	41	65.8%	27
8	38.1%	ECUADOR	21	61.9%	13
10	58.8%	CARICAM	17	41.2%	7
14	40.0%	CHILE	35	60.0%	21
10	55.6%	PERU	18	44.4%	8
0	0.0%	URUGUAY	1	100.0%	1
0	0.0%	BOLIVIA	2	100.0%	2
1	100.0%	PARAGUAY	1	0.0%	0

All collaborators work full time and have a permanent contract. The percentages were calculated based on the total for each country.

50.3%

OF WOMEN AT GLOBAL LEVEL IN 2022

+ 50%

OF WOMEN IN BRAZIL, ARGENTINA, COLOMBIA, CHILE, URUGUAY AND BOLIVIA

60 In Chile, one of our male employees has a part-time employment agreement.

Comparison of total employees by employment country

2020

	Total	%
MEXICO	933	70.7
U.S.A.	31	2.3
BRAZIL	67	5.1
ARGENTINA	157	11.9
COLOMBIA	39	2.9
ECUADOR	21	1.6
CARICAM	17	1.3
CHILE	27	2.0
PERU	18	1.4
URUGUAY	5	0.4
BOLIVIA	3	0.2
PARAGUAY	1	0.1
TOTAL	1,319	100.0

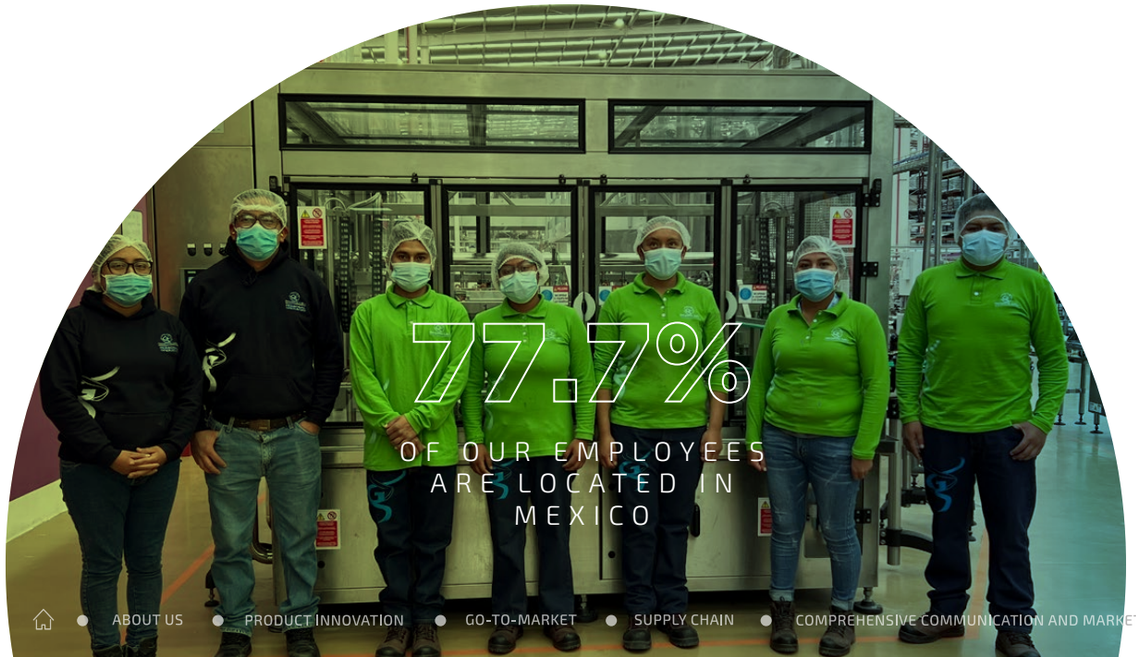
2021

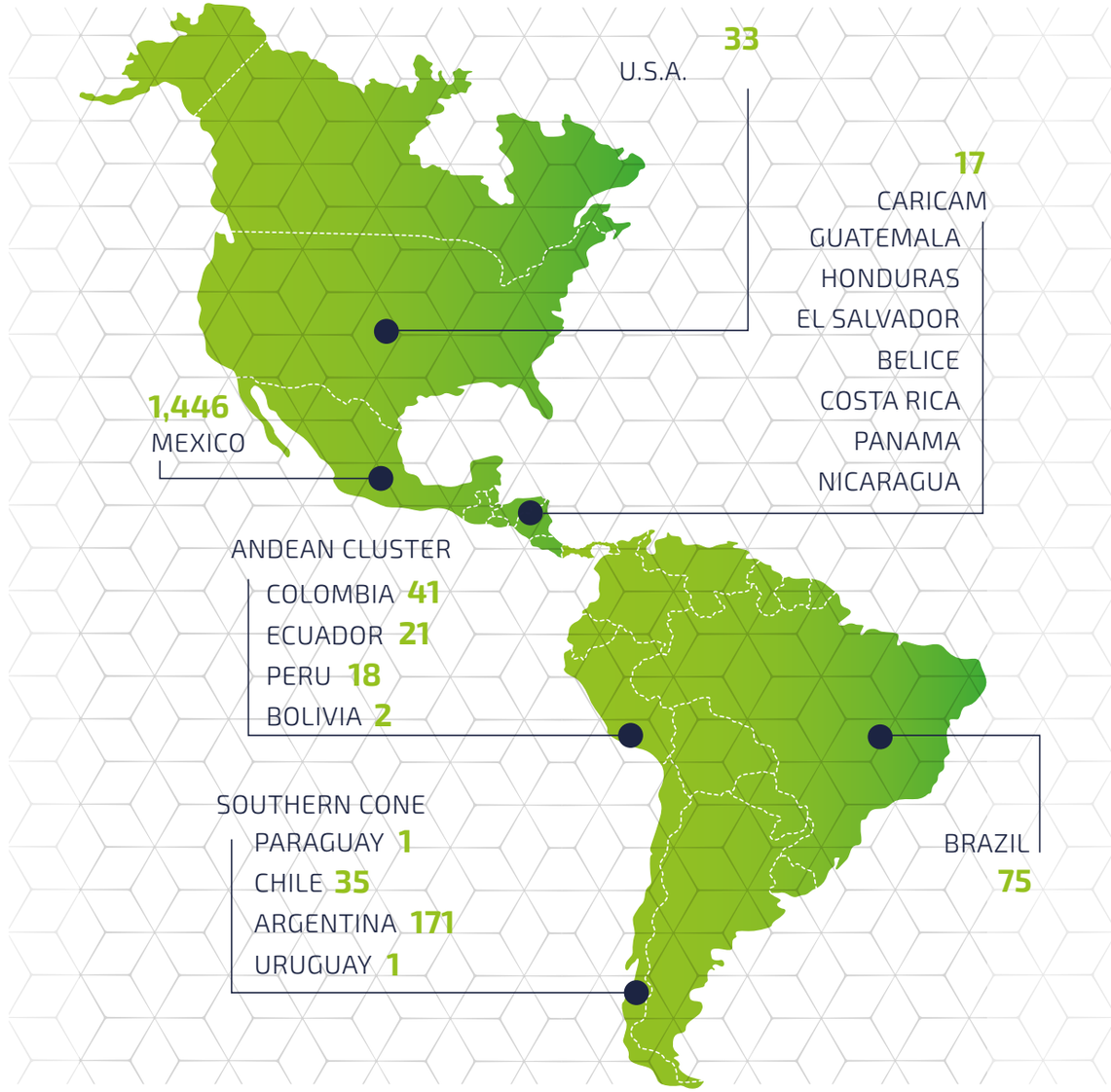
	Total	%
MEXICO	1,771	82.1
U.S.A.	29	1.3
BRAZIL	73	3.4
ARGENTINA	155	7.2
COLOMBIA	34	1.6
ECUADOR	23	1.1
CARICAM	15	0.7
CHILE	31	1.4
PERU	20	0.9
URUGUAY	3	0.1
BOLIVIA	2	0.1
PARAGUAY	1	0.0
TOTAL	2,157	100.0

2022

	Total	%
MEXICO	1,446	77.7
U.S.A.	33	1.8
BRAZIL	75	4.0
ARGENTINA	171	9.2
COLOMBIA	41	2.2
ECUADOR	21	1.1
CARICAM	17	0.9
CHILE	35	1.9
PERU	18	1.0
URUGUAY	1	0.0
BOLIVIA	2	0.1
PARAGUAY	1	0.0
TOTAL	1,861	100.0

Percentages are calculated based on the total headcount of the year.





Comparison of total employees by employment category

2020

	Total	%
EXECUTIVE	6	0.4
COUNTRY MANAGER	9	0.7
DIRECTOR	60	4.5
MANAGER	208	15.8
UNIT HEAD	81	6.1
SUPERVISOR	49	3.7
COORDINATOR	79	6.0
SPECIALISTS, ASSISTANTS, ANALYSTS, OPERATION STAFF, ETC.	827	62.7
TOTAL	**1,319**	**100.0**

2021

	Total	%
EXECUTIVE	4	0.2
COUNTRY MANAGER	7	0.3
DIRECTOR	84	3.9
MANAGER	195	9.0
UNIT HEAD	143	6.6
SUPERVISOR	64	3.0
COORDINATOR	101	4.7
SPECIALISTS, ASSISTANTS, ANALYSTS, OPERATION STAFF, ETC.	1,559	72.3
TOTAL	**2,157**	**100.0**

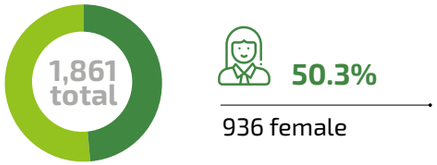
2022

	Total	%
EXECUTIVE	4	0.2
COUNTRY MANAGER	8	0.4
DIRECTOR	77	4.1
MANAGER	126	6.8
UNIT HEAD	42	2.3
SUPERVISOR	40	2.1
COORDINATOR	72	3.9
SPECIALISTS, ASSISTANTS, ANALYSTS, OPERATION STAFF, ETC.	1,492	80.2
TOTAL	**1,861**	**100.0**

Percentages are calculated based on the total headcount of the year.

Employees by employment category and gender

49.7% — 925 male



50.3% — 936 female

4	100.0%	EXECUTIVE	**4**	0.0%	**0**
6	75.0%	COUNTRY MANAGER	**8**	25.0%	**2**
40	51.90%	DIRECTOR	**77**	48.0%	**37**
76	60.30%	MANAGER	**126**	39.7%	**50**
21	50.0%	UNIT HEAD	**42**	50.0%	**21**
28	70.0%	SUPERVISOR	**40**	30.0%	**12**
41	56.9%	COORDINATOR	**72**	43.0%	**31**
709	47.5%	SPECIALISTS, ASSISTANTS, ANALYSTS, OPERATION STAFF, ETC.	**1,492**	52.5%	**783**

Percentages were calculated based on the total by employment category.

Once information was collected, we stabilized the databases at global level, which includes Central America, the Caribbean and South America.

Total employees by employment category and age group

	less than 30 years	%
EXECUTIVE	0	0.0
COUNTRY MANAGER	0	0.0
DIRECTOR	0	0.0
MANAGER	3	2.4
UNIT HEAD	4	9.5
SUPERVISOR	9	22.5
COORDINATOR	15	20.8
SPECIALISTS, ASSISTANTS, ANALYSTS, OPERATION STAFF, ETC.	458	30.7
TOTAL	**489**	**26.3**

	between 30 and 50 years	%
EXECUTIVE	0	0.0
COUNTRY MANAGER	6	75.0
DIRECTOR	57	74.0
MANAGER	103	81.7
UNIT HEAD	35	83.3
SUPERVISOR	27	67.5
COORDINATOR	51	70.8
SPECIALISTS, ASSISTANTS, ANALYSTS, OPERATION STAFF, ETC.	927	62.1
TOTAL	**1,206**	**64.80**

	more than 50 years	%
EXECUTIVE	4	100.0
COUNTRY MANAGER	2	25.0
DIRECTOR	20	26.0
MANAGER	20	15.9
UNIT HEAD	3	7.1
SUPERVISOR	4	10.0
COORDINATOR	6	8.3
SPECIALISTS, ASSISTANTS, ANALYSTS, OPERATION STAFF, ETC.	107	7.2
TOTAL	**166**	**8.9**

Percentages were calculated based on the total by employment category.

HIRINGS AND TERMINATIONS

(GRI 401-1) (SASB HC-BP-330a.1)

As a company, we face several challenges, one of them is qualified talent attraction and recruitment for our business management. In 2022, this task was complex given the significant shortage of qualified talent in some specific areas; however, we should highlight that we were able to reduce hiring times for the different levels of the Company.

> In year 2022, the average Time to fill[61] indicator was of 79 days and the Success rate[62] was of 71%

The contracting cost was of $6,685,451.84 Mexican pesos[63].

The Talent Management area is responsible for the recruitment process. This area seeks new candidates; however, the Recruitment Committee is responsible for evaluating the potential new employees.

For the next two years, we are planning the implementation of a new Applicant Tracking System (ATS), which will allow us to rationalize our processes and obtain performance indicators relevant to management of new talent faster.

Innovation in recruitment

With the purpose of achieving ongoing improvement, we have implemented three initiatives to improve our recruitment process:

ONLINE RECRUITMENT

We implement the use of digital of tools and online platforms with the purpose of publishing vacancies, receiving applications, and selecting candidates; this allows to attract much more candidates and have a more efficient system linked to the current technology.

ALLIANCES WITH UNIVERSITIES

We have strengthened relationships with several universities with the purpose or recruiting through their own platforms.

REFERRAL PROGRAM

In order to involve and consider the opinion of our employees, we invite them to refer candidates to fill vacancies in the company. This sped up the process and provided a more specific overview of the vacancy.

61 Average value for the vacancy closing period.
62 Number of vacancies we closed at 100% from the open ones.
63 For some countries and the plant, only the headhunter costs are considered. In Mexico, the cost of the IQ global supplier is considered, as well as an estimate for the payroll and the LinkedIn licenses.

Hiring and retention of scientific talents

The industry in which we operate requires we are in constant process of innovation and development of new products or improvement of the existing ones. Thus, it is essential we have key talent to comply with this task. Aligned with such need, we have a strategy for this group of employees:

TRAINING AND DEVELOPMENT PROGRAMS

We provide learning and growth opportunities to develop new abilities and knowledge.

RESEARCH OPPORTUNITIES

We provide opportunities to have scientists lead research and development (R&D) projects, which allows them to have an active role in the decision making and in the development of new products and processes.

INNOVATION CULTURE

We promote a culture of innovation and creativity to stimulate curiosity an out of the box thinking.

HIRING

In 2021, the number of hirings increased significantly in relation to the previous period given the implementation of a new labor law in Mexico which restricts subcontracting. This required we hired the employees who previously offered their services through third parties, but now hired as our direct employees. In 2022, the number of employees has stabilized, as we now have the required staff for our operation. Some services previously authorized by the labor law were hire again and are operated by specialized third parties.

Hirings per country, age group and gender

MEXICO

			T
< 30 YEARS	55	56	**111**
30 - 50 YEARS	66	67	**133**
> 50 YEARS	11	4	**15**
TOTAL	**132**	**127**	**259**

U.S.A.

			T
< 30 YEARS	0	0	**0**
30 - 50 YEARS	5	3	**8**
> 50 YEARS	2	1	**3**
TOTAL	**7**	**4**	**11**

BRAZIL

			T
< 30 YEARS	4	6	**10**
30 - 50 YEARS	9	9	**18**
> 50 YEARS	0	0	**0**
TOTAL	**13**	**15**	**28**

ARGENTINA

			T
< 30 YEARS	8	11	**19**
30 - 50 YEARS	22	14	**36**
> 50 YEARS	2	0	**2**
TOTAL	**32**	**25**	**57**

COLOMBIA

			T
< 30 YEARS	2	3	**5**
30 - 50 YEARS	4	7	**11**
> 50 YEARS	0	0	**0**
TOTAL	**6**	**10**	**16**

ECUADOR

			T
< 30 YEARS	1	2	**3**
30 - 50 YEARS	2	1	**3**
> 50 YEARS	0	0	**0**
TOTAL	**3**	**3**	**6**

CARICAM

			T
< 30 YEARS	1	2	**3**
30 - 50 YEARS	5	0	**5**
> 50 YEARS	0	0	**0**
TOTAL	**6**	**2**	**8**

CHILE

			T
< 30 YEARS	5	7	**12**
30 - 50 YEARS	0	1	**1**
> 50 YEARS	0	0	**0**
TOTAL	**5**	**8**	**13**

PERU

			T
< 30 YEARS	0	0	**0**
30 - 50 YEARS	3	1	**4**
> 50 YEARS	0	0	**0**
TOTAL	**3**	**1**	**4**

TOTAL

			T
< 30 YEARS	76	87	**163**
30 - 50 YEARS	116	103	**219**
> 50 YEARS	15	5	**20**
TOTAL	**207**	**195**	**402**

In Uruguay, Bolivia and Paraguay there were no hirings.

Comparison of total of hirings by age group and gender

	2021			2022			RATE
			T			T	
< 30 YEARS	242	285	**527**	76	87	**163**	**33.3**
30 - 50 YEARS	216	333	**549**	116	103	**219**	**18.2**
> 50 YEARS	86	146	**232**	15	5	**20**	**12.0**
TOTAL	**544**	**764**	**1,308**	**207**	**195**	**402**	**21.6**

The rate was calculated by dividing the total of employees by the total of hirings multiplied by 100.

30 - 50

WAS THE AGE GROUP WITH THE LARGEST NUMBER OF HIRINGS

< 30

IS THE AGE WITH THE LARGEST RATE OF HIRINGS

Hirings per Region

	Total	Rate
MEXICO	**259**	17.9
U.S.A.	**11**	33.3
BRAZIL	**28**	37.3
ARGENTINA	**57**	33.3
COLOMBIA	**16**	39.0
ECUADOR	**6**	28.6
CARICAM	**8**	47.1
CHILE	**13**	37.1
PERU	**4**	22.2
URUGUAY	**0**	0.0
BOLIVIA	**0**	0.0
PARAGUAY	**0**	0.0
TOTAL NUMBER AND TOTAL RATE	**402**	**21.6**

The rate was calculated by dividing the total of employees by the total of hirings multiplied by 100.

> The hiring rate by country indicates more persons are being hired in the countries of the Caricam region, followed by Colombia, Brazil, Chile, Argentina and United States.

At Genomma Lab we prioritize internal development. This allows us to provide our employees with growth opportunities, which at the same time guarantees their satisfaction.

Comparison of total hirings by gender

2021			2022		
TOTAL 1,308 RATE 60.6			**TOTAL 402** RATE 21.6		
544	TOTAL	764	207	TOTAL	195
51.8	RATE	69.0	22.4	RATE	20.8

The rate was calculated by dividing the total of employees by the total of hirings multiplied by 100.

HIRING RATE FOR MEN IS ABOUT TWO PERCENTUAL POINTS HIGHER THAN HIRING RATE FOR WOMEN.

Internal hiring is also beneficial for us, given that our employees are already aligned and familiarized with our corporate culture, which reduces the onboarding time and, in turn, increase efficiency in their performance. In addition, internal hiring helps to reduce training costs.

TURNOVER

Turnover by age, country and gender

MEXICO

			T
< 30 YEARS	70	53	**123**
30 - 50 YEARS	122	69	**191**
> 50 YEARS	18	7	**25**
TOTAL	**210**	**129**	**339**

U.S.A.

			T
< 30 YEARS	0	0	**0**
30 - 50 YEARS	4	2	**6**
> 50 YEARS	1	1	**2**
TOTAL	**5**	**3**	**8**

BRAZIL

			T
< 30 YEARS	0	2	**2**
30 - 50 YEARS	7	12	**19**
> 50 YEARS	0	0	**0**
TOTAL	**7**	**14**	**21**

ARGENTINA

			T
< 30 YEARS	7	3	**10**
30 - 50 YEARS	16	15	**31**
> 50 YEARS	0	0	**0**
TOTAL	**23**	**18**	**41**

COLOMBIA

			T
< 30 YEARS	1	2	**3**
30 - 50 YEARS	0	5	**5**
> 50 YEARS	0	0	**0**
TOTAL	**1**	**7**	**8**

ECUADOR

			T
< 30 YEARS	1	2	**3**
30 - 50 YEARS	5	0	**5**
> 50 YEARS	0	0	**0**
TOTAL	**6**	**2**	**8**

CARCICAM

			T
< 30 YEARS	0	0	**0**
30 - 50 YEARS	2	1	**3**
> 50 YEARS	1	1	**2**
TOTAL	**3**	**2**	**5**

CHILE

			T
< 30 YEARS	6	3	**9**
30 - 50 YEARS	0	0	**0**
> 50 YEARS	0	0	**0**
TOTAL	**6**	**3**	**9**

PERU

			T
< 30 YEARS	0	0	**0**
30 - 50 YEARS	3	1	**4**
> 50 YEARS	0	0	**0**
TOTAL	**3**	**1**	**4**

URUGUAY

			T
< 30 YEARS	0	0	**0**
30 - 50 YEARS	0	0	**0**
> 50 YEARS	0	1	**1**
TOTAL	**0**	**1**	**1**

In Uruguay, Bolivia and Paraguay there were no hirings.

TOTAL

			T
< 30 YEARS	85	65	**150**
30 - 50 YEARS	159	105	**264**
> 50 YEARS	20	10	**30**
TOTAL	**264**	**180**	**444**

THE NUMBER OF TERMINATIONS IS DECREASING IN GREAT AMOUNT COMPARED WITH THE LAST YEAR

Turnover by age and gender

2022			TASA
		T	
< 30 YEARS	85	65	**150**	**30.7**
30 - 50 YEARS	159	105	**264**	**21.9**
> 50 YEARS	20	10	**30**	**18.1**
TOTAL	**264**	**180**	**444**	**23.9**

The rate was calculated by dividing the total of employees by the total turnover multiplied by 100.

30 - 50

WAS THE AGE GROUP WITH THE LARGEST NUMBER OF TERMINATIONS

Comparison of turnover by gender

2021		2022	
TOTAL 1,308		**TOTAL 444**	
RATE 60.64		RATE 23.86	
544	TOTAL	764	264	TOTAL	180
51.8	RATE	69.0	28.5	RATE	19.2

The rate was calculated by dividing the total of employees by the total turnover multiplied by 100.

THE TURNOVER RATE FOR MEN IS LARGER THAN THE TURNOVER RATE FOR WOMEN.

Turnover by country

	Total	Rate
MEXICO	339	23.4
U.S.A.	8	24.2
BRAZIL	21	28.0
ARGENTINA	41	24.0
COLOMBIA	8	19.5
ECUADOR	8	38.0
CARICAM	5	29.4
CHILE	9	25.7
PERU	4	22.2
URUGUAY	1	100.0
BOLIVIA	0	0.0
PARAGUAY	0	0.0
TOTAL NUMBER AND TOTAL RATE	**444**	**23.9**

The rate was calculated by dividing the total of employees by the total turnover multiplied by 100.

Voluntary turnover

AGE RANGE

Total by Category

57	EXECUTIVE / COUNTRY MANAGER/ DIRECTOR / MANAGER	**100**	43
112	UNIT HEAD / SUPERVISOR/ COORDINATOR	**180**	68
32	OTHER	**54**	22
201	TOTAL	**334**	133

BENEFITS

(401-2, 401-3)

At Genomma Lab, we seek that each one of our employees receive both economic benefits and health and wellbeing benefits. In this form, we seek strengthening the commitment with our talent.

Given that we do not have part-time or temporary employees, benefits such as life and health insurance, sick leave or invalidity coverage, parental permits, etc. is provided to all our staff in Mexico, U.S.A., Brazil, Argentina, Colombia, Ecuador, Caricam, Chile, Peru, Uruguay, Bolivia, and Paraguay.

LIFE BALANCE AND FAMILY

We seek all members of our work team find balance between their personal and labor life. For this reason, we offer several benefits that contribute to this purpose.

- **Remote work, flexible hours, and reduced workday on Fridays**
  We develop a culture both focused on performance, on one hand, and flexibility and trust, on the other, by offering staggered working hours, work from home and reduced workday on Fridays.

- **Breastfeeding room**
  We have breastfeeding rooms available to all our female employees to preserve their wellbeing and comfort at all times.

- **Daycare centers**
  Thinking in the wellbeing of our employees, we have agreements with daycare center close to the operation centers, where they receive a discount.

- **Vacation**
  We offer vacation days beyond standard by law. We offer an additional benefit related to years of service of the employee at the company.

- **Paternity or maternity leave**
  At the company, all our employees have the paternity or maternity leave benefit. This benefit is offered based on conditions with are better than the standard provided by law in countries such as Brazil.

In 2022, about 72 employees became parents, thus they became eligible for the maternity and paternity leave benefit. 100% of them enjoyed this benefit, returned to their activities, and continued working at the Company.

> Of total parenthood leaves, 61% were for men and 39% for women.

COMPREHENSIVE WELLNESS

We offer our team several benefits that contribute to their comprehensive well-being and provide support to their daily life.

GENWELL employee assistance program

Committed to our 2025 sustainability strategy, we continue with our Employee Assistance Program "GENWELL", which provides psychological counseling, legal assistance, accounting and financial assistance, nutritional counseling, and leadership training for critical situations. This service can be accessed by making a phone call to the indicated phone number or through the mobile application, where the beneficiaries are our employees and their direct relatives.

GENWELL

GEN Fut Tournament

We promote health and wellbeing both inside and outside the Company, so we have developed the "GEN Fut tournament". This activity has the purpose of encouraging physical activity and teamwork, while we have fun and spend time together along a mixed soccer tournament, where employees from our manufacturing plants, headquarters, and distribution center all take part.

BONUS AND SAVINGS FUND

In our Company, we seek that each one of our employees receive the best benefits linked to the performance level of their activities, as well as incentives for being a valuable team member. Some of these include:

Annual bonus - Global scope

It is calculated based on the percentage of compliance with the reached goals during the evaluation period through the program "Talent GEN".

Transportation - Mexico scope

With the purpose of providing support to our employees, we make available to them transportation at different times and for the different operation locations.

Savings fund - Mexico scope

Each employee has 5% of his/her payroll allocated to a savings fund, and at year-end, we contribute the same amount of savings.

Employee sale - Mexico scope

Each month, we offer the team the chance to buy products from the Company's portfolio, with a special discount..

Seniority award

This award is granted to team members who have been with the Company for 5, 10, 15, 20 and 25 years. In 2022, 107 team members received this award.

SENIORITY	AVERAGE
5 years	63
10 años	26
15 años	13
20 años	3
25 años	2

HUMAN RIGHTS

(GRI 407-1, 408-1, 409-1)

Our Company has a strong commitment to promote, defend, and monitor human rights of our employees and stakeholders. We work within the framework of international standards, including the Universal Declaration of Human Rights and the Declaration of the International Labor Organization (ILO) concerning fundamental principles and rights at work, as well as the principles of the United Nations Global Compact, which we observe and for which we expect correspondence with all our commercial partner in relation to human rights.

At Genomma Lab, we apply our Human Rights policy in the following way:

a) We promote **freedom of opinion and expression** based on respect.

b) We respect **freedom of assembly and association.**

c) We respect the **right to health** and provide a quality environment for our employees.

d) We recognize and **respect dignity** of our human team.

e)We observe the applicable law in matters of **no discrimination and labor inclusion.**

f) We manage preventive and corrective actions focused on **zero tolerance for violence, child labor, forced labor, human trafficking, and discrimination.**

g) We create and respect **health and safe work environments.**

h) We keep and build **solid and long-lasting relationships** with all participants and/o stakeholders that make up of our operation and business model.

i) We promote and monitor that all **our supplier respect** and have their people respect human rights.

DISCRIMINATION

(GRI 406-1)

Our policies like Human Rights, Diversity, Inclusion and Gender Equality, and the Code of Ethics and Conduct include statements of zero tolerance for discrimination conducts. Our talent is the most valuable asset we have, that is why we promote the differences in age, nationality, disabilities, physical and mental abilities, identity or gender expression, sexual orientation, ethnicity, racial origin, civil status, pregnancy, health conditions, language or tongue, physical characteristics, political affiliation, religion, personal beliefs, opinions, social, economic or any other analog condition.

We recognize that the collective sum of the individual differences, life experiences, knowledge, self-expression, unique abilities and talent that our employees contribute daily to their work represent a fundamental part not only of our corporate culture, but also of our achievements. In 2022, we had no cases reported to our ethics hotline "Gen-Te Escucha".

GEN-TE escucha

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

(GRI 2-30)

This right is managed through current labor mechanisms, guaranteeing and respecting free association and negotiation of our team by offering them spaces and the required time for their management. We respect the current regulatory compliance, observing the Federal Labor Law[64], specifically in article 2 of the law in question, as well as its equivalent in any country where we operate.

	Total and percentage per year			
206	**2020**	306	23.2%	100
268	**2021**	412	19.1%	144
213	**2022**	362	19.4%	149

Percentage calculated based on the total number of employees.

WORKERS THAT ARE NOT EMPLOYEES

(GRI 2-8)

During 2022, globally we have carried out 272 contracts, mostly under the outsourcing modality (84%) to mainly cover activities related to promotion and sales (68%), administrative and accounting support (9%), cleaning (7%) and audit (4%).

The calculation was made at the end of 2022, through the analysis of supplier billing.

CHILD LABOR AND FORCED LABOR

(GRI 408-1, 409-1)

We act according to the Federal Labor Law and the laws of all the countries where we operate; likewise, as it is stated in our policies and assumed commitments, we are managed with zero tolerance for child labor or forced labor.

> In 2022, we did not identify any case of child labor or forced labor in our operations or in the ones of our suppliers.

64 The mentioned Law is applied in Mexico, where 78% of our labor force is located. We respect the regulations of each country where we operate.

DIVERSITY AND INCLUSION

"2022 DIVERSITY AND INCLUSION PROGRAM"

(GRI 3-3: Diversity, inclusion and gender equity in our team) (GRI 405-1, 405-2)

We provide our team with a safe environment in compliance with human rights and which allows them to perform their functions without any barrier. Therefore, in 2022 we have worked arduously, through our Global Diversity, Inclusion and Gender Inclusion Committee, to promote a culture of diversity, inclusion, non-discrimination and gender equity in all our operations.

This Committee is voluntarily made up of employees from several areas and countries where we operate.

Below is the breakdown of our labor force in several labor categories by gender:

DIVERSITY

49.7%	TOTAL LABOR FORCE	50.3%
57.8%	EXECUTIVE POSITIONS (SENIOR, MIDDLE AND SUBORDINATED OFFICERS)	42.2%
60.3%	SUBORDINATED OFFICERS (FIRST TIER OF MANAGEMENT)	39.7%
54.1%	TOP MANAGEMENT POSITIONS (TWO TIERS BELOW THE CHIEF EXECUTIVE OFFICER)	45.9%
77.5%	EXECUTIVE POSITIONS IN REVENUE EARNING FUNCTIONS	22.5%
67.8%	STEM POSITIONS	32.2%

Percentages are calculated for the total category.

As indicated in one of principles in our GenBook, we believe in meritocracy and recognize our employees based on their proven abilities. Therefore, compensation is linked to abilities, aptitudes and career, regardless of the gender of the employee. Therefore, we have several programs oriented to improve the abilities and skills of our employees with the purpose of allowing them to achieve an equitable performance reflected in the compensation. Below is the salary ratio of women and men.

EMPLOYMENT CATEGORY	MEXICO	U.S.A.	BRAZIL	ARGENTINA	COLOMBIA	ECUADOR	CARICAM	CHILE	PERU	URUGUAY	BOLIVIA	PARAGUAY
Executive	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Country manager	NA	NA	NA	1.0	NA	NA	NA	NA	NA	NA	NA	NA
Director	0.8	0.7	0.8	1.2	NA	NA	1.1	NA	NA	NA	NA	NA
Manager	1.0	0.9	0.8	0.9	0.9	NA	NA	1.1	0.7	NA	NA	NA
Unit head	0.9	NA	NA	1.0	0.6	1.0	1.1	NA	1.4	NA	NA	NA
Supervisor	1.1	NA	NA	1.1	NA	NA	NA	NA	NA	NA	NA	NA
Coordinator	0.9	NA	1.0	1.7	NA	0.7	NA	NA	NA	NA	NA	NA
Specialists, assistants, analysts, operation staff	0.8	0.8	0.8	0.8	1.0	0.7	1.1	1.2	0.9	NA	NA	NA
Total	**0.7**	**0.6**	**0.8**	**0.9**	**0.7**	**0.4**	**0.7**	**1.3**	**0.6**	**NA**	**NA**	**NA**

The rate is calculated using the average compensation for women divided by the average compensation for men.
NA: This is used when there no employees of a gender, which prevents us from calculating the ratio.

This year, it is the first time we organize a global training focused on diversity and inclusion topic. This course has a global attendance of 70%. All new talent should take the course. In addition, we have global events focused on promoting a culture of tolerance. The events are led by subject matter experts who present corporate lectures with topics such as “How to make prejudice-free decisions?”, inclusive leadership, and the power of resilience.

Along the year, in relation to organization climate , it was the first time we included an exclusive pillar for diversity and inclusion with the purpose of collecting the required information to keep improving in matters of diversity and inclusion.

These results are received as an achievement, as they allow us to keep improving and undertaking new initiatives. The process included the receipt and analysis of suggestions of our employees, from which we found out that 22% requested further training in this area.

87%

OF THE EMPLOYEES CONSIDER THAT THE COMPANY HAS AN ENVIRONMENT FREE OF HARRASSMENT AND DISCRIMINATION.

85%

OF OUR TEAM CONSIDER THAT WE ASSUME DIVERSITY AND ARE COMMITTED TO IT.

87%

OF THE EMPLOYEES CONSIDER THAT THE COMPANY IS A SPACE WHERE THEY ARE TREATED FAIRLY, REGARDLESS OF THEIR AGE, FAMILY STATUS, GENDER, DISABILITIES, ETHNICITY, RACE, RELIGION OR SEXUAL ORIENTATION.

86%

CONSIDER THAT THE COMPANY IS A PLACE WHERE PERSONS FROM SEVERAL ORIGINS CAN REACH SUCCESS.

80%

ARE SURE THEY CAN REPORT UNETHICAL CONDUCTS OR PRACTICES WITHOUT FEAR OF REPRISAL.

Memberships and recognition

Best Places to Work for LGBTQ+ Equality in MX: We obtained this badge for a second year in row, nominated by the organization Human Rights Campaign, which recognizes the best practices in human rights and inclusion for the LGBTQ+ community in the labor environment.

Women's empowerment principles (WEPs): Since 2021, we support this global initiative of the United Nations, which jointly organized by UN Women and the Global Compact, serves as guidelines for the private sector regarding measures to narrow existing gaps in matters of gender.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Learn more about our policies:

- Human Rights Policy
- Diversity, Inclusion and Gender Equality Policy

PERFORMANCE EVALUATION "GEN TALENT"

(GRI 404-3)

> This year, we continued with the harmonization of human resources management across our operations. We are satisfied about the consolidation of the performance evaluation process, as this is the second year, we have formally applied this initiative on a global basis.

GEN Talent is a tool that allows us to keep updated the information of our team such as professional experience, educational background, certifications and talent evaluations. On the other hand, it helps us to keep updated the individual goals of each member of the team, as well as to ensure work plans are aligned with the direct leaders, all the teamwork and the business goals.

We carry out this evaluation with the purpose of measuring professional growth of all our employees, through an objective and transparent feedback on their performance and results.

At Genomma Lab, our vision is that these evaluations are a key element that allow us identify knowledge gaps to structure training plans. These also provide the leaders with information that enable them to guide their team to success, affirming our commitment to development.

1

Purpose of the individual performance evaluation process

The general purpose of an appropriate evaluation process is the professional growth of the persons involved aligned with the business development. It should provide transparent and objective feedback on the team's performance in relation to the expected business results and the functional (or technical) and leadership abilities required to perform successfully its current functions, as well as those required to keep going with its professional development at Genomma.

2

Relevance

- Successful performance management leads to a significant impact on productivity, morale and finance.
- It is an essential management tool that supports managers to achieve good results through their people.
- It provides employees with a path to success and promotes merit and professional development.

3

Scope

Genomma Lab International Group's employees from levels one to three (from country managers to analysts) take part in the Gen Talent evaluation.

> "100% of our labor force in these categories, from country manager to analysts, are evaluated through Gen Talent.

4

About the evaluation

We have developed a single page form which assists our team since the goal setting until the feedback received at year end.

- The evaluation will measure **WHAT** is achieved, through concrete and business-specific goals, and **HOW** such goals are reached.
- **WHAT:** To guarantee objectivity of the exercise, a matrix with the key indicators for each business function has been prepared. Each team member, with their boss, should identify from three to five indicators that are most connected with their responsibilities and, thus, are expected to have a positive impact from their daily work.
- **HOW:** Five elements were defined to evaluate the part of abilities and conducts we want to see in our people, and which help us as support in consolidating the organizational culture we want to promote in the company.

These are: (i) Leadership; (ii) Entrepreneurial spirit; (iii) Collaboration, attitude and commitment; (iv) Analysis and conflict resolution abilities; and (v) Technical abilities/knowledge to perform their duties.

Evaluations take place twice a year (at the end of the first semester and at year end). The scale considered for both evaluations is as follows:

- **4** Exceeds expectations
- **3** Meets expectations,
- **2** Meets expectations partially,
- **1** Does not meet expectations.
- **PTPE** Not enough time to evaluate. Alternative for those employees who have been in the position for less than 6 months. After 6 months in the position, everybody should be evaluated.

In addition, we hold calibration sessions and ask for comments and input from internal clients; however, this is not formal part of the process. A multidimensional or 360° evaluation is not performed. Calibration sessions have the purpose of making comparisons, guaranteeing a fair and harmonized process across the whole organization.

Gen Talent performance evaluation by employment category

	EMPLOYMENT CATEGORY	
0.0	EXECUTIVE	**0.0**
300.0	COUNTRY MANAGER, BUSINESS UNIT LEADERS	**350.0**
60.0	DIRECTOR	**61.1**
92.1	MANAGER	**95.2**
63.3	UNIT HEAD, SUPERVISOR, COORDINATOR	**66.2**
47.1	SPECIALISTS, ASSISTANTS ANALYSTS, OPERATION STAFF	**43.6**
54.4	**TOTAL RATE OF EVALUATED EMPLOYEES**	**50.9**

0.0
500.0
62.1
100.0
70.3
40.5
47.5

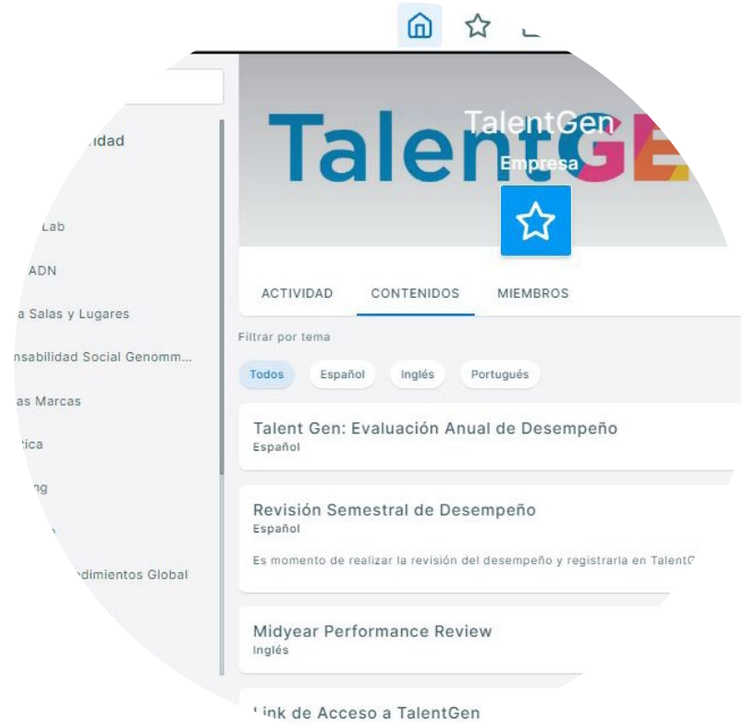
The executive and operating categories are not subject to performance evaluations. Percentages are calculated based on the total per employment category.

However, we evaluate the executive and operating categories through other mechanisms. The executive category is evaluated by the Board of Directors based on their compliance with the Company's strategy, considering financial and non-financial indicators.

Employees of the operating category at the Distribution Center (CEDIS) of our Industrial Complex are evaluated based on their productivity, service, quality, among other factors. These results are shared at the weekly meetings to ensure feedback. For employees of the Industrial Complex working at the plant, given this is the first year of production, we still have not developed a formal measurement process. However, for the next years, we expect to develop a similar process for the Distribution Center.

70%

OF THE TOTAL EMPLOYEES WERE EVALUATED BASED ON THE PERFORMANCE IN 2022.



CEO Awards

This initiative has the purpose of recognizing those employees who, at global level, obtained outstanding results and who, in turn, have showed an exceptional behavior to keep contributing to the Company's growth. The prize includes a trip to Mexico, a guided tour and meals in Teotihuacan, and an award.

34

WINNERS OF THE CEO AWARDS AT GLOBAL LEVEL

TRAINING AND DEVELOPMENT "GEN INSTITUTE"

(404-1, 404-2)

At Genomma Lab, we are committed to continuously inspiring and guiding our team, fostering their ongoing development through the acquisition of new knowledge. This empowers them to enhance their functional roles while cultivating leadership abilities and attitudes that align with our culture and business. Our training strategy goes beyond regulatory compliance; we seek to build a culture of learning and ongoing improvement.

Since 2021, we initiated work sessions involving multidisciplinary groups of employees aimed at identifying and addressing training needs throughout the Company on a global scale. In 2022, we continued organizing these forums to determine which courses and training are required. All the collected information was used into building the "2022 Training Plan" and the "2023 Training Plan" of our Gen Institute. For 2023, our purpose is to reach 100% compliance with the institutional training programs, mainly for those related to ethics and governance.

> "In 2022, we set the goal to keep a training agenda of more than 50 thousand hours per year. We managed to record an average of 28 hours of training per person.

TRAINING HOURS

Total by employment category

5.7	EXECUTIVE	**5.7**	0.0
101.1	COUNTRY MANAGER	**123.4**	190.5
22.1	DIRECTOR	**26.5**	31.3
46.2	MANAGER	**49.0**	53.2
44.7	UNIT HEAD, SUPERVISORS, COORDINATORS	**52.6**	63.7
22.3	SPECIALISTS, ASSISTANTS AND ANALYSTS	**23.2**	24.0
26.8	**TOTAL AVERAGE**	**27.9**	**28.9**

Some of the offered programs:

Excel (basic - advance)

Description
Improve analytical abilities that allow to increase productivity.

105 participants

9.7% of the employees took part in the program*

English

Description
Available to all employees with the purpose of developing valuable abilities for labor market.

151 participants

14.0% of the employees took part in the program*

Project management

Description
Train the participant to obtain a systematic vision of his/her projects and have the tools required to manage them in the most efficient possible way.

95 participants

8.8% of the employees took part in the program*

Female hoist driver school

Description
Encourage technical and professional development of women in logistics area, as well as widen their possibilities of income and career, both inside and outside the company.

8 participants

11.0% of the employees took part in the program*

Communication, assertiveness and conflict management

Description
Focused on improving communication and conflict management skills in our leaders in Mexico.

60 participants

32.1% of the employees took part in the program*

*The percentage was calculated based on the total of employees for which the program was available.

Other programs:

Leader training

We work on the training strategy through leadership programs. An example in our Andean cluster is the initiative “Conquistando la Cima” (Conquering the summit), focused on strategy and leadership.

Diversity and Inclusion

We offered a course which had a global scope, from administrative to executive levels.

Cybersecurity

We offered training to prepare our employees to identify any threaten and/or attack and therefrom strengthen security measures.

Baccalaureate program

We support training for the plant and CEDIS team with the purpose of having them approve the Baccalaureate Level Examination (EXACER COLBACH- *Examen de Certificación Colegio de Bachilleres*) in Mexico.
Likewise, we announced the Education Support Policy with the purpose of supporting economically the professional education at college level to have our employees obtain a college degree or postgraduate degree.

One of our major activities carried out in the 2022 period was the development of a training record module in our Talent Gen platform. This allowed us to automate training reports on a global level, manage the course catalog, measure total training hours and investment, contributing to enhancing the experience of our employees. It provides them with a comprehensive overview of the courses they have taken, and most importantly, grants them access to the certificates they have obtained upon completion of their courses.

We evaluate the efficiency of our programs through satisfaction surveys targeted at students regarding the course type, days and hours. We also carry out satisfaction surveys seeking to obtain the opinion on the learning experience. In addition, before each course, we invite a group of persons to take a pilot test with the purpose of making improvements, if so required, before officially launching the course.

On the other hand, we apply evaluations and validation exams on the learned contents as a requirement for issuance of certificates. This was done with the purpose of measuring the knowledge obtained by the employee and to obtain direct comments that help us improve the learning experience.

WINNING CULTURE

WE ARE PEOPLE WITH A PURPOSE

As part of our business strategy, since 2018, we have place special emphasis on the consolidation of our organizational cultural. With this purpose, we created the **Gen Book**, a guide that reflects the key elements of our philosophy and DNA. In this way, those who are part of Genomma Lab, share common meanings, and reinforce our identity to keep building the future together, and continue adding success moments to our history.

We have several channels for ongoing and accessible communication among all the members of the organization. This has the purpose of promoting our corporate culture and keeping us aligned to reach the goals and targets we want.

- Quarterly Town Hall: Our Chief Executive Officer and the executive team present the business indicators and results, organizational changes, and future projects.
- Have a cup of coffee with the CEO: Discussion forums with the CEO of the Company for all the areas, with the purpose of listening to the opinions of our team, solving their questions and obtaining improvement ideas.
- Gen App: Virtual platform with the experience of connection in real time and in all the countries where we operate. In addition to disseminating all the initiatives of the organization, we keep communicated and integrated at all times.

2022 SURVEY ON CLIMATE AND ORGANIZATIONAL COMMITMENT

In 2022, we observed a record participation in the annual climate and commitment survey, with 95% of the employees interested in sharing their experiences and mentioning some facts we can improve as a company.

UNIT	2019	2020	2021	2022
% OF COMMITMENT	72	78	78	**73**
% OF TOTAL EMPLOYEES WHO TOOK PART IN THE EXERCISE	84	88	92	**95**

We keep in mind that the percentage of commitment of each one of the members of the team is a crucial factor that is evident in productivity. For this reason, each year, we show interest in the perception of our employees about the Company.

Elements of our corporate culture with better scores in 2022:

86%

OF OUR EMPLOYEES HAVE CONFIDENCE IN THE FUTURE OF OUR COMPANY

75%

CONSIDER THAT THEIR WORK HAS A SPECIAL MEANING, NOT CONSIDERING IT "JUST A JOB"

70%

OF EMPLOYEES CONSIDER THAT OUR COMPANY IS A FRIENDLY AND FUN PLACE TO WORK

65%

CONSIDER THAT THEY CAN REACH THEIR OWN PROFESSIONAL GOALS AT THE COMPANY

These indicators serve as a motivation in our path to keep improving as a company.

EMPLOYEE HEALTH AND SAFETY

(GRI 403-1, 403-8)

At Genomma Lab, we have an Industrial Safety, Labor Security and Environment Management System (hereinafter, SSMA), where we incorporated 100%[65] of the team, both operative and administrative, as well as our contractors.

We have implemented the following general guidelines:

- We work based on a culture of security, environment and labor health, a reason for which our team is actively involved in internal raising awareness campaigns.
- We have implemented a comprehensive system for risk assessment, control, and mitigation in relation to our employees and contractors.
- We manage risks and implement engineering controls to mitigate and/or eliminate potential risks to achieve "zero accidents" in productive processes.
- We have established safety performance indicators, according to the accident rate pyramid.
- We have established corrective measures based on the accident rate pyramid with the purpose of not having work-related accidents.
- We have developed a female work cell to operate forklifts.

Our SSMA is aligned with our Safety, Health and Environment Policy, as well as with the Federal Regulations on Occupational Health and Safety of Mexico, and considers international standards, which allow us to keep improving our action protocols.

Our suppliers and/or contractors should be aligned with our Safety, Health and Environment Policy, and are periodically audited to ensure good practices in these matters.

65 Health and safety management has in its scope our Industrial Complex in Mexico. Each country and workplace comply with the local regulations in labor and civil protection matters.

RISK MANAGEMENT; EMPLOYEE HEALTH AND SAFETY

(GRI 403-2, 403-4)

We have implemented a “Risk Analysis” process which is incorporated into our Quality Management System (SGC), which has the purpose of assessing probability, severity and risk exposure in relation to the use of the machinery operated in site, according to the activity and profile of the position of each employee. The analysis is updated whenever processes are modified or there is any deviation.

To minimize the risk, we identify the most exposed personnel to train them in specific topics related to their labor activities. All the process is accompanied by constant monitoring.

To ensure the correct behavior of our team and third parties, we have an “Operating Discipline Matrix”, which includes topics such as: use of personal protection equipment, use of mobile equipment, use of chemical substances in the warehouse, working at height without protection measures, failure to report unsafe conditions, among others.

In addition, we take part in third party audits, mainly from authorities such as the Department of Labor and Welfare (STPS) and the Federal Commission for the Protection against Sanitary Risks (COFEPRIS), as well as from insurance companies covering our properties.

Involvement of our employees in the SSMA

With the purpose of involving our team in the SSMA, we prepare several dynamics to teach playfully the imminent risks in their work areas. In addition, we have several communication channels to report, in any case, the occurrence of any accident, and to present the taken measures.

In addition, we have a “Safety Commission” made up of operating and administrative personnel, union members, maintenance team, as well as from the safety, health and environment area. This group is responsible for quarterly organizing preventive tours in the plant to be able to detect unsafe acts and conditions, and to proceed with corrective actions.

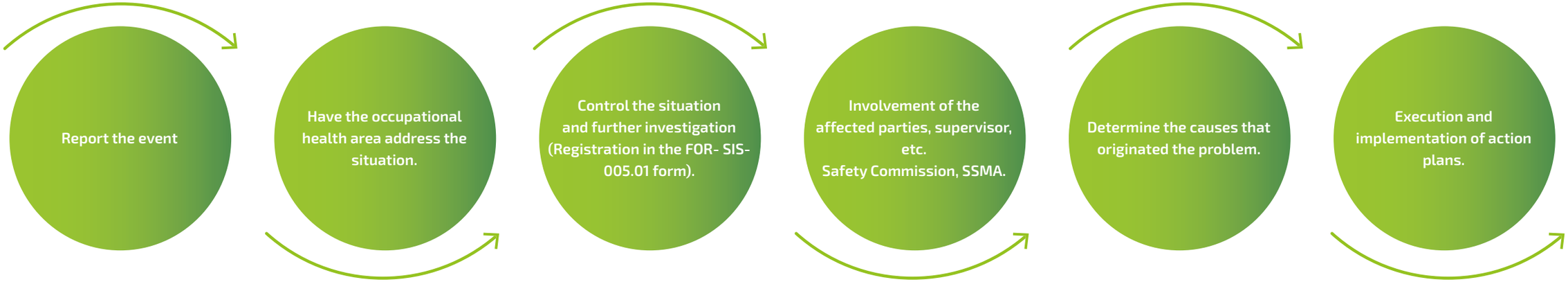
All labor incidents and diseases are communicated to the Safety Communication, given that they are responsible for the follow-up of investigations and for proposing mitigation and control measures.

Our contractors are also notified about the accidents or incidents through communications before they join our operation and receive several notices during the performance of their tasks.

Reporting labor incidents

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

According to the Accident report and investigation procedure, the following actions are managed:



According to this internal procedure, the field investigation is conducted with the Involved parties and the witnesses. The results thereof are communicated using a Safety Alert which is fully shared with the staff. If the accident generates occupational risks (disability), a report is prepared using the Ishikawa diagram tool, through which the root-cause of such accident is determined, and the investigation result is notified to the leaders.

Action plans are determined with the leadership team of the involved areas to be able to control and mitigate hazards and risks in the operation.

Health services

Health services are ruled based on the law applicable in each country. At global level, we make available to all the employees psychological support and nutrition services. In addition, we have the Operation Standardized Procedure, which provides health campaigns for prevention of diseases, as well as the training matrix to mitigate impacts on health.

Health risk prevention

Our occupational health team led by the medical team of the Company is responsible for preventing labor and chronic degenerative diseases, through prevention campaigns, annual checkups, monthly training, among others. As part of our preventive measures, we have a registry of clinical files of all the plant employees, which allows us to provide regular follow-up of medical controls.

COVID-19

The sanitary protocol upon entering our administrative and corporate sites, as well as in the Industrial Complex continues with the temperature measurement, application of alcohol-based gel and verification of COVID-19 related symptoms.

Training
(GRI 403-5)

We have an ongoing training program created based on the activities performed by each team member and on the results of the "Risk Analysis" performed. In 2022, we offered about 53 courses, mainly on the following topics:

- Course for brigade members (first aid, evacuation, search and rescue, among others).
- Induction into industrial security and environment.
- Industrial Safety, Labor Security and Environment Management System (SSMA).
- Maintenance of emergency equipment.
- Safety and risk prevention in the warehouse.
- Waste handling
- Material handling and storage.
- Protection systems and safety devices in the machinery and equipment used at the work centers.
- Preventive occupational health and safety services. External course on Internal Civil Protection Unit.
- External course to operators on mobile equipment.
- Regulatory courses.

3,386

TRAINING HOURS IN MATTERS OF SAFETY AND HEALTH

2.6*

OCCUPATIONAL ACCIDENT RATE IN FOR EMPLOYEES AND/OR FOR CONTRACTORS

*The rate was calculated based on 1,142,906 worked hours per 1,000,000

Injuries due to occupational accidents
(GRI 403-9)

In 2022, there were no fatalities or serious accidents among our employees or contractors. There were three non-serious accidents among our employees.

	EMPLOYEES		CONTRACTORS	
	N°	RATE*	N°	RATE
FATALITIES	0	0.0	0	**0.0**
SERIOUS ACCIDENT	0	0.0	0	**0.0**
NON-SERIOUS ACCIDENT	3	2.6	0	**0.0**
WORKED HOURS	1,142,906			

*The rate was calculated based on worked hours per 1,000,000

In accordance with our "Risk analysis" per position, some of the most serious potential accidents could be being run-over, getting trapped, falls at different levels, burns, among others. To prevent these accidents, we have implemented control measures through different methodologies, being the "5S" one of them.

Occupational diseases
(GRI 403-10)

In 2022, there were no deaths due to occupational diseases among our employees or contractors. There were two cases of occupational diseases among our employees.

According to our systematic analysis of root-causes, we have been able to determine that the most common causes of occupational diseases are overvoltage, overstrain or overload. Thus, we have a procedure for a safe practice when handling loads, as well as a calisthenics plan.

COMMUNITY WELLBEING

(GRI 3-3: Community involvement) (GRI 413-1, 413-2)

As part of our Sustainability Strategy, we seek to contribute to communities[66] neighboring our operation centers and to people in vulnerable situations at global level, by promoting programs, donations and initiatives that contribute to their health and wellbeing.

+166

THOUSAND PEOPLE BENEFITED

+11 MILLON

MEXICAN PESOS INVESTED IN SOCIAL INITIATIVES

+380

THOUSAND DONATED PRODUCTS FROM THE PRODUCT PORTFOLIO

+47

BENEFITED INSTITUTIONS

66 We have social programs in 90% of the places where we operate. We have not identified negative impacts

Genomma Lab Foundation
"Alianzas por el Bienestar"

Our program "Alianzas por el Bienestar" allows us to develop synergies with foundations, associations and health providers which are recognized by their work social groups and sectors with different needs and support requirements.

Genomma Lab´s goal for 2025 is to donate 5 million pharmaceutical products and personal care items to 5 million people, promoting a healthier life for everybody.

Learn more about the institutions we have supported on a global basis:

Genomma Lab Foundation

Emergency and natural disaster response program

With the purpose of eliminating frontiers when help is needed, we show solidarity with persons affected by natural disasters occurred in 2022 around the world. For this reason, we have donated some of our personal care and hygiene products, baby formulas and over the counter drugs.

February: We made a donation of Tafirol y Serocutina cicatrizant cream to Casa de la Provincia de Corrientes to support people affected by fires in Argentina.

August: We donated Suerox to people affected by torrential waters in the East of Kentucky.

September: In support of persons affected by Fiona Hurricane, we donated Suerox to the population of Puerto Rico.

December: We donated health and wellbeing products to "Operación Sonrisa" Foundation in Colombia, for the benefit of families which were affected by torrential storms in the area of Guajira.

Genomma Lab voluntary work in 2022

Committed to social responsibility and sustainability, our goal is to promote social well-being and healthy practices. We conduct voluntary work activities at global level through our Global Social Responsibility Committee. These activities are aligned with our 2025 Sustainability Strategy, through which we encourage involvement of Genomma team and their families to promote social development of the communities where we have presence, as well as practices in furtherance of environmental conservation.

GEN Contigo 2022

More than 380 employees in the countries where we operate contributed around 2,160 hours by being part of our hybrid voluntary work "GEN Contigo 2022". This program has the purpose of generating links with our environment, and allows our employees to put into practice their skills and develop abilities by living the Company's purpose.

+40

INSTITUTIONS BENEFITED

+32,200

PEOPLE BENEFITED

+500

ACTIONS PERFORMED BY VOLUNTEERS

+2,400

HOURS OF VOLUNTARY WORK

10

COUNTRIES INVOLVED

21.5%

OF OUR EMPLOYEES JOINED OUR GLOBAL VOLUNTARY WORK PROGRAM

The activities of our voluntary work are divided into the following spheres:

Environment:
Reforestation and environmental cleanup

Academic background:
Personal finance, personal hygiene, Excel, cooking, leadership, nutrition, corporate image design, teamwork.

Health:
Health and blood donation days

Community:
Visits to nursing homes and orphanages, story-telling, letter writing for senior people, rehabilitation of spaces,

Donations:
Books, items for cold weather, toys, kits with Genomma products.

Festivities:
Christmas activities and celebrations.

OUR VOLUNTARY WORK ACTIONS IN 2022

As part of our voluntary work "GEN Contigo", our employees carried out activities for the benefit of allied institutions and associations, including financial education workshops, spreadsheet software use, virtual painting workshops, hygiene and nutrition workshops, among others.

ARGENTINA

1	2	1
Environmental cleaning	Familias de Esperanza Housing construction with TECHO	Cold plan

BRAZIL

2	1	2	1
People donating life People donating Km	People donating affect	People donating blankets People promoting reading	Toys donation

Learn more about our voluntary work

Volunteer Work webpage
Volunteer Work video

CHILE

1 Housing construction with TECHO.

1 Winter campaign

COLOMBIA

1 Nutrition station with Operación Sonrisa

1 Christmas activities with Operación Sonrisa

COSTA RICA

1 Financial education workshop with Aldeas SOS Rescatando a la Niñez

ECUADOR

1 Nutrition station with Operación Sonrisa

1 Christmas activities with Operación Sonrisa

PERU

1

Talent fair with Operación Sonrisa

1

Christmas activities with Operación Sonrisa

U.S.A.

1

Volunteer work at Houston´s Food Bank and Cincinnati´s Food Bank

1

Clean-up of natural spaces and waste collection: Key Biscayne and Spokane Riverkeeper

PARAGUAY

1

Visit to a nursing home

MEXICO

5

- Rehabilitation of a community space with Foundation CRIANTIA
- Write a letter to a senior person.
- Face-to-face cooking classes
- Home handicrafts
- Set a choreography

1

- Christmas party (Posada) with Vida Plena Foundation

8

- Social network advisory
- Comprehensive nutrition conference
- Institutional image advisory
- Excel courses
- Leadership workshop
- Document translation advisory
- Lecture on health and personal hygiene

1

- Reforestation with Pro México Indígena

2

- Money donation to Vuela Foundation
- Money donation to APAC Foundation

1

- Health days with CRIANTIA Foundation

Development links: Participation in forums and conferences in alliance with the academic sector

We took part in more than 14 forums in Argentina, Colombia, El Salvador, Mexico and Peru. These took place at education centers, corporations and associations in the industry, and addressed topics like female leadership, regulations, entrepreneurship, among other. This allows us to keep promoting the best sustainability practices in all the countries where we have presence.

Some of these forums were:

Diana Leal

Manager at the Andean Genomma Lab

Women's Day Major Forum

Colombia

Rodrigo Herrera

EXMA Forum - Sharks Panel

Mexico

Jorge Brake

Chief Executive Officer

Universidad Nacional de Ingeniería - Keynote "Innovation, what it is and how?"

Peru

We have alliances with approximately 12 universities, which allows us to promote and create opportunities for the new talent through our intern and trainee programs.

Argentina

- *Universidad Argentina de la Empresa: UADE*
- *Universidad de Buenos Aires: UBA*
- *Universidad Torcuato Di Tella: UTDT*
- *Instituto tecnológico de Buenos Aires: ITBA*
- *Universidad de San Andrés: UDESA*

Chile

- *Universidad Adolfo Ibáñez*
- *Universidad del Desarrollo*
- *Universidad de los Andes*
- *Universidad Católica*

Mexico

- *Instituto Tecnológico de Estudios Superiores de Monterrey: ITESM*
- *Anáhuac México Norte*
- *Universidad Nacional Autónoma de México UNAM*

Health links: Alliances with corporations, councils and/or medical associations

Some of our product have created alliances with corporations, councils and/or medical associations, which have generated greater confidence and credibility among our consumers and allow to obtain recommendations on the use of our products.

BRANDS	COLLEGE / ASSOCIATION / CORPORATION	COUNTRY
XL-3® VR	*Sociedad Mexicana de Otorrinolaringología y Cirugía de Cabeza y Cuello A.C. (SMORLCCC)*	Mexico
ALLI-TRIPLE	*Colegio Mexicano de Ortopedia y Traumatología A.C. (CMOT)*	Mexico
ASEPXIA	*Sociedad Mexicana de Dermatología, A.C. (SMDAC)*	Mexico
DIABETEX	*Asociación Nacional de Atención a la Diabetes (ANAD)*	Brazil
SEROCUTINA	*Asociación Argentina de Dermatología Pediátrica (ASADEPE)*	Argentina
TAFIROL	*Sociedad Argentina de Medicina (SAM)*	Argentina

Video ALLI-TRIPLE

Video DIABETEX

Video SEROCUTINA

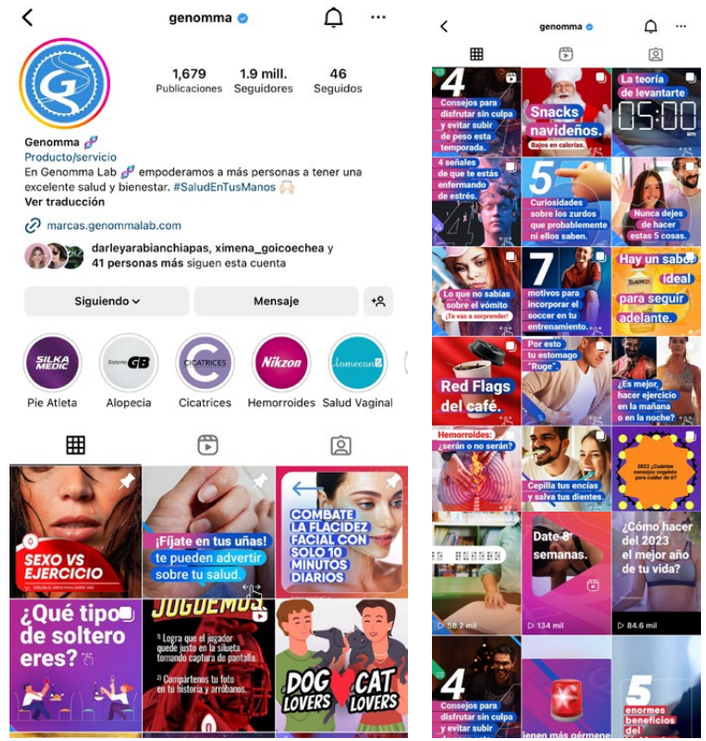
Novamil “Ongoing education for doctors and pharmaceutical representatives”

As members of the pharmaceutical industry, Genomma Lab is committed to support and promote ongoing medical education for health professionals, focused on improvement patient life quality. As part of the actions of the Novamil business unit, we are focused on topics related to breast feeding, child nutrition and the main gastrointestinal diseases such as cow's milk protein allergy, constipation in children, reflux in infants, intestinal microbiota, among other. We contribute education on the diagnosis and treatment targeted both at first contact physicians and parents.

In 2022, we had different participations in national and international conferences, involving opinion leaders with impact on more than 4,100 physicians with different medical specializations. We are committed to improve the population’s life quality and health and, thus, offer more than 19 training sessions targeted at our team of pharmaceutical representative, which total 381 hours.

@genomma for well-being

We promote a healthy lifestyle through the responsible use of digital platforms which offer information validated by physicians and scientist for more than 1.9 million persons. The platforms offer more than 1,600 publications with the purpose of improving health and promoting the wellbeing of our followers.



Instagram Genomma Lab Internacional

2022 SOCIAL INVESTMENT

$11,565,885.6

IN KIND DONATIONS

$1,203,134.2

VOLUNTARY WORK INVESTMENT

$12,877,744.0

TOTAL AMOUNT OF SOCIAL INVESTMENT

$58,000.0

TRAINING IN SOCIAL CAUSE MARKETING

$50,724.2

VOLUNTARY WORK INVESTMENT PER EMPLOYEE

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL MANAGEMENT SYSTEM

(GRI 2-27)

Our products are synonymous with innovation and development. Operational efficiency and responsible management of natural resources go into their manufacture. They are constantly monitored by our own highly qualified *Safety, Health and Environment* (SHE).

Our Environmental and Social Management System (ESMS), implemented in 2018, consists of a set of procedures, tools, policies and capabilities, based on the guidelines of the applicable authorities of the Inter-American Development Bank (IDB) and the International Finance Corporation (IFC). This system strives to continuously improve our operations' environmental performance in order to prevent and mitigate environmental pollution, thus committing ourselves to society and ensuring a friendly, long-term relationship with the communities surrounding our operations.

SEGURIDAD INDUSTRIAL Y MEDIO AMBIENTE

The ESMS has four categories:

At the end of 2022, the ESMS consisted 45 work procedures within our Industrial Site in Mexico. Of particular note are our Waste Management, Pest Control and Prevention, and Noxious Fauna Control Procedures.

It is also important to note that the implementation of the ESMS in our facilities and operations is audited externally on an annual basis by the Inter-American Development Bank (IDB) and the International Finance Corporation (IFC), as well as by local authorities. Through a specialized format, we provide information on the implementation of new operations, newly installed equipment or mergers with other companies, as well as on environmental and social indicators (e.g., waste generated, safety incident records, etc.).

Through our Environmental Policy, we are committed (in certain functions) to take care of our environment and preserving natural resources through continuous improvement in all our processes; to the search for new technology that reduces our environmental impacts, complying with the relevant environmental laws and regulations; and at the same time, to permeate an environmental culture throughout our value chain (including our distribution and logistics processes). In this regard, we supervise the fulfillment of goals and objectives, while training our employees to identify the environmental aspects involved in their functions in order to avoid potential impacts.

We are always up to date on legislative trends related to our operations.

We carry out this through our legal, safety, health and environment department, which constantly evaluates legislation associated[67] with waste management, climate change, environmental protection and water management, ensuring compliance with regulations focused on preventing potential environmental impacts. As a result of this management, in 2022 we did not have any significant fines or penalties related to environmental compliance.

Through our environmental actions, we achieved to be the first pharmaceutical company in the Americas to meet the high standards required by the EDGE certification. In 2022, our Industrial Site in Mexico received the EDGE (Excellence in Design for Greater Efficiencies) certification[68], awarded to industries that design and integrate solutions to mitigate negative impacts on the environment, specifically in terms of water and energy. The EDGE application helps identify the most cost-effective ways to reduce the resource intensity of a building or infrastructure. This internationally recognized certification system makes it quicker and easy to verify the efficiency of the resources used by a project.

The year 2021 marks a milestone in our management due to the start of operations at the new location of our Distribution Center, which is now part of our new Industrial Site in Mexico. This milestone has an impact on the amount of waste and emissions generated, and on energy and water consumption. Therefore, 2021 will be taken as a baseline for the evaluation of our environmental performance.

We are planning to implement an energy and environmental management system that will allow us to generate sustainability and energy intensity information and indicators, as well as to establish goals and objectives for water and energy consumption and emissions and waste generation. The scope of the management system will be limited to our plants performing production processes.

67 For example, National Water Law (Ley de Aguas Nacionales, LAN), General Law on Ecological Balance and Environmental Protection (Ley General de Equilibrio Ecológico y Protección al Ambiente, LGEEPA), General Law on Prevention and Integrated Waste Management (Ley General de Prevención y Gestión Integral de Residuos, LGPGIR), and General Law on Climate Change (Ley General de Cambio Climático, LGCC).

68 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.

WE ARE COMMITTED TO PROTECTING BIODIVERSITY AND PREVENTING DEFORESTATION

In October 2022, we launched our Biodiversity and Non-Deforestation Policy, which aims to care for natural resources and minimize the environmental impact of all our operations, complying with current regulations applicable in the countries where we operate, preventing pollution and promoting the conservation of natural areas.

The scope of our Policy includes our operations and products, value chain, logistics management and our employees. It is also aligned with our Code of Conduct and Ethics, our Comprehensive Management Policy and our Environmental Policy. The ultimate goal of this policy is to promote the care of forests, and the preservation of biodiversity and natural resources among our employees and other stakeholders.

In terms of biodiversity, we started a voluntary reforestation campaign of one hectare of pine trees in the community of Choteje (State of Mexico). The aim is to improve the performance of the local watershed, generating green fences to protect crops and thus reduce wind and water erosion of the soil, as well as supplying wood for domestic use. It is estimated that each tree planted will capture 167 kg of CO_2 per year. We plan to carry out monitoring actions to achieve the objective (1,500 ayacahuite trees) by checking the phytosanitary status of the trees through visits to the reforested property.

For 2023, we plan to develop an environmental impact project that contributes to biodiversity, regenerative agriculture and pollination with bees. Genomma Lab and a specialized institution will join forces to propose the first beekeeping exploration laboratory in southwestern Antioquia (Colombia), which will measure indicators such as:

- Pollinated hectares and geographical areas
- Multiplication, strength and flight hours of bees in hives
- Number of pollinated flowers and number of hives
- Royal jelly extraction study

Biodiversity and Non-Deforestation Policy

RESULTS OF OUR ENVIRONMENTAL PERFORMANCE

Next, we focus on the results of our environmental performance, on the use of each of the natural resources we managed in 2022, along with reduction and mitigation initiatives. Please note that the scope of the evaluation of environmental issues, based on operational indicators (energy and water consumption, as well as generation of emissions and waste), only includes our operations in the Industrial Site in Mexico, since the operations in this territory are equivalent to 80% of the operating strength of all Genomma Lab Internacional.

OPERATIONAL WASTE

(GRI 3-3: Operational Waste) (GRI 306-1, 306-2)

> "Poorly managed waste is contaminating the world's oceans, clogging drains and causing flooding, transmitting diseases, increasing respiratory problems from burning, harming animals that consume waste unknowingly, and affecting economic development..."
>
> **World Bank - *"What a Waste 2.0 Report"***

We are aware of this and therefore we are committed to properly manage waste through waste reduction, recycling and reuse actions, with a focus on circularity and the prevention of the loss of potential inputs.

To achieve this, we have an Environmental Policy that focuses, among other aspects, on reducing potential environmental impacts caused by waste. To this end, our main objectives include reducing as much hazardous and non-recoverable waste as possible and reusing non-hazardous waste.

In the same way, we rely on procedures defined in our Pharmaceutical Products (PNO-SH-001) and Personal Care (PNO.SIS.002) plants[69], and in our Distribution Center (PNO.01.SO.004), for the proper management of waste.

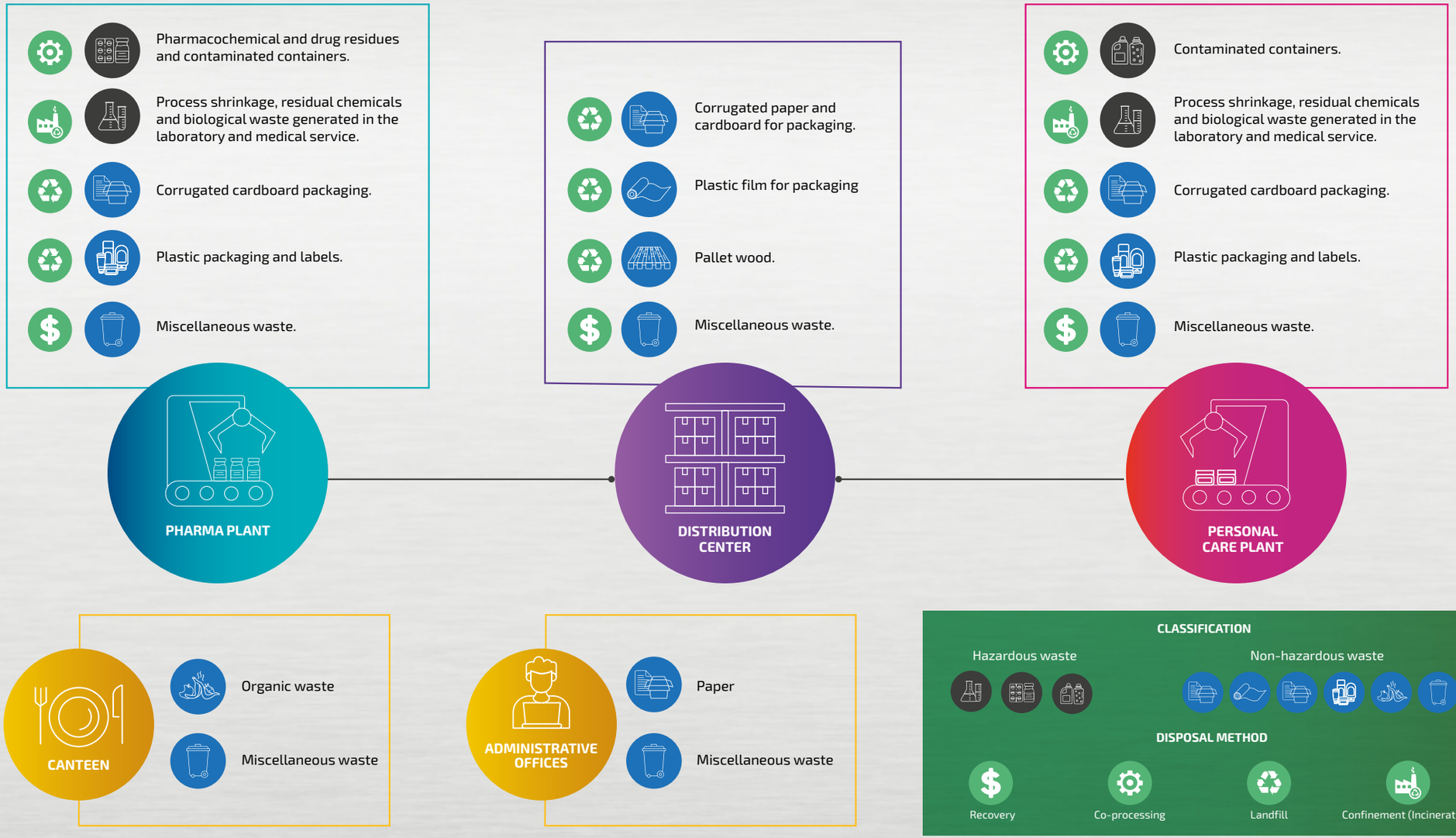
PNO-SH-004: Procedure that establishes the guidelines to collect and properly manage all waste generated at the Distribution Center, which is part of the Industrial Site in Mexico.

PNO.SIS.002: Procedure that establishes the necessary measures for the handling, classification, storage and final disposal of hazardous and non-hazardous waste generated in the different processes within the Personal Care Plant (which is part of the Industrial Site in Mexico), seeking to minimize environmental impacts.

PNO.01.SO.001: Procedure that establishes the guidelines to collect and properly manage all waste generated at the Pharmaceutical Products Plant (which is part of the Industrial Site in Mexico), in compliance with applicable regulations.

69 It includes the Pharmaceuticals, Personal Care and Distribution Center plants, which make up the Industrial Complex in Mexico.

Notably, our waste is generated throughout the value chain, including production and distribution, as follows:



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

We carry out a traceability of our waste from its point of origin, as shown in the diagram above. The following table shows a significant reduction in our waste generation in 2022. It also details which disposal methods we use: recovery, landfill, confinement or incineration, and co-processing.

Solid waste disposal (metric tons) – Industrial Site in Mexico

TYPE OF WASTE	DISPOSAL	MEXICO INDUSTRIAL SITE 2021	MEXICO INDUSTRIAL SITE 2022
NON-HAZARDOUS	Recovery	1,314.4	1,242.2
	Landfill	331.1	27.58[70]
HAZARDOUS	Confinement (Incineration)	0.0	62.6
	Co-processing[71]	4,100.3	56.2
TOTAL		**5,745.7**	**1,388.6**

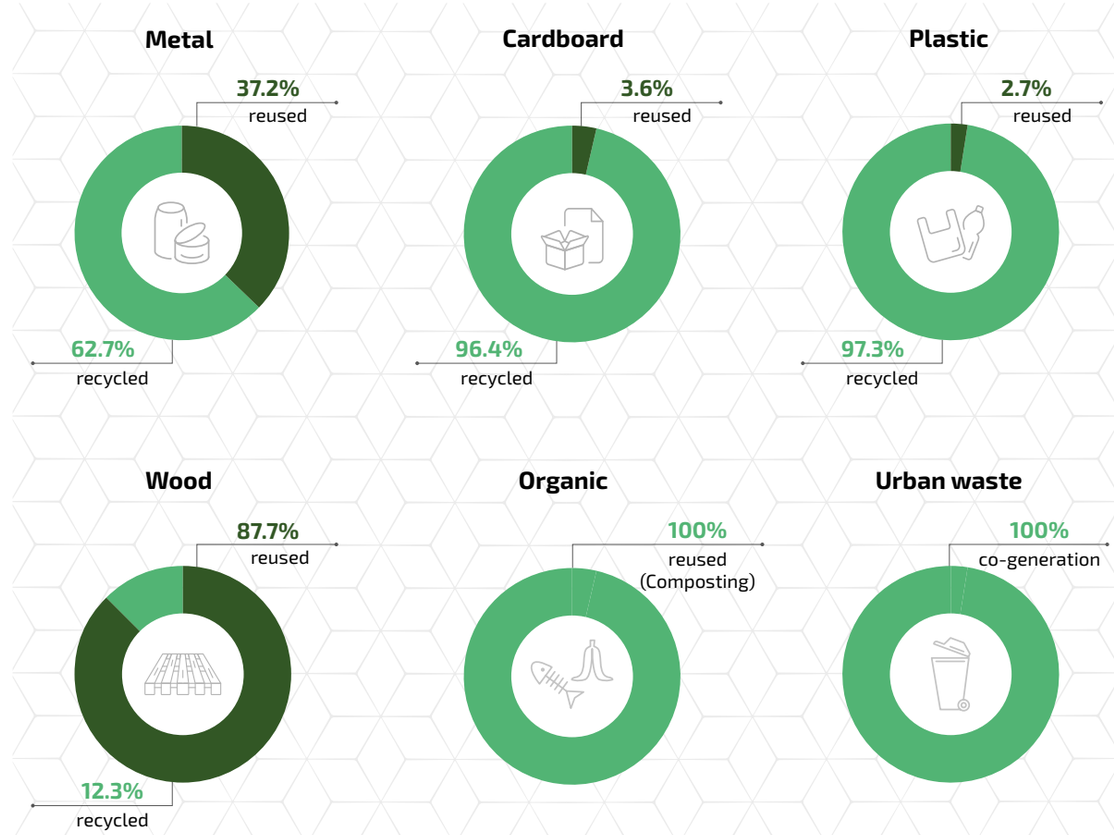
Total waste factor

We also have performance ratios based on production for each operation that makes up our Industrial Site. As shown in the table below, the amount of waste generated per unit produced decreased in 2022 compared to 2021, especially in our Pharmaceuticals and Personal Care plants.

OPERATION	UNIT	2021	2022
Distribution Center	Kg/Moved box[72]	0.25	0.046
Pharmaceutical Plant	Kg/Produced piece	5.61	0.024
Personal Care Plant	Kg/Produced bottle	0.0016	0.003

In general terms, to reduce the amount of waste generated, we have implemented various reduction, reuse, recycling and co-generation practices[73] , always aligned with our commitment to meet the goals established in our 2025 Sustainability Strategy. Between May and December 2022, our Industrial Site has prevented 55,130 kilograms (approximately 55 tons) of urban solid waste from reaching landfills by applying the *Zero Waste philosophy and processes*[74]. EIn other words, as of May 2022, we have sent **ZERO** non-hazardous waste to landfill.

Our urban solid waste are reused through a process called co-generation, whereby 100% of our metal, cardboard, plastic, wood and organic waste is recycled and reused. A strategic business partner specializing in waste management carries out these processes[75].



70 In the months of January through April, this waste was still disposed of in landfills.
71 Co-generation: Procedure by which waste goes through a shredding process that is channeled to the manufacture of cement, with the purpose of making better use of the waste generated as a substitute raw material, in order to reduce the impact on the environment.
72 In our distribution center, our performance is calculated on the basis of boxes moved for logistical distribution.
73 Energy co-generation in our company is explained in more detail in the energy section.
74 In Spanish, *"Cero Residuos"*.
75 Mexican company in charge of the comprehensive management and disposal of industrial waste.

WASTE MANAGEMENT FOR EFFICIENT LOGISTICS

We acknowledge the commitment of our distribution and logistics team to sustainability and environmental protection through our strategic alliance with CHEP®[76], who are pioneers in managing a circular economy model in their pooling[77] services, promoting the sharing and reuse of pallets by their different customers. This has allowed us to reduce emissions and environmental impact in our logistics and distribution processes, quantified as follows:

2,435,543

AD3[78] OF WOOD SAVINGS

+2,353

TREES SAVED

928,583

KILOGRAMS OF CO_2eq DECREASED IN EQUIVALENT EMISSIONS

585,629

KILOGRAMS OF WASTE WERE REDUCED

24,469

PALLETS WERE REPAIRED AND REUSED THANKS TO OUR SUPPLIER "TARIMAS Y EMPAQUES INDUSTRIALES SAN JOSÉ", AVOIDING THE FELLING OF 453 TREES

76 CHEP is a company that deals with pallet and container pooling services and serves customers in a variety of industrial and retail supply chains.
77 Pooling is a business model based on sharing and reusing, in this case, pallets.
78 Average density of 3 millimeters.

RESPONSIBLE WASTE MANAGEMENT 2022 INITIATIVES AND ACTIONS

Since 2021, we have been part of CANIPEC's[79] Circular Economy Business Group (Grupo Empresarial en Economía Circular, GEECI). Through this program, we participate in various recycling initiatives and campaigns, such as Plastianguis in partnership with Braskem Idesa, plastic fishing in partnership with the Environmental Co-responsibility Organization (Organismo de Corresponsabilidad Ambiental, ONAM), and the installation of recycling machines through a joint venture between BioBox Mx and Tío Nacho® in Mexico.

CANIPEC
Industria del Cuidado Personal y del Hogar

geeci
Grupo Empresarial en Economía Circular

Plastianguis
cipres

During 2022, we have participated in the 3 editions of Plastianguis with our brand Tío Nacho® achieving a collection of more than 190 tons of plastic waste, equivalent to preventing more than 297 tons of CO_2eq. Plastianguis is a program created by the National Chemical Industry Association (Asociación Nacional de la Industria Química), which Braskem Idesa has adopted since 2017, and which aims to promote the image of plastic and responsible consumption, encouraging its recycling and educating the community about the different types of plastic.

In partnership with BioBox Mexico[80], we promote recycling by rewarding individuals with points they can redeem for products and services, or donate them to various social causes, every time they bring their plastic containers to a BioBox machine.

As a member of CANIPEC's Circular Economy Business Group (Grupo Empresarial en Economía Circular, GEECI), we constantly invite individuals to participate in waste collection days. Since 2021, we have contributed to the collection and recycling of more than 240 tons of plastic waste, in addition to continuing to promote environmental education in the communities.

BioBox

79 GEECI or Circular Economy Business Group has a Circular Economy and Post-Consumer Waste Management Plan developed by the National Chamber of the Cosmetic Products Industry *(Cámara Nacional de la Industria de Productos Cosméticos, CANIPEC)* which is made up of this same chamber and the Mexican National Association of the Personal Care and Home Products Industry A.C. *(Asociación Nacional de la Industria de Productos del Cuidado Personal y del Hogar A.C.)*

80 BioBox is a company that developed a technology-friendly solution so that anyone can recycle their packaging and generate rewards for their good deed.

RESPONSIBLE WASTE MANAGEMENT 2022 INITIATIVES AND ACTIONS

In September 2022, the first GEECI-CANIPEC plastic waste collection center was inaugurated, registered before the Ministry of the Environment of the State of Mexico.

We encourage the deposit of expired Genomma Lab medicines (or their containers) in SINGREM's[81] secure containers, and as a result, between January and September, approximately 1.30 tons have been collected.

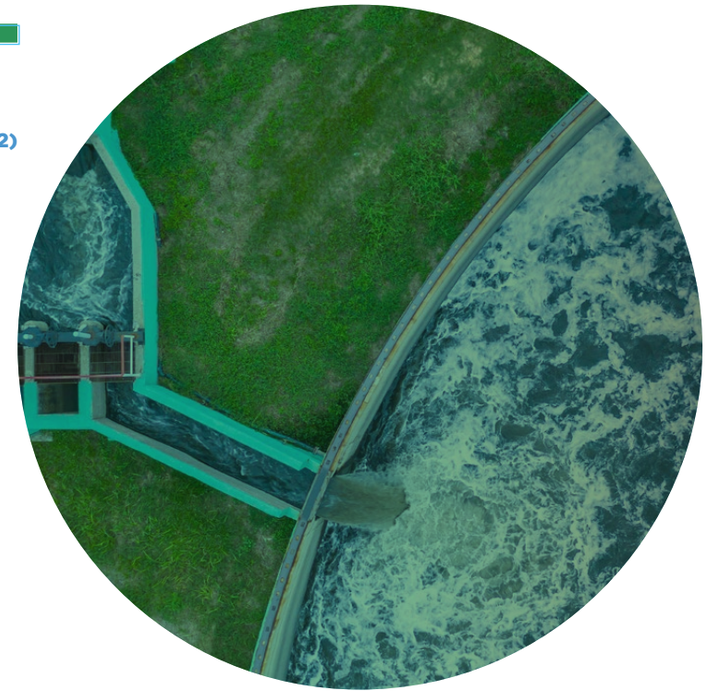
SINGREM
SISTEMA NACIONAL DE GESTIÓN DE RESIDUOS DE ENVASES Y MEDICAMENTOS A.C.

In April 2022, the "Plastic Fishing" was carried out in Chuburná, Puerto de Abrigo, Mérida, Yucatán in conjunction with INAM and Citrulsa de México, where more than 3.6 tons of plastic were collected.

81 SINGREM is a Civil Association (non-profit) created by the pharmaceutical industry and supported by health and environmental authorities for the management and final disposal of expired medicines and their surpluses, in different locations.

WATER MANAGEMENT

(GRI 3-3: Water Management) (GRI 303-1, 303-2)



Water management is indispensable in any industrial process. In our case, we have production lines that depend on water for their manufacture. In compliance with our Environmental Policy, we measure and evaluate our environmental performance in order to achieve sustainable water consumption.

We use groundwater for our operations. The extraction process is duly authorized by the National Water Commission (Comisión Nacional del Agua, CONAGUA[82]) within our property, and also complies with standard NOM-003-CONAGUA-1996, which defines the requirements for the construction of extraction wells. It is important to add that, prior to building the wells, the water concession titles were legally purchased from private individuals. The above was done in line with the provisions of our Stakeholder Engagement Policy, which seeks to establish harmonious, valuable, trusting and long-term relationships with our stakeholders, based on a two-way communication axis.

Our Safety, Health and Environment (SHE) team is constantly monitoring the water consumed in our Industrial Site in Mexico, which is used for both production areas and sanitary services. It should be noted that the total amount of water withdrawn corresponds to the same amount of water consumed by our Industrial Site.

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

Water Consumption and Wastewater Generation (different units of measurement)

WATER CONSUMPTION[17]	
INDUSTRIAL SITE IN MEXICO	
2021	2022
130,699.65 m^3	228,193.00 m^3
130.70 Megaliters	228.20 Megaliters
0.13069965 Mm^3	0.228193 Mm^3

TREATED WASTEWATER	
INDUSTRIAL SITE IN MEXICO	
2021	2022
788.50 m^3	4,935.50 m^3
0.79 Megaliters	4.9 Megaliters
0.0007885 Mm^3	0.0049355 Mm^3

The increase in water consumption in 2022 compared to 2021 is due to the growth of our production capacity in 2022 following the implementation and operation of our new Industrial Site, where water is used especially for the manufacture of shampoos and in our Suerox® line. The latter is a drink that contains 80% water as part of it is composition. However, we have already been working on initiatives to reduce water consumption, as well as measuring the water footprint of our critical products.

With respect to wastewater treatment, we have set a target for the full treatment (100%) of wastewater generated at the manufacturing plant within our Industrial Site, in addition to the implementation of wastewater recycling and reuse technologies. Currently, our wastewater is collected by an authorized supplier (SEMZZA - "Servicios Ecológicos en Mantenimiento y Saneamiento S.A. de C.V."), which provides us with evidence for each monthly withdrawal of a certain volume of wastewater, which is taken to a wastewater treatment plant and subsequently used in the preparation of solid and liquid compost.

82 Decentralized administrative body of the Ministry of Environment and Natural Resources (Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT), created in 1989, whose responsibility is to administer, regulate, control and protect national waters in Mexico.
83 It is important to note that the total water withdrawn is equivalent to its consumption.

ENERGY EFFICIENCY AND EMISSIONS

(GRI 302-1, 302-2, 302-3, 302-4, 302-5)

Energy, both electrical and generated by fuel consumption, is a relevant industrial resource for our automated processes and for transportation. In this regard, and in accordance with our Environmental Policy, we are committed to harnessing renewable energy opportunities, as well as energy efficiency projects.

Energy is directly related to the carbon emissions we potentially generate. Therefore, any effort focused on reducing energy consumption results in a reduction of the impact generated by our carbon emissions.

Energy consumption – Industrial Site in Mexico

ENERGY SOURCE	2021		2022	
	MWH	GJ	MWH	GJ
Electricity	7,024.15	25,286.94	9,289.92	33,443.70
Natural gas	7,712.00	27,763.19	11,652.96	41,950.65
Diesel	1,374.08	4,946.68	1,070.64	3,854.29
Gasoline	4,687.91	1302.20	354.04	1,274.53
Total	**20,798.14**	**59,299.01**	**22,367.55**	**80,523.19**

The increase in electricity and natural gas consumption is due to the increase in production, mainly due to the full activation of our Suerox product line, which is also working for export purposes.

Off-site energy consumption (Gigajoules) - Industrial Site in Mexico

OFF-SITE FUEL CONSUMPTION	2021	2022
Diesel fuel consumption for *upstream*[84] transportation and distribution	10,459.47	6,172.22
Diesel fuel consumption for *dowstream*[85] transportation and distribution	64,697.40	68,670.62
Gasoline consumption for *upstream* transportation and distribution	391.18	103.53
Gasoline consumption for *downstream* transportation and distribution	1,399.89	2,209.40
Total	**22,367.55**	**80,523.19**

84 Within the Value Chain, Upstream (or "Aguas Arriba") refers mainly to the activities of supplying and transporting employees.
85 Within the Value Chain, Downstream (or "Aguas Abajo") refers mainly to distribution and business travel activities.

Upstream fuel consumption has been significantly reduced due to the fact that part of the raw material necessary for our production is stored within our facilities, eliminating the need to use fuel for its transportation as an input provided by external suppliers.

Total energy factor - DC

2020	2021	2022
0.125 kWh/moved box	0.061 kWh/moved box	0.044 kWh/moved box

28% REDUCTION

Note: DC stands for Distribution Center, which is part of our Industrial Site in Mexico. The above table only includes the DC's energy consumption, as opposed to that of the Industrial Site as a whole.

The reduction in electricity consumption per moved box (kWh/Moved box) at our Distribution Center (which is part of our Industrial Site in Mexico) is associated with a lower sales volume with respect to 2021, as well as the increase in the energy efficiency of the forklifts.

Our electricity consumption has increased due to rising production at our Industrial Site. We have focused on achieving a more stable energy matrix, which will provide us with greater adaptability in the face of power outages caused by weather-related phenomena.

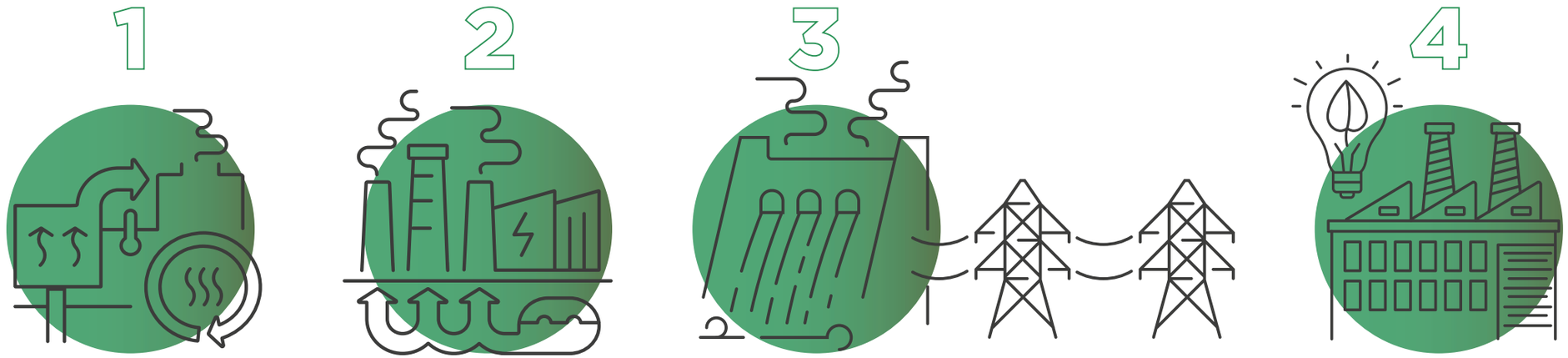
Along these lines, we have created a transition plan to diverse energy sources for our New Industrial Site in Mexico. We have a co-generation[86] plant that will allow us to use the heat resulting from the fuel burning process to produce energy and supply it, together with electricity, to cover up to 50% of the operational energy demand. We plan to integrate half of the renewable energy sources into the energy matrix of our Mexican manufacturing operations by 2025. With this, we will be able to be self-sufficient and progressively reduce our dependence on the national power grid.

86 Co-generation is a system that produces heat and electricity simultaneously in a single plant, powered by a single primary energy source.

THE CO-GENERATION PROCESS

Co-generation is the simultaneous production of heat and electricity from a single fuel source (natural gas). Typically, the energy provided in the combustion process is not fully utilized and part of it is released into the atmosphere. In this case, we make full use of it.

This process generates a lower environmental impact by taking advantage of all the fuel, while at the same time producing less CO_2 emissions than other energy sources. It allows to reduce production costs through energy efficiency.



1. It is produced from natural gas, as a source of energy, and two turbines that generate steam and water.
2. Steam is generated from the flue gases of the gas turbine in the recovery boiler.
3. Steam generated is used by customers in their production process.
4. The electricity produced by the generator is fed into the transformers and sent to the power grid for transmission.

In 2022, we carried out other continuous improvement projects through the **"Sustainability Awards"**, an internal contest in which all our organizational areas can participate. As a result of this activity, energy saving initiatives were generated, such as the substitution of production materials, the implementation of intelligent lighting sensors and the replacement of lighting fixtures. We have also acquired ultra-fast loaders for our *forklifts*.

Our clean transportation initiatives[87] have also been evaluated by the Ministry of Environment and Natural Resources (Secretaría de Medio Ambiente y Recursos Naturales, SEMARNAT), which granted us recognition in October 2022 under its Clean Transportation Program (*"Programa Transporte Limpio"*). This institution found that with all the fuel saving technologies and practices we have in place, our annual CO_2 emission reduction is equivalent to 7 tons, with performance indicators of 47.73 grams CO_2/Ton-kilometer for diesel and 168.6 grams CO_2/Ton-kilometer for gasoline. We have also achieved fuel consumption savings of 2,579 liters thanks to the clean transportation measures implemented.

TRANSPORTE *Limpio*

87 Our logistics vehicles and the vehicles of our logistics suppliers are adhered to the Clean Transport Program (*"Programa Transporte Limpio"*) of the Ministry of Environment and Natural Resources in Mexico *(Secretaría de Medio Ambiente y Recursos Naturales en México, SEMARNAT)*.

CLIMATE CHANGE AND EMISSIONS

(GRI 3-3: Climate Change)

As a material issue for our organization, the effects of climate change are present in our day-to-day operations, resulting in physical, financial and human health risks that could significantly affect our operations. We therefore understand the importance of our role in contributing to the fight against climate change.

We have employed two strategies: the analysis of climate scenarios and the measurement of our carbon footprint. Both are connected, since the increase in greenhouse gas emissions initiates a cascade of events that modifies climate behavior, generating a series of both physical[88] and transitory impacts that can affect our value chain.

ANALYSIS OF CLIMATE SCENARIOS

In order to establish an action strategy to address climate risks, a study was carried out at our Industrial Site in Mexico, considering 21 critical suppliers[89] located in different places in Mexico and analyzing two climate scenarios[90] (+4°C and 1.5 - 2.0 °C). Thanks to this study, it became evident that the main hazards currently affecting the properties evaluated are floods (Industrial Site and 14 suppliers) and droughts (Industrial Site and 10 suppliers).

On the other hand, our facilities and those of our suppliers are also exposed to other negative effects of climate change such as increased raw material and/or production costs, more stringent environmental regulations, reputational risks, new technology requirements, and those that could directly affect our profitability. These risks are known as transition risks, which we have listed and classified in the following table:

TYPE OF TRANSITION RISK	CLASSIFICATION
Regulatory and legal	Carbon pricing mechanisms and/or future environmental taxes Applicable and emerging regulation applicable to products Robust regulations and/or initiatives with respect to emissions reporting and verification Increased monitoring and control requirements Risks of environmental management lawsuits Risk of third-party claims
Technological	Transition to low-emission technology Transition to water supply technology Initial costs for the transition to low-emission technology Failed investment in new technologies
Market	Uncertainty in market signals Increased cost of raw materials and their sourcing Incentivizing the use of new transportation alternatives Increased demand for products and services with low global warming potential Increased demand for certain drugs or new drugs to address population risks related to indirect climate change impacts Encouraging stricter rules in the value chain
Reputation	Changes in consumer preferences Increased stakeholder concern or negative stakeholder comments

88 Physical hazards are caused by one-time events or changes in weather patterns. They can have financial implications, such as direct damage to assets, and indirect impacts due to effects along the value chain.
89 Those that may have a significant impact on the continuity of Genomma Lab's operations and business model.
90 Climate scenarios are simulated scenarios where the average atmospheric temperature increases from 1.5°C to 4.0°C.

MEASURING OUR EMISSIONS

Our 2025 Sustainability Strategy, aligned with the Sustainable Development Goals, includes actionable improvement plans to reduce greenhouse gas emissions. However, the first step is defining an emissions inventory. The baseline for this inventory is 2021, the year in which our Industrial Site began operations, as well as the starting point for the implementation of strategies to reduce emissions in order to mitigate the impacts associated with climate change.

(GRI 305-1, 305-2, 305-3, 305-4, 305-5)

Carbon Emissions – Industrial Site in Mexico

EMISSIONS	TOTAL EMISSIONS (tCO_2e) 2021	TOTAL EMISSIONS (tCO_2e) 2022
Scope 1	1,704.93	2,737.47
Scope 2	2,971.22	4,041.11
Scope 3	52,039.77	43,466.98

The increase in our Scope 1 carbon footprint is associated with the increase in production, which requires higher consumption of natural gas[91]. On the other hand, the reduction of our Scope 3 footprint is linked to the reduction of fuel consumption for sourcing activities[92].

Emission intensity – Industrial Site in Mexico

EMISSION INTENSITY (SCOPE 1 AND 2)	2021	2022
Indicator (tCO_2e/ton produced or displaced)	0.16	0.14

Most significant Scope 3 emissions

SCOPE 3 CATEGORIES	EMISSIONS (TCO_2E)	% OF TOTAL SCOPE 3 EMISSIONS
Purchased goods and services	32,979.2	75.8%
Downstream transportation and distribution	5,236.3	12.2%
Employee commuting	2,975.0	6.8%

Other atmospheric emissions

OTRAS EMISIONES	CARBON MONOXIDE (CO)	NITROGEN OXIDES (NOX)
Industrial Site in Mexico	41.45 ppmv*	46.97 ppmv

*Note: Parts per million by volume (ppmv)

We measure our carbon monoxide and nitrogen oxide emissions and ensure 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.

91 Natural gas is a cleaner fuel, compared to other traditional fuels, in the sense that its combustion produces fewer conventional air pollutants, such as sulfur dioxide and particulate matter.
92 More details in the "Off-site energy consumption" section.

Calculation of our carbon footprint and its methodology

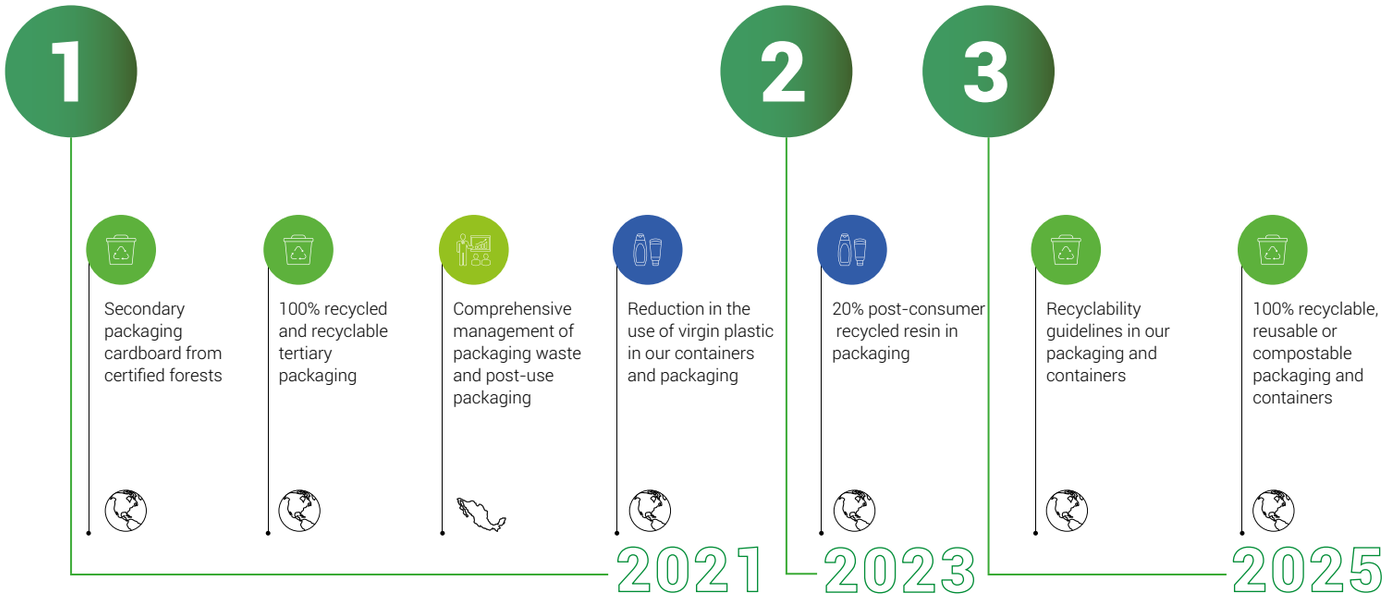
INCLUSION OF RECYCLED INPUTS IN PACKAGING AND LABELS

(GRI 3-3: Packaging and waste) (GRI 301-1, 301-2)
(SASB CG-HP-410a.1, CG-HP-410a.2)

As part of our 2025 sustainability commitment, we continue to innovate to integrate circular economy principles and sustainable design elements into our products. Our goal is to reduce our environmental impacts through the use of recycled materials in our packaging and containers, while reducing the quantity of materials used, ensuring their recyclability and the integral management of post-consumer waste.

It is important to highlight the role of our innovations in our manufacturing and packaging materials, aimed at incorporating packaging with better life-cycle performance (less reliance on virgin resin) and thus reducing GHG emissions related to production and post-consumer waste.

The following are our goals for 2025:



100%

RECYCLED MATERIAL IN CORRUGATED CARDBOARD FOR ALL OUR TERTIARY PACKAGING

65%

RECYCLED MATERIAL IN GROOMEN® 200'S RAZOR HANDLE, AND 57% IN GROOMEN® 300'S RAZOR HANDLE

30%

RECYCLED MATERIAL IN HDPE BOTTLES IN OUR ALERT®, CICATRICURE®, GOICOECHEA®, SILUET®, SISTEMA GB®, TEATRICAL®, VANART® BRANDS

TONS OF RECYCLED MATERIAL 2022

2,922 ton
of corrugated cardboard
100% of total inputs used

285 ton
PCR HDPE
30% of total inputs used

67 ton
PCR PP
7% of total inputs used

464 ton
PCR PET
7% of total inputs used

326 ton
carton-boxes
38% of total inputs used

35 ton
of glass
75% of total inputs used

10.78 ton
of Groomen Disposable Razor Handles (PP)
100% of total inputs used

4,110
TONS OF VIRGIN RAW MATERIAL WERE AVOIDED IN OUR PLASTIC PACKAGING THROUGH THE INCORPORATION OF POST-CONSUMER RECYCLED MATERIAL IN 2022

(SASB CG-HP-410a.2)

TÍO NACHO®: AN EMBLEMATIC CASE

The launch of Tío Nacho Sustentable follows Genomma Lab's 2025 Sustainability Strategy, which includes among its goals manufacturing 100% recycled and recyclable tertiary packaging[93], as well as promoting actions that neutralize the carbon footprint. We also succeeded in making our Tío Nacho boxes from FSC-certified cardboard[94] with a layer of recycled material.

Today, Tío Nacho Sustentable's bottle, cap and box are 100% recycled and recyclable. Its label is made from 90% recycled material, contributing to recycling thanks to the highly advanced wash-off technology, which makes it easy to separate the label from the bottle without leaving traces of adhesive or inks, saving water, energy and avoiding the use of chemical materials.

The shift to sustainable packaging started in 2022 for Tío Nacho shampoos and conditioners manufactured in Argentina and Brazil. Tío Nacho has also been nominated in the "Sustainable Product of the Year" category by Colombia's largest retailer.

As part of the relaunch of Tío Nacho in Argentina, with a more sustainable approach, we have reaffirmed our environmental commitment by joining the United Nations Climate Neutral Now initiative, which encourages and supports organizations and other stakeholders to act towards a climate-neutral world by 2050, as stipulated in the Paris Agreement.

> "We are betting on the redesign of one of our most emblematic products in the personal care portfolio, based on the company's 2025 Sustainability Strategy. Today, Tío Nacho Sustentable is positioned as the preferred choice in the shampoo category for the consumer segment that seeks environmentally responsible products."
>
> **Jorge Brake, CEO**

93 Tertiary packaging: packaging that groups and supports secondary packaging to prevent damage during cargo handling, storage and transport.
94 The Forest Stewardship Council (FSC) is a worldwide, non-profit organization dedicated to promoting responsible forest management on a global scale. The FSC defines standards based on agreed principles for responsible forest management that are supported by environmental, social and economic stakeholders

COUNTRY INITIATIVES

ARGENTINA

By choosing an FSC® certified product[95], each of us can contribute to the sustainable management of the world's forests. That is why Genomma Lab Argentina has decided to support the values and vision of FSC® Argentina, offering products with FSC® certified cases, demonstrating its commitment to protecting the environment, people and the economy.

The Genomma Lab Argentina team was awarded certifications for its "Recyclable Polyethylene" and "Recyclable Polyethylene Terephthalate" packaging 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.

CHILE

During 2022, we complied with the annual declaration required by the REP[96] (Extended Producer Responsibility - *"Responsabilidad Extendida del Productor"*) Law, in which we reported the amount of household and non-household waste (cardboard, paper, wood, plastics, glass and metals) submitted to the market during 2021.

Our biggest challenge in Genomma Lab Chile was developing the declaration matrix for the REP Law.

Also, 100% of our pallets are reused. We did not buy new pallets.

COLOMBIA

In Colombia, we implemented controlled incineration processes for hazardous waste, avoiding the generation of 20.3 tons of CO_2 between 2021 and 2022.

On the other hand, through the sustainable transportation initiative, we avoided 1.10 tons of CO_2. We achieved this by adapting vehicles for NGV (Natural Gas Vehicle) use and by using electric vehicles, as well as motorless tricycles.

Similar to the SINGREM initiative (Mexico), in Colombia we work with "Corporación Punto Azul", which emerged as an initiative of the pharmaceutical industry to manage the Post-consumption Program for Expired Medicines (Programa de Posconsumo de Medicamentos Vencidos). Through the alliance with this program, Genomma Lab Colombia contributes to the correct final disposal of medicines.

BRAZIL

We conducted the GHG Inventory of Genomma Lab Brazil, which was a very important step towards operational sustainability regarding the production of packaging for its Tio Nacho® product line, since all emissions from that line are categorized as Scope 1, which amounted to 86.16 TonCO_2eq, where our emissions associated with the 415 ml bottles represented 74.6% of the total emissions generated. Significantly, we have acquired carbon credits through our investment in the construction of the Itaguaçu hydroelectric power plant, and as a result we are neutralizing our carbon footprint through the Carbon Free® initiative.

95 The FSC is an international, non-profit organization that certifies the chain of custody. FSC stands for Forest Stewardship Council. It was born from the agreement of two wood consumer and trading companies in the 1990s in the United States. This alliance is aimed at reducing deforestation and minimizing environmental degradation.

96 Law 20 920, framework law for waste management, Extended Producer Responsibility and Promotion of Recycling, known as REP Law, aims to reduce the generation of waste and promote its reuse, recycling and other types of recovery, through the establishment of extended producer responsibility and other waste management instruments, in order to protect people's health and the environment.

RESPONSIBLE BUSINESS

At Genomma Lab Internacional we believe that success is possible thanks to our commitment to transparency, ethics and a solid Corporate Governance. Therefore, we have policies and processes that safeguard the integrity of our operations, compliance with all laws and regulations of the countries in which we operate. Likewise, each member of our team shares the company's values, working with honesty, respect and responsibility, generating trust externally and internally with the objective of creating value for all stakeholders.

CORPORATE GOVERNANCE[97]

We abide by the best market practices, considering the recommendations of the Mexican Stock Exchange, demonstrating our commitment to transparency towards all our stakeholders.

Our corporate governance structure is detailed below.

BOARD OF DIRECTORS

(GRI 2-9, 2-10)

The Board of Directors is responsible for the ultimate management of the Company. Members are elected or ratified, as the case may be, every year during Genomma Lab Internacional's Ordinary Annual General Shareholders' Meeting.

The Board of Directors meets quarterly. At year-end 2022, the Board is comprised of 11 directors, seven of whom are independent (65%), in compliance with the provisions of the Mexican Securities Market Law. No member plays an executive role in the Company.

The members have an average of seven years of tenure on the Board of Directors, and have experience in the financial, energy, materials, information technology, industrial, communication services, utilities, real estate, entrepreneurship, and mass consumer marketing sectors, among others. 65% belong to at least one additional Board of Directors. It is worth mentioning that none of the directors represent a specific stakeholder group.

Related Proprietary Directors

Rodrigo Alonso Herrera Aspra (President)
Sabrina Lucila Herrera Aspra

Independent Proprietary Directors

Jorge Ricardo Gutiérrez Muñoz
Juan Alonso
Javier Vale Castilla
Ignacio González Rodríguez
Carlos Javier Vara Alonso
Marco Francisco Forastieri Muñoz

Independent Proprietary Director

Juan Carlos Gavito Aspe

Equity Proprietary Director

Burkhard Wittek

Related Alternate Director

Renata Virginia Herrera Aspra

97 For more information, please access the following **link.**

RELEVANT NUMBERS

By gender

Men Women

By age range

From 30-50 years over 50 years old

Por independencia

Independent Proprietary Directors* | Related Proprietary Directors | Independent Patrimonial Directors* | Equity Proprietary Director | Related Alternate Director

At Genomma Lab Internacional, we are committed to respect diversity and gender equity in the Board of Directors. The Diversity, Inclusion and Gender Equality Policy is a fundamental part of our organizational culture, while our Global Diversity, Inclusion and Gender Equality Committee's main objective is to promote good practices in this area throughout the Company.

* Considered independent under the criteria established in Art. 26 of the Mexican Securities Market Law.

BOARD OF DIRECTORS BIOGRAPHICAL INFORMATION

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

Members of the Board of Directors, given their professional profile and the different activities they perform outside the Company, are constantly updated on economic, fiscal, social and environmental issues. Of the 11 members, five have relevant experience in the sector[98].

In addition, our Legal Department, with the support of the Non-Member Secretary of the Board of Directors, updates board members on relevant topics, with emphasis on regulatory and compliance changes.

Rodrigo Alonso Herrera Aspra

Chairman of the Board of Directors

Founder and main shareholder of Genomma Lab International. 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 14 years.

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 an honorary doctorate award. He has been part of the Board of Directors of Genomma Lab Internacional for 5 years.

Juan Carlos Gavito Aspe

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

Founder of Airos Capital, an investment fund specialized in private equity and investments. Previously, he was a director of Nexus Capital, where he participated in the 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 part of the Board of Directors of Genomma Lab Internacional for 4 years.

98 Burkhard Wittek, Sabrina Lucila Herrera Aspra, Rodrigo Alonso Herrera Aspra, Ignacio González Rodríguez and Javier Vale Castilla

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, branded as SUN CITY Developments. It 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 part of the Board of Directors of Genomma Lab Internacional for 13 years.

Carlos Javier Vara Alonso

Consejero Propietario Independiente

Founder of Vace Partners, he worked for more than 9 years at Citigroup as Director of the Investment Banking team in Mexico and Latin America. He is currently a member of the Board of Directors and Finance Committee of Grupo Gigante, a member of the Board of Directors and Chairman of the Development Committee of Hoteles Presidente and was also a member of the Board of Directors and Finance Committee of Aeromexico.

His experience includes projects in companies in diverse industries such as financial institutions, consumer goods, retail, industrial conglomerates, education, transportation and mining metals mainly. 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 part of the Board of Directors of Genomma Lab Internacional for 5 years.

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. 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 part of the Board of Directors of Genomma Lab Internacional for 6 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 Pavisa 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 4 years.

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 Inmunodiagnostic Systems Holdings PLC, Cobo Fluid System GmbH, among others. He has been part of the Board of Directors of Genomma Lab Internacional for 4 years.

Sabrina Lucila Herrera Aspra

Related Proprietary Director

She collaborated for 15 years in different companies, including Posadas de México, in the areas of public relations and 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 the 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 10 years and is Chairwoman of Fundación Genomma Lab.

Marco Francisco Forastieri Muñoz

Independent Proprietary Director

Law degree from La 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 holds a law degree from La Escuela Libre de Derecho (ELD). 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 and served as Non-Member Secretary of the Board of Directors of the Company until February 2020. He has been part of the Board of Directors of Genomma Lab Internacional for 3 years.

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 "tailor-made" programs for Seguros La Comercial, in the major medical insurance 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 part of the Board of Directors of Genomma Lab Internacional for 10 years.

NOMINATION AND PERFORMANCE EVALUATION

(GRI 2-18)

The election and re-election of each of the members of the Board of Directors is the responsibility of the Ordinary General Shareholders' Meeting.
Board members complete a performance self-assessment based on the International Institute for Management Development's (IMD) Four Pillars of Board Effectiveness. The results are reflected in the Board's Activity Report, the Chief Executive Officer's Activity Report and the Audit and Corporate Practices Committee's Activity Report. The shareholders (investing public) decide whether the Board members are ratified in their positions or choose to select a different one.

It should be noted that, throughout the company's history, there have been no shareholder requests to change the Board of Directors.

DUTIES OF THE BOARD OF DIRECTORS

(GRI 2-12, 2-13, 2-14)

The Board of Directors is responsible for setting the general guidelines for directing the business and supervising the management and conduct of Genomma Lab Internacional and its subsidiaries, evaluating their impact on the financial, administrative and legal situation of the company. It also evaluates the performance of key executives and approves, subject to the opinion of the appropriate committee:

- The policies and guidelines for the use or enjoyment of the assets that are part of the Company's patrimony and of the legal entities it controls, by related parties.
- The transactions, of each one individually, with related parties, which they intend to enter into with the Company or the entities controlled by it.
- The Company's internal control and internal audit guidelines and those of the legal entities controlled by the Company.
- The Company's accounting policies, in accordance with the accounting principles recognized or issued by the National Banking and Securities Commission.

In accordance with the provisions of the Securities Market Law, the Board of Directors relies on the Chief Executive Officer and certain key executives for the management and execution of the business, delegating to them within the legally permitted limits.

The Global Human Resources, Institutional Relations, Social Responsibility and Media Leader is responsible for gathering stakeholder feedback on economic, environmental and social issues. In addition, they are in charge of managing responsibility in these areas through the Executive Committee and the Global Sustainability Committee, in line with the company's 2025 Sustainability Strategy.

CONFLICTS OF INTEREST

(GRI 2-15)

As expressed in our Code of Conduct and Ethics (hereinafter, the Code), in Genomma Lab Internacional we believe that each of us has strong values so as not to allow our personal interests to influence the actions carried out on behalf of the company and we consider it essential that the decisions taken are objective and based on the interests of the Company. In addition, the Code provides guidelines for our employees on how to detect conflicts of interest, as well as the channels for reporting any situation that may prevent us from fulfilling our responsibilities objectively.

We also strictly comply with the provisions of the Securities Market Law regarding conflict of interest management. By virtue of this, any member of the Board of Directors involved must refrain from participating in the discussion and voting on related matters.

The Ethics Committee also establishes mechanisms to prevent conflicts of interest. Thus, if any potential situation arises, the Company's management bodies analyze it and take the necessary measures.

It is important to note that the Chairman of the Board of Directors does not hold an executive position in Genomma Lab Internacional.

COMMITTEES

(GRI 2-9, 2-14, 2-15, 2-16)

The Board of Directors consists of three committees:

Audit and Corporate Practices Committee

Ethics Committee

Operating Committee

AUDIT AND CORPORATE PRACTICES COMMITTEE

Our Company's Corporate Practices Committee is composed of a majority of independent directors and a minimum of three members appointed by the Board of Directors itself. The President is appointed by the Stockholders' Meeting, in accordance with Article 25 of the Mexican Securities Law (*Ley Mexicana de Valores, LMV*).

This Committee is responsible for the following functions:

- Give an opinion to the Board of Directors on matters within its competence pursuant to the LMV.
- Evaluate the performance of the legal entity providing the external audit services, as well as evaluate the opinion or opinions prepared by the external auditor.
- Analyze and supervise the Company's financial statements with the individuals responsible for their preparation, and on that basis report any non-compliance in the area of internal control and auditing to the Board of Directors.
- Receive and analyze recommendations and opinions from shareholders, members of the Board of Directors, executive directors, external auditors and any third party, as well as take whatever measures it deems necessary.
- Request the opinion of independent experts in those cases in which it is convenient for the proper performance of functions or when so required based on the LMV.
- Convene Shareholders' Meetings and request the Board of Directors of the Company to include the pertinent items on the agenda of such meetings.

The Chairman of the Audit and Corporate Practices Committee shall prepare and submit to the Board of Directors an annual report, which shall contain, among others:

1. Transactions with related parties during the reporting period, detailing the characteristics of significant transactions.
2. Status of the Company's internal controls and audits, as well as any derivation or deficiency thereof, considering the corresponding reports of the external auditors and independent experts.
3. Results of any preventive or corrective measures adopted based on investigations related to non-compliance with operating or accounting policies.
4. Evaluations performed by the external auditors. Results of the review of the financial statements of the Company and its subsidiaries.
5. Description and effects of changes in accounting policies.
6. Actions adopted as a result of comments from the Company's shareholders, members of the Board of Directors, executive directors and third parties in relation to accounting, internal controls and internal and external audits.
7. Compliance with resolutions adopted by the Shareholders' Meeting and the Board of Directors.

The Chairman shall also decide how to incorporate these aspirations and goals into the Company's business planning processes, policies and strategies.

Members of the Audit and Corporate Practices Committee

Jorge Ricardo Gutiérrez Muñoz
Chairman

Juan Carlos Gavito Aspe
Independent Director

Juan Alonso
Independent Director

Report of the Chairman of the Audit and Corporate Practices Committee

Mexico City, Mexico, April 11, 2023.

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, I, the undersigned, Chairman of the Audit and Corporate Practices Committee of Genomma Lab Internacional, S.A.B. de C.V. (the "Company"), hereby submit to you the following Annual Report approved by all the members of said Committee, corresponding to the fiscal year ended December 31, 2022:

In consideration of the provisions contained in the Securities Market Law, the Committee focused during this period, generally and mainly, on the following:

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

With regard to specific concepts corresponding to the functions approved for this Committee, we report the following results:

1. In Audit matters:

A. Internal Control and Internal Audit System of the Company and of 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.

The differences in internal control matters that were analyzed by the Committee did not have a material adverse impact on the Company.

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

B. Preventive and Corrective Measures Implemented in relation to the Operating Guidelines and Accounting Record Policies

The Committee has ensured the objectivity and integrity of the accounting records, as well as compliance with the Company's Operating and Accounting Policies and Guidelines, which were consistently applied in the preparation of the Company's financial statements as of December 31, 2022. Likewise, the work plans of the internal audit function in the Company were reviewed and approved.

C. External Auditor Performance Evaluation.

A favorable opinion was issued to ratify the firm Galaz, Yamazaki, Ruiz Urquiza, S.C. as external auditor of the Company, to perform the audit of the consolidated financial statements for the Company's 2022 fiscal year, as well as for the ratification and/or appointment of the external auditors to perform the audit of the financial statements of the Company's main subsidiaries.

For the year ended December 31, 2022, for the audit services of the consolidated financial statements of the Company and its main subsidiaries, a budget of $4,814,000.00 Mexican pesos (four million eight hundred and fourteen thousand Mexican pesos) plus V.A.T. was reviewed and authorized.

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

As a result of several interviews and sessions of the Committee with the external auditors, compliance with independence requirements was verified.

For the 2022 financial year, the comments on internal control, as well as the procedures and scope applied in its audit, were reviewed with the external auditors and with the Company's Management.

As a result of the foregoing, the Committee agrees with the performance and results of the work of the Company's external auditors.

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

The Committee reviewed the consolidated financial statements of the Company and subsidiaries as of December 31, 2022, 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 or qualifications.

The Committee has recommended to the Board of Directors the approval of the aforementioned financial statements, since they reasonably reflect the financial position and results of the Company, the relevant events have been adequately disclosed and the application of accounting policies and criteria have 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, paragraph c) of the Securities Market Law to be submitted to the consideration of the Board of Directors of the Company.

Pursuant to the provisions of Article 42, Section II, subsection e) of the Securities Market Law, after having held several meetings with the Company's Chief Executive Officer and with the Company's relevant executives and those of the companies controlled by the Company, regarding the content of the Chief Executive Officer's Report 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 report issued by the law firm Galaz, Yamazaki, Ruiz Urquiza, S.C., as External Auditor, as External Auditor of the Company, the Committee considers that the Report of the Chief Executive Officer to be submitted to the Shareholders' Meeting is adequate and sufficient and that: (i) the accounting and reporting policies and criteria followed by the Company are adequate and sufficient taking into consideration the particular circumstances of the Company; (ii) such policies and criteria have been consistently applied in the information presented by the Chief Executive Officer; and (iii) as a consequence of (i) and (ii) above, the information presented by the Chief Executive Officer reasonably reflects the consolidated financial position and results of the Company.

F. Measures Adopted as a Result of Relevant Comments.

During fiscal year 2022, no relevant observations were made by shareholders, directors, relevant executives, employees of the Company and, in general, by any third party, with respect to accounting, internal controls and matters related to internal or external auditing, nor were any complaints filed regarding facts that they consider irregular in the administration.

G. Follow-up to the Agreements of the Shareholders' Meetings and the Board of Directors.

The Company timely complied with the agreements and recommendations issued by the Shareholders' Meeting and the Board of Directors of the Company during the 2022 fiscal year.

2. Regarding Corporate Practices:

A. Performance of Relevant Directors:

During the 2022 fiscal year, the Company obtained satisfactory results and observed a favorable performance of the Company's Relevant Officers, as the objectives and priorities presented by the Company to the Board of Directors for the year 2022 were achieved.

B. Related Party Transactions:

The Committee has verified the transactions carried out by the Company during fiscal year 2022, which have been carried out at market prices or, if applicable, supported by appraisals performed by external specialists.

C. Emoluments or integral remuneration packages of the Chief Executive Officer and/or Relevant Directors:

The Committee reviewed the annual compensation of the Chief Executive Officer and the Executive Chairman and the proposed compensation for other Relevant Officers of the Company and communicated to the Board of Directors its favorable opinion thereon.

D. Waivers granted by the Board of Directors:

During the fiscal year ended December 31, 2022, 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:

During the 2022 fiscal year, the Audit and Corporate Practices Committee reviewed, analyzed and issued a favorable opinion regarding the following relevant matters:

1) Certain litigation of 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 2021, as well as that corresponding to the first, second and third quarters of 2022.

4) A favorable opinion was issued for the (i) ratification of professional services other than, unrelated and in addition to the external audit services (the "Additional Services") rendered to the Company and its subsidiaries during fiscal year 2021 by the external auditor, as well as the fees paid by the Company and its subsidiaries for such Additional Services, and (ii) approval of the provision of Additional Services during the 2022 fiscal year and the fees to be paid for such Additional Services, provided that the Additional Services are rendered in accordance with the provisions of the Policy for approval of fees for services provided by the external auditor relating to services that the external auditor may provide to the Company and its subsidiaries without compromising the independence of the external auditor.

5) 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.

6) The Board of Directors was informed of the deterioration of certain intangible assets owned by the Company or its subsidiaries under international financial reporting standards.

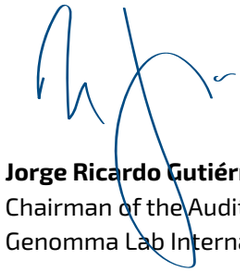
F. Composition of the Audit and Corporate Practices Committee and meetings held

The Audit and Corporate Practices Committee is composed of the following members:

Name	Position
Jorge Ricardo Gutiérrez Muñoz	Chairman
Juan Carlos Gavito Aspe	Member
Juan Alonso	Member

The Company's Audit and Corporate Practices Committee held meetings by circular resolution on February 21, April 12, April 25, April 25, July 25, October 24 and December 7, 2022, and from each of them minutes were drawn up or resolutions were recorded relating to the agreements reached.

Sincerely,



Jorge Ricardo Gutiérrez Müñoz
Chairman of the Audit and Corporate Practices Committee
Genomma Lab Internacional, S.A.B. de C.V.

ETHICS COMMITTEE

(GRI 2-9, 2-14)

The Ethics Committee is the internal body that oversees the correct compliance and application of each of the values and principles presented in our Code of Conduct and Ethics, integrity policies, applicable laws and the Gen Book. The Committee is responsible for receiving, investigating and resolving cases of non-compliance presented by employees, suppliers, business partners or members of the communities surrounding our operation centers. It also proposes programs and actions within the Company in order to create an adequate working environment for the personal and organizational development of our employees.

Members of the Ethics Committee

OPERATING COMMITTEE

The Executive Committee was created as a result of the delegation of activities regarding the management of the company's affairs and business by the Board of Directors. 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.

In order for the Committee to validate and adopt any decision, each member shall have received the following:

a. The invitation to the corresponding session at least five days in advance.

b. The documentation, or an extract of the documentation and information related to the matters to be considered at said meeting at least three days in advance.

During November 2022, we announced a Succession and Leadership Plan, in order for the Company to continue its profitable growth phase in line with our long-term vision. The Chief Executive Officer, Jorge Brake, informed the Board of Directors of his intention to transition from his role as Chief Executive Officer, while maintaining his active participation in the Company's future. Jorge Brake was appointed Active Vice Chairman of the Board of Directors. This appointment was approved at Genomma's Annual Shareholders' Meeting in April 2023. In accordance with the Company's Succession and Leadership Plan, Rodrigo Herrera, Chairman of the Board, informed that Marco Sparvieri, who served as Chief Operating Officer, succeeded Jorge Brake as Chief Executive Officer. The Succession and Leadership Plan contemplated a six-month transition period during which Brake and Sparvieri will be working closely together.

Members of the Operating Committee

The Sub-Committees of the Operating Committee are appointed by the Board of Directors. They are listed below:

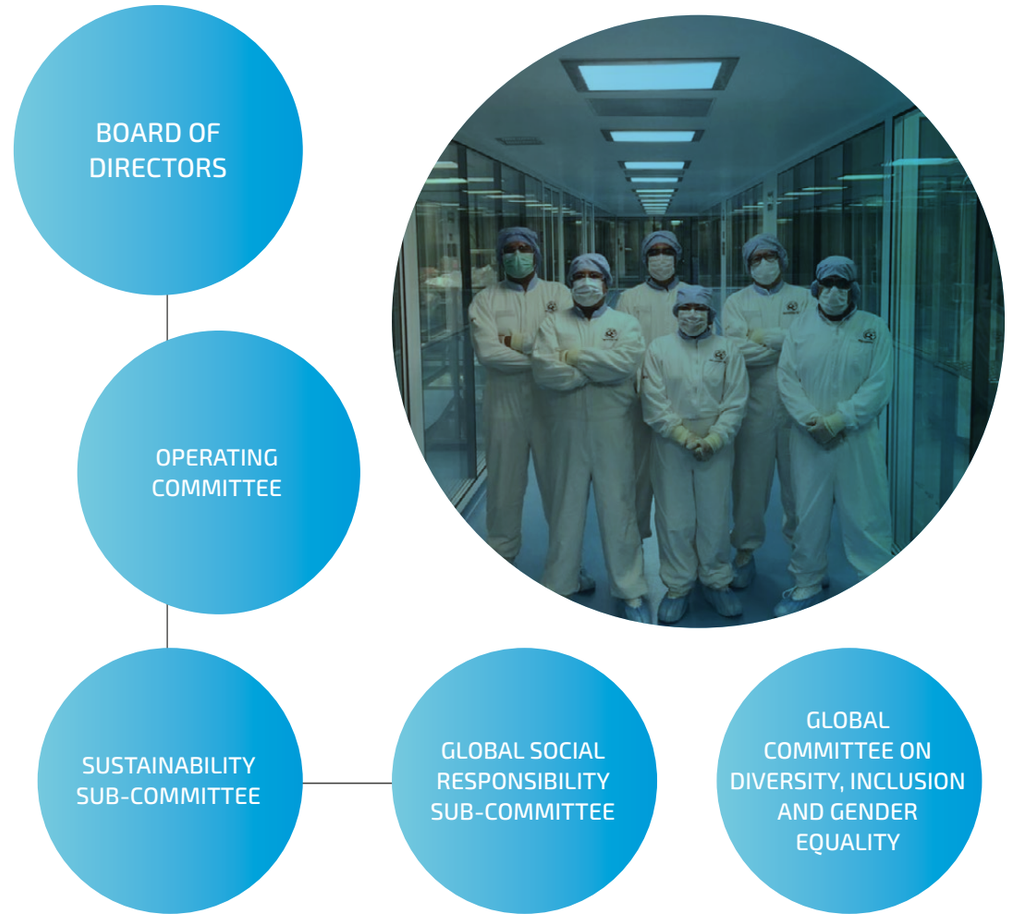
- Financial Impacts Sub-Committee
- Risk Management and Internal Audit Sub-Committee
- Business Development Sub-Committee
- Financing, Banking and Cash Flow Sub-Committee
- Brand Strategy Sub-Committee
- Institutional Relations and Communication Sub-Committee
- Sustainability Sub-Committee
- Innovation Sub-Committee
- Media Sub-Committee
- Supply Chain Sub-Committee
- Organizational Transformation Sub-Committee

Sustainability Sub-Committee

In order to integrate sustainability into all areas of the Company, we established the Global Sustainability Sub-Committee in 2020. Its purpose is to define Genomma Lab Internacional's short- and long-term objectives in environmental, social and economic terms. It also monitors the progress of sustainability initiatives and designs action plans, policies and procedures to address sustainability risks and opportunities arising from our business model. 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
- Finance
- Human Resources
- Country Managers- Countries

Structure of the Sustainability Sub-Committee



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 Committee is headed by the Global Human Resources, Institutional Relations, Social Responsibility and Media Leader, who is also the head of the Global Diversity, Inclusion and Gender Equality Committee.

ETHICS AND INTEGRITY

(GRI 3-3: Anti-Corruption Practices)

Ethics and integrity are an essential part of our organizational culture. It is through transparency, honesty and responsibility that we establish trusting relationships with our customers, consumers, employees, investors, suppliers, authorities, civil society organizations, the environment and the community.

Our Policies and Code of Conduct and Ethics establish the basic guidelines that we must comply with in any of our activities, providing a reference framework of ethical conduct that we demonstrate inside and outside the organization.

They also allow us to know the consequences and criteria for the application of corrective measures and the various channels of guidance, advice, communication and reporting to answer any questions and/or notify any non-compliance or practice that does not comply with the provisions of our Policies or Code of Conduct and Ethics.

Should there be concerns, we can contact our immediate leaders, or alternatively, the legal team, the Ethics Committee, the Ethics Hotline "GEN-Te Escucha", as well as the HRBP (Human Resources Business Partner) or any member of the Human Resources team.

ETHICS HOTLINE "GEN-TE ESCUCHA"

(GRI 2-25, 2-26)

In Genomma Lab Internacional we encourage the identification and reporting of illegal acts, actual or potential non-compliance with our Code of Conduct and Ethics, Policies, Procedures and/or inappropriate conduct in our operations.

As a result, **GEN – TE ESCUCHA,** was created. It is a tool that allows us to listen to our stakeholders, mainly our employees, through a strategic and independent partner of the Company. With absolute confidentiality, it contributes to generate a culture of prevention and timely attention to actions and/or behaviors that are not aligned with our values.

The information we receive is processed by specialized personnel of Ethics Global, who analyze the implications of the information to finally send it to Genomma Lab Internacional's Ethics Committee, who receives, investigates and provides a solution to the cases reported by employees, suppliers, business partners or members of the communities surrounding our operation centers.

Reportable information may include the following:

GEN-TE escucha

- Theft of company assets or information
- Forgery or alteration of documents
- Unlawful agreements with suppliers or customers
- Harassment, mistreatment or discrimination within the Company
- Use or disclosure of Company's confidential information for personal gain

How “GEN-Te Escucha” works

Our Ethics Hotline has enabled the following communication channels:

- **Telephone channel:**
  If an employee wishes to make a report over the phone, they should call the number corresponding to their country of operation. Each operator is available Monday through Saturday from 8 a.m. to 10 p.m., in all countries where we operate, with the exception of Nicaragua and Panama, which use different reporting channels.

- **By e-mail:**
  To file a complaint by e-mail, the employee must submit it to: **genteescucha@ethicsglobal.com**, including all the relevant information regarding the case so that it can be followed up.

- **Website:**
  Accessing the website **gen-teescucha.ethicsglobal.com.**

Once the Ethics Global Privacy Policy has been read and accepted, the person making the report must take the following steps:

1. Complete their personal information, specifying the relationship they have with Genomma Lab Internacional and the location of their work. Their report can be anonymous, or they can provide their contact information.
2. Classify the complaint by choosing the option that best corresponds to the case.
3. Point out the place and time when the event occurred.
4. Describe events in as much detail and as accurately as possible.
5. Mention the people involved in the case.
6. Attach any evidence that works as a support to follow up on the case: video, photographs, documents, etc.

Once the report is completed, the system will provide a file number so that the reporting person can follow up on their report, and in this way:

- Verify the progress of the investigation.
- Know the outcome of the case and the applicable measures implemented.
- Provide any additional information regarding the case.
- Provide more evidence to the case.
- Answer possible questions from those responsible for the investigation

During the 2022 period, 11 complaints were filed through the ethics hotline, 54% related to leadership, 36% to harassment at work and 10% to non-compliance with internal protocols; all cases were handled by the Ethics Committee and timely follow-up was provided.

It is important to emphasize that our employees are aware of the reporting channels, that they trust in the investigation process and in the Company’s support in any situation that violates their integrity. This encourages us to continue to work true to our commitment to maintaining a healthy and safe work environment.

OUR POLICIES

(GRI 2-23)

Our policies establish the Company's expectations regarding the behavior of employees and companies with which we have established business relationships. Each one of them has been developed with the purpose of maintaining a solid management and organizational culture consistent with our principles and values, providing clear guidelines for decision making. The following is a list of our current policies, which are public and can be consulted on our **website:**

- Stakeholder Engagement Policy
- Anti-corruption Policy
- Diversity, Inclusion and Gender Equality Policy
- Human Rights Policy
- Policy for the Prevention of and Attention to Workplace Harassment
- Code of Conduct and Ethics
- Supplier Code of Conduct and Ethics
- Health and Safety Policy
- Environmental Policy
- Integral Management Policy
- Confidential Information Policy
- Global Advertising and Communication Policy
- Biodiversity and Non-Deforestation Policy
- Cybersecurity Policy
- Policy to Prevent, Analyze and Identify Psychosocial Risk Factors

HUMAN RIGHTS

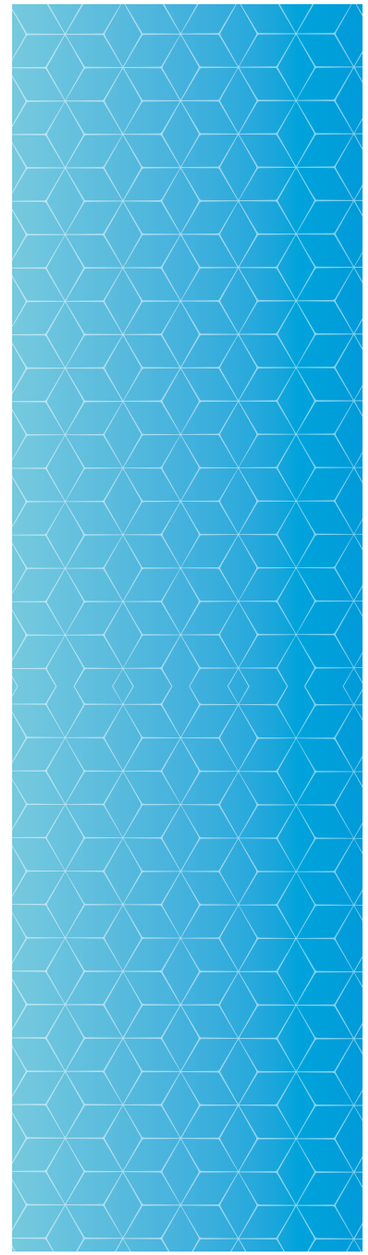
(GRI 2-23, 2-24)

As expressed in our Code of Conduct and Ethics, in Genomma Lab Internacional we are committed to promote, defend and monitor the Human Rights of our employees and stakeholders. We are guided by and comply with international human rights standards, including: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, as well as the principles of the United Nations Global Compact, to which we adhere and expect correspondence from all our business partners.

As part of the main guidelines, we have the following policies:

- Stakeholder Engagement
- Health and Safety
- Diversity, Inclusion and Gender Equality
- Code of Conduct and Ethics
- Supplier Code of Conduct and Ethics
- GEN BOOK

Our policies reflect the commitment and position we maintain towards the promotion and defense of Human Rights, both for our own employees and our stakeholders. Similarly, our 2025 Sustainability Strategy seeks to actively contribute to the fulfillment of the United Nations Sustainable Development Goals (SDGs) aligned with the priority issues for our business model, materiality and stakeholders.
Although we have robust mechanisms in place, there is always the possibility that our employees, subcontractors and the recruitment agencies with which we operate may fail to comply with the provisions of this policy.
In response to the above, we have scheduled for 2023 the contracting of a diagnostic and mapping service of the main risks of Human Rights violations in our operations. The service will include the documentary analysis of public information and internal processes to identify areas of opportunity and possible risks to Human Rights, the evaluation of the effectiveness of the current documentation and processes; and actions and recommendations to be followed to eradicate bad practices, remedy damages, avoid risks and mitigate any direct or indirect violation of Genomma Lab Internacional towards its main stakeholders.



ANTI-CORRUPTION

(GRI 2-27, 205-1, 205-2, 205-3,415-1) (SASB HC-BP-240b.1, HC-BP-510a.1, HC-BP-510a.2)

Our corporate governance adheres to the best practices and laws applicable in each country in which we operate, allowing us to work in a trustworthy and compliant work environment.
To this end, our Anti-Corruption Policy outlines and disseminates zero tolerance to any practice and/or act of corruption, avoiding and denouncing influence peddling or any other similar act.
This Policy applies to all directors, officers and employees of Genomma Lab Internacional, regardless of where they reside or where they conduct their business, as well as to direct or indirect subsidiaries of the Company, and to third parties over which it has control under International Financial Reporting Standards[99] (IFRS 10) including joint ventures, as well as to all agents, consultants, business partners and other third party representatives when acting on behalf of and/or in the name, interest or benefit of the organization.

Likewise, our team has the task and responsibility to read and sign the Code of Conduct and Ethics and our integrity policies upon joining the company. Regarding the training of our team on anti-corruption issues, we provide a reinforcement course to 100% of the employees every two years with the objective of ensuring the knowledge of the guidelines on the behaviors and values expected by Genomma Lab Internacional, in addition to deepening in anti-corruption issues, during the first months of 2023 we will carry out such reinforcement to all the employees of the Company.

Likewise, all our employees may seek legal or human resources advice in the event that they have any suspicion of any action or situation in which they may be in breach of our policies.

99 They constitute the International Standards or international norms in the development of accounting activity.

In order to reduce any potential risk and strengthen our relationships of trust, honesty and integrity with our suppliers, we created our Supplier Sustainability Program, which begins with the signing and adherence to the Supplier Code of Conduct and Ethics and continues with an annual self-assessment on social responsibility and sustainability. Además, a los participantes del programa se les brinda capacitaciones en los pilares de transparencia económica, responsabilidad social y desempeño ambiental.

In the case of Argentina[100], Colombia and the United States, we have achieved that 100% of our suppliers of raw materials, packaging material, finished product and transportation know and sign our Code of Conduct. In the other countries we continued to make progress, with 88% compliance in Brazil, 20% in Chile and 17.4% in Mexico. Ecuador and Peru will begin implementing the program during 2023. For further information, please refer to the **Supply Chain Chapter** of this report.

Compliance with both the Code of Conduct and Ethics, as well as the Integrity Policies is monitored by the Ethics Committee of Genomma Lab Internacional, which is responsible for reviewing and resolving each reported case.

During 2022, no significant corruption risks have been found through the risk identification process applied to all 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. It is also important to mention that Genomma Lab Internacional does not make contributions (financial or in kind) to political parties and/or representatives, directly or indirectly, in any of the countries in which we operate.

TAX APPROACH

We pay taxes on corporate profits earned by Genomma Lab Internacional as required by the tax laws of the countries in which we operate. Our objective is to pay the right amount of taxes, at the right time, on the profits we generate and in the places where they are generated.

We are committed to not transferring the value created to jurisdictions with lower taxes. For this reason, we have the following guidelines:

- We comply with tax laws and regulations in each country where we operate, also considering the intent of the tax policy.
- We do not use tax structures in our operations that are intended to erode the tax base.
- We do not make use of secret jurisdictions or so-called “tax havens”.

We establish guidelines to prevent and avoid any act of corruption, money laundering and influence peddling by employees and/or third parties with whom we do business, in order to comply with the anti-corruption laws applicable in the countries where we operate.

The tax team is responsible for identifying, analyzing and managing the most relevant tax reforms, in order to comply with tax matters in all the companies that make up Genomma Lab Internacional.

For this purpose, we analyze the obligations of each company according to its regime and activities registered with the tax authority, and we carry out a control of these obligations on pre-established dates.

Our strategy is based on the following actions:

- Analysis of the expenses of all companies in Mexico that belong to the Group, in such a way as to avoid non-deductible expenses.
- Automation of processes and controls for tax compliance.
- Recovery of tax refunds.

100 The remaining 3% had a similar Code that was submitted during the homologation process.

Tax governance

There are tax risks derived from the exhaustive processes that the Mexican Tax Authority performs through the implementation of systems such as the CFDI[101], for which the Company implemented different controls, including reconciliations of information from the Tax Administration Service (Servicio de Administración Tributaria, SAT) and our reports.

Likewise, when there is a controversy in the application of the tax provisions, the tax team approaches the Mexican Tax Authority to corroborate and/or define the correct application of the provisions and, thus, avoid any contingency in the future.

Additionally, the tax team validates the materiality of the expenses incurred by each of the group companies in Mexico. The validation is performed through the internal supplier portal, in which the supplier or customer (Genomma Lab Internacional's employee) uploads all the evidence that proves the receipt of the goods or services. There is also an evidence manual so that the individuals responsible for uploading the information know which documents are necessary to accredit the expenses.

101 CFDI stands for "Comprobante Fiscal Digital por Internet" (Digital Tax Receipt via Internet). It is an electronic document used in Mexico to support commercial transactions and is issued through the Tax Administration Service (Servicio de Administración Tributaria, SAT). The CFDI contains detailed information about the transaction, such as the name and Federal Taxpayer Registry (Registro Federal de Contribuyente, RFC) of the issuing company, the date of issuance, the total amount of the transaction, the corresponding tax and other details necessary for tax compliance. The CFDI is mandatory for companies that carry out commercial transactions in Mexico and is used for tax filing and payment.

COMPENSATIONS

(GRI 2-19, 2-20)

Our Ordinary Stockholders' Meeting is responsible for determining and regulating the compensation of the members of the Board of Directors and the Audit and Corporate Practices Committee on an annual basis.

With respect to senior executives, the body in charge is the Board of Directors with the support of the Audit and Corporate Practices Committee, which together seek to ensure that compensation is linked to business results and, above all, in line with current market bases and prices.

The CEO is evaluated on financial metrics such as Return on Equity (ROE), Return on Invested Capital (ROIC) and the performance of the share price in relation to the Mexican Stock Exchange's Price and Quotations Index (IPC).
In the case of quantitative information on the salary scale of the Board of Directors and the Audit and Corporate Practices Committee, it is excluded from the report due to security issues, as well as that of the Company's senior executives.

RISK MANAGEMENT

(GRI 2-12, 2-13, 2-25, 2-26)

At Genomma Lab Internacional, we identify and manage risks that could significantly affect the business, operations, financial situation or operational results of the company in the short, medium and long term.

This process is key to providing the Board of Directors and the various corporate bodies with the necessary tools to establish mitigation plans and/or strategies to minimize the impact of such risks, as well as 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

For the Risk Management process, we have a multidisciplinary team composed of employees from different areas and administrative levels of Genomma Lab Internacional, who are responsible for the main business processes.

The aforementioned team is in charge of identifying and measuring risks based on international methodologies. Throughout the process, the internal and external context of the Company must be considered, in accordance with its geographic location, operations and characteristics of the areas of scope, as well as the opportunities that could have an impact on operations.

Each process goes through the documentation and qualification of the assets and threats of the main components of the risk analysis, following the “Assets, Threats, Vulnerability, Probability and Impact” scheme. Based on the analysis, the Operating Committee designates mitigation plans to minimize the impact of the identified risks on operations. It also develops strategies that allow the company to take advantage of every opportunity that these risks may represent.

The Board of Directors, through the Audit and Corporate Practices Committee, is responsible for monitoring the plans in question. Both the implementation and monitoring of the mitigation plans is the responsibility of the operational teams of each business process that may be impacted according to the risk analysis.

Risks and opportunities related to the environment are identified and monitored by the Global Sustainability Sub-Committee, as well as by the Global Human Resources, Institutional Relations, Social Responsibility and Media Leader, who is particularly responsible for overseeing the process. The implementation of the Sustainability Strategy is one of the main responsibilities. This strategy is composed of action plans to address climate change, such as energy efficiency projects, emission reduction targets and the integration of renewable energies into operations.

MAIN RISKS AND MITIGATION ACTIONS

A continuación, se mencionan y resumen algunos de los principales riesgos de corto, mediano y largo plazo que hemos identificado y su estrategia de mitigación correspondiente. Para mayor información sobre nuestros factores de riesgo consultar el Reporte Anual a la Bolsa Mexicana de Valores (BMV).

https://inversionistas.genommalab.com/wp-content/uploads/2022/04/Reporte-Anual-2022.pdf

Pandemics resulting from human-to-human transmitted diseases

As a result of the pandemic declared by the World Health Organization (WHO) due to the virus known as COVID-19, the authorities and governments of different countries, including Mexico, through the Agreement by which the General Health Council of the United Mexican States recognizes the epidemic of SARS-CoV2 (COVID-19) in the United Mexican States, have decreed measures to prevent its spread. These measures have caused a slowdown in various economic activities in all the countries where the Company operates, such as consumption, tourism, supply chains, among others. During most of 2021, due to the aforementioned pandemic, there was a reduction in activities considered non-essential. A similar situation has been reflected in other key regions where the Company operates, causing a decrease in traffic in the sales centers, and a lower demand for certain products marketed by the Company.

The Company cannot assure that the health situation in Mexico and/or in the different regions where it operates is under control, nor can it anticipate the effects of possible future pandemics and/or global health risks. Such effects could generate economic slowdown, recession and even political and social instability, which could negatively affect the Company's business and financial situation.

Mitigation actions

Follow-up of established strategies for crisis management and business continuity assurance.

Follow-up of health and safety protocols established for the protection of our employees and stakeholders.

Adaptation of the product portfolio to meet current consumer needs.

Strengthening our strategy for e-commerce channels for the benefit of our customers and consumers.

Activation of Fundación Genomma Lab's "Alianzas por el Bienestar" (Alliances for Wellbeing) program, as well as our remote corporate volunteering in support of communities in vulnerable situations.

Adverse economic conditions

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 position could be affected by the instability of consumption in the countries in which we operate, which directly affect the markets in which the Company participates.

Mitigation actions

Updating and strengthening our corporate growth strategy.

Optimizing and innovating our portfolio.

Strengthening our Go-To-Market strategy, promoting initiatives that encourage product accessibility by diversifying our commercial channels.

Strengthening our direct distribution initiative in the traditional channel.

Strengthening our strategy for e-commerce channels for the benefit of our customers and consumers.

Price volatility

Genomma Lab Internacional is a Mexican company and an important part of its operations, 52.2% as of December 31, 2022, are carried out in Mexico and depend on the performance of the Mexican economy. As a result of the foregoing, the Company's business, financial condition and results of operations could be affected by general economic conditions in Mexico, depreciation of the peso against the U.S. dollar, price volatility, inflation, interest rates, changes in oil prices, regulations, taxes, social instability and other political, social and economic factors in and/or relating to Mexico over which the Company has no control. 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. It is not possible to predict that the above conditions will not recur or that such conditions, if they do recur, will not have a material adverse effect on the Company's business, financial condition or results of operations.

Any decrease in the growth rate of the Mexican economy, decrease in the gross domestic product and/or increases in inflation or interest rates could result in a lower demand for Genomma Lab Internacional's products or a decrease in the real prices of its products. Because a high percentage of the Company's costs and expenses are fixed, the Company may not be able to reduce its costs and expenses in the event of any of the aforementioned events, which could negatively affect the Company's profit margins.

Mitigation actions

Diversification of local suppliers.

Purchase of raw material.

Strategic commercial agreements with our suppliers.

No U.S. dollar-denominated debt.

Changes in applicable regulations

The Company currently has operations in 18 countries, which have different regulations regarding such products. Any change in the laws, regulations and interpretations of such laws or regulations could alter the environment in which the Company conducts its business in each country. This includes changes to, among others, health care, pharmaceutical, advertising and consumer protection laws and regulations, as well as changes to accounting standards and tax policies. 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.

The Company's eventual inability to handle legal, regulatory and tax matters (including liability arising from the sale of its products, and matters related to intellectual and industrial property rights) and to resolve matters related to the governmental registration of products required to be sold under current regulations could materially and adversely affect the Company's international business.

Mitigation actions

Complying with the laws and regulations of each country in which we operate.

Commitment to conduct all our business activities in strict compliance with applicable regulations.

Strengthening and continuous development of our regulatory support area.

Constant training of our work teams in regulatory and legal matters.

Compliance with our Integrity Policies, as well as the Code of Conduct and Ethics, which address issues such as human rights non-discrimination and harassment, safety and health, community outreach, environment, culture of legality, conflicts of interest, use of assets, confidential information, anti-money laundering and anti-corruption, relationship with authorities, political contributions, competition, relationship with customers and suppliers, marketing, gifts, hospitality and other courtesies, among other issues.

Encourage the use of the GEN-Te Escucha ethical attention system for reporting cases of non-compliance with our Integrity Policies, Code of Conduct and Ethics and/or applicable regulations.

Promote among the members of our value chain the alignment with our Code of Conduct and Ethics and compliance with applicable regulations.

Impact on the reputation of our brands

The Company's financial success depends directly on its brands. The success of such 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. 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.

In addition, OTC products could give rise to unexpected uncertainty as to safety or efficacy, whether scientifically justified or not, which could result in increased regulation, product recalls, decreased sales, as well as liability actions, and any of the foregoing could have a material adverse effect on the Company's business or results of operations. In the event that any of the Company's products are found to be defective or in breach of applicable specifications, the Company and its distributors may be liable to legal action.

Any prolonged or significant damage to the confidence of the Company's customers or consumers in the reputation, safety or effectiveness of its brands or products could have a substantial adverse effect on the Company's operating and financial results.

Mitigation actions

Assurance of the safety and efficacy of our products through clinical and cosmetic efficacy studies supported by our Medical Management and Regulatory Affairs team. Implementation, follow-up and continuous improvement of the pharmacovigilance process for monitoring the safety of our products.

Implementation, follow-up and continuous improvement of our Quality Management System (QMS).

Compliance and commitment with the responsible labeling of our products under the applicable regulations, endorsed by the areas of Medical Management and Regulatory Affairs.

Monitoring and verification of the advertising content creation process, endorsed by the Medical and Regulatory Management areas.

Signing of advertising codes of ethics in the industrial chambers in which the Company participates.

Consumer expectations

The Company's success depends to a large extent on the appeal of its products to a broad spectrum of customers whose preferences cannot be anticipated with certainty and are subject to change. In the event that the Company's current products do not meet customer expectations, sales could decline.

Additionally, Genomma Lab Internacional's growth depends on its ability to develop new products by expanding its current lines and through modifications to existing products, which involves various risks. The Company may not have the ability to accurately identify its customers' preferences and translate its knowledge into products with consumer acceptance or successfully integrate these new products into its existing product platform or operations. The Company could suffer the consequences of an increase in product development, marketing and advertising expenses, and that such additional costs are not subsequently covered by a sufficient level of sales, which could negatively affect the Company's margins.

In addition, product development could divert the attention of the Company's senior management from other business matters, and this could adversely affect sales of its existing products. Additionally, even if new products are developed on time, such new products may not contribute favorably to the Company's operating results.

Mitigation actions

Optimization of the portfolio and promotion of product innovation.

Strengthening the Go-To-Market strategy.

Incorporating circular economy and eco-design elements in our products. Strengthening our Consumer Intelligence & Analytics (CIA) team.

Manufacturing risks

The increase in production lines at the new manufacturing plant could generate variations in product quality, delays in fulfilling orders, problems adapting to the new business model, among others.

In addition, the new manufacturing plant promises to generate further savings, which could be affected in the event that the Company's current raw material suppliers increase the costs of the products the Company purchases from them. 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.

Mitigation actions

Quality assurance process for raw material suppliers.
Mixed sourcing strategy, combining production at our Industrial Complex and our suppliers of finished products.

Direct negotiation with raw material, APIS and excipient manufacturers to ensure a sustainable supply in the short, medium and long term.

Not to continue operations with those suppliers that failed to match our high quality standards.

Implementing the Genommalink platform, which allows the projection of demand, making early decisions and minimizing the risk of shortages.

Risks in the value chain

At Genomma Lab Internacional 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.

If manufacturers provide deteriorated and/or defective products or products that do not comply with Genomma Lab Internacional's quality control specifications or applicable regulations, the Company's defect and/or return rates could increase. As a consequence of the foregoing, both the organization and its manufacturers may incur liability to all its customers and end consumers, being subject to legal action, as well as our reputation and credibility may be affected.

In addition, the Company imports to Mexico and to countries with local suppliers, such as Argentina, Brazil, Peru, Ecuador, Colombia and the United States, various products and supplies from manufacturers or suppliers located mainly in Mexico, the United States, China, Israel and France. Imported products could give rise to concerns regarding their compliance with regulatory requirements. If the imported products do not meet or appear to not meet the requirements set out in the regulations for each country, their entry could be prohibited and, if they were already in the corresponding territory, they could be withdrawn from the market and this could result in legal action being taken against the manufacturers and distributors of such products.

On the other hand, if the Company's contract manufacturers or suppliers fail to meet delivery requirements or cease doing business with the Company for any reason, the Company could fail to meet delivery times to its distributors and customers, which in turn would cause such customers to cancel orders, refuse to accept product deliveries, demand a lower price or reduce the volume of subsequent orders.

In the event that Genomma Lab Internacional records insufficient inventories to supply products to its customers, sales could decrease significantly and the Company's business would be affected. In addition, if the Company's manufacturers or suppliers were unable to deliver products on time or could not continue to manufacture the products, the Company would have to seek other suppliers of its products, which would involve identifying and certifying new manufacturers.

The Company may not identify or certify on short notice manufacturers of existing or new products, and such manufacturers may not comply with the Company's requirements. Additionally, identifying alternative manufacturers and suppliers with insufficient lead times could compromise required production targets, which could result in additional production costs, delayed production, production of poor quality products or loss of competitive advantage or market positioning.

The consequences of not ensuring timely and adequate manufacturing and supply of merchandise would have a negative impact on inventories, sales and gross margins, and ultimately on the Company's operating results.

In addition, the Company's current manufacturers and suppliers could increase the costs of the products the Company

purchases from them. If manufacturers and suppliers were to increase their prices, Genomma Lab Internacional's cost of sales would increase and margins would be affected if these cost increases were not passed on to its customers or consumers.

On the other hand, the operation of our suppliers and manufacturers could be compromised by breaches of sustainability and social responsibility, such as those related to the violation of human rights, lack of industrial safety measures, non-compliance with ethical criteria, incorrect environmental management or violation of applicable labor and environmental regulations, among others. The presentation of these factors may result in the interruption of the Company's supply by the closure of the facilities of such suppliers, in addition to the generation of reputational risks for Genomma Lab Internacional.

Mitigation actions

Strengthening our Supplier Sustainability Program.

Fulfillment of the goals established in our 2025 Sustainability Strategy in relation to Our Value Chain.

Identifying critical suppliers in the value chain and establishing commercial agreements with them.

Implementation, follow-up and continuous improvement of our Quality Management System (QMS).

Quality audits to suppliers prior to negotiations.

Ensure supplier alignment to our Supplier Code of Conduct and Ethics.

Evaluation of our suppliers in social, environmental and ethical matters.

Strengthening and updating our procurement team.

Logistics Risks

The Company distributes its products in Mexico through a distribution center located in the State of Mexico. A natural disaster or other catastrophe, such as fire, flood, storm, theft, terrorist attack or other similar event could cause delays or interruptions in the distribution of products, as well as loss of inventories, which could cause the Company to be unable to fulfill its customers' orders on time or in full. In the event that an earthquake, fire, natural disaster or other catastrophic event causes the destruction of a significant portion of any distribution center or interrupts the Company's operations for an extended period, the Company's Net Sales and operating results would be affected.

Mitigation actions

Start of operations of the new distribution center in Riverside, California, reducing by 60% the distance for orders from the U.S. West Coast.

Relocation of the Colombia distribution center to its new facilities, increasing its installed capacity from 2,456 to 2,992 storage positions.

Increased transportation occupancy rate of our products through cross-docking, which reduces storage and handling time.

The property security team organizes schedules, routes and continuous reviews of our logistics operators, implementing the highest level of security standards.

Optimization of routes and reduction of our greenhouse gas (GHG) emissions related to logistical transportation in partnership with our suppliers.

Protection of intellectual and industrial property

The Company's inability to obtain or maintain adequate protection of its intellectual and industrial property rights, whatever the cause, could have a negative effect on the Company's business, operating results and financial situation. In addition, Genomma Lab cannot assure that its intellectual and industrial property rights will have the same degree of protection in Mexico as in other countries.

The existence of a market for the Company's products depends to a large extent on the image and reputation associated with its brands and trade names. The Company's product brands and trade names are the vehicle through which the Company communicates that such products are "branded products", and therefore the Company believes that its customers attribute some value to such brands.

Genomma Lab Internacional is the owner of the main brands and trade names that are used for the packaging and labeling, marketing and sale of the Company's most important products. The ownership of its brands prevents them from being used by the Company's competitors and new market entrants.

Therefore, the protection of brands and trade names is of paramount importance to the Company's business. Although most of the brands are registered in Mexico and in the countries in which the Company currently has operations, the Company may not be successful in maintaining the protection of its brands and trade names. Any third party could violate the Company's intellectual and industrial property rights, which could cause a decrease in the value of the brands.
In the event that Genomma Lab Internacional were to lose the exclusive rights to its brands and trade names, or the value thereof were to decrease, or if its competitors were to introduce to the market brands that could cause confusion with the Company's brands, the value attributed by customers to the Company's brands could be affected, which could, in turn, have a material adverse effect on its sales and operating results.

Any infringement of the Company's intellectual property rights could result in the Company devoting substantial time and resources to the defense and protection of such rights through litigation or otherwise, which could have a material adverse effect on the Company's business, results of operations or financial condition. Genomma Lab Internacional cannot assure that it will have the resources to enforce its intellectual property rights or that it will be successful in defending them.

The Company faces the risk of claims by third parties for infringement of intellectual or industrial property rights. The Company's defense of any claim of intellectual property rights infringement, including unfounded claims, could be costly and time-consuming, which could cause the Company to (i) cease manufacturing, licensing, or using products incorporating the disputed intellectual property rights; (ii) redesign, re-engineer and re-brand the products or packaging, if possible; (iii) divert the attention and resources of the Company's key executives; or (iv) have to enter, if possible, into licensing agreements to obtain the right to use the intellectual or industrial property of the third parties in question.

The Company's inability to exploit the brands subject to the claims could have a material adverse impact on the Company's sales and operating results.

Mitigation actions

Comply with and safeguard all applicable intellectual and industrial property regulations.

Brand portfolio management and monitoring.

Comply with our Integrity Policies and Code of Conduct and Ethics that address issues such as culture of legality, conflicts of interest, use of assets, confidential information, competition, relationship with customers and suppliers and marketing, among others.

Alignment with the codes of ethics of the chambers and sectorial associations to which we belong, maintaining adherence to the rules of fair competition, respecting all principles such as legality, truthfulness, honesty, verification and support, among others.

Climate Change Risks or Effects

The Company is exposed to negative effects due to climate change such as increases in raw material and/or production costs, stricter sanitary regulations, enactment of new laws and stricter regulations, and/or reforms to existing environmental laws and/or regulations, specifically related to climate change, changes in consumption patterns and trends, etc., which could affect the Company's sales. This is why Genomma Lab Internacional is committed to the environment and has taken actions to raise awareness in the community about the risks associated with climate change.

For more detail on the identification of the Company's climate, physical and transition risks, please refer to the Report of the Task Force on Climate-related Financial Disclosures (TCFD).

https://esr.genommalab.com/wp-content/uploads/2021/07/Informe_TCFD_-2021_esp.pdf

Mitigation actions

Meeting the goals established in our 2025 Sustainability Strategy in relation to Our Waste Management, Our Water Management and Our Actions in the Face of Climate Change.

Improved efficiency in production and distribution processes.

Increased use of recycled raw materials.
Increased use of low-emission energy sources.
Sustainability training for the entire organization.

Launch of packaging and containers with lower environmental impact.

Cybersecurity

The Company relies on information technology and automated operating systems to manage and support our operations and to deliver our products to customers. Our systems and technology, as well as the services offered by third party providers, may be vulnerable to damage, disruption or intrusion caused by events beyond our control, such as physical or electronic intrusion, power interruption, natural disasters, computer system or network failures, viruses or malware, unauthorized access or cyber-attacks.

Any relevant disruptions in our systems and information leaks or theft could affect our compliance with data privacy laws, harm our relationships with employees, customers and suppliers and have a material adverse effect on our business, financial condition, results of operations and reputation.

Mitigation actions

Compliance with our Integrity Policies, as well as the Code of Conduct and Ethics, which address issues such as conflicts of interest, use of assets, confidential information, anti-money laundering and anti-corruption, among others.

Compliance with our Cybersecurity Policy and training of employees on its content.

Have cybersecurity controls and monitoring in place. Have disaster recovery plans and rapid response teams in place.

Strengthen insurance coverage implementations to strengthen data protection, which are one of the most valuable assets for any company. In particular, we have implemented a state-of-the-art antivirus solution with advanced behavioral and deception prevention techniques specifically designed to combat ransomware attacks. This solution is supported by a team of security experts, located in different parts of the world, who monitor and prioritize malicious operations 24 hours a day, 7 days a week, with real-time alerts.

Supervise the cybersecurity strategy through the member of the Board of Directors and Chairman of the Corporate Practices and Audit Committee specialized in the matter. The cybersecurity strategy is implemented by the Director of Information Technology (IT), supervised by the Global Director of Finance and Administration and the Chief Executive Officer, who is responsible for IT and cybersecurity issues.

Failure in technological 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 Company has to make investments and continuous improvements in its technological infrastructure, such as those belonging to Artificial Intelligence (AI) in order to maintain its level of competitiveness in the market.

Information generated, obtained or received by the Company through its current technology systems may not be timely or sufficient to generate revenue more effectively, manage its risks or react to future events.

The Company may experience difficulties in upgrading, developing and expanding these systems quickly enough to accommodate the growth of its operations. The Company's lack of ability to anticipate current market trends could have a material adverse effect on its competitiveness, financial condition and results of operations.

Mitigation actions

Investment and continuous improvement of technological infrastructure.

Continued transformation to an automated enterprise with reliable real-time information on the constant improvement of our IT verticals, including cybersecurity, communications and collaboration, SAP, IoT, cloud services, artificial intelligence and real-time data.

Implementation of a model applicable to our Manufacturing Plant to perform the analysis and projection of the supply required by the market of a particular product based on the national and international consumption trend and the current economic situation.

Talent retention and attraction

The Company's success depends to a large extent on the performance of the Company's officers and other key employees, as well as its ability to recruit highly qualified executives and other key staff.

The Company's future operations could be affected if any of its senior executives or key staff were to leave the Company. Competition in the market for senior executives is intense and the Company cannot assure that it will be able to retain current personnel or attract additional qualified staff. The loss of a senior executive of the Company would result in the other executives of the Company immediately diverting their attention to carrying out that executive's duties and seeking a replacement.

Genomma Lab Internacional's failure to timely fill vacancies in high-level positions could affect its ability to implement business strategies, resulting in damage to the Company's business and operating results.

Mitigation actions

Fulfillment of the goals established in our 2025 Sustainability Strategy in relation to Our Team. Strengthening our corporate culture.

Development of strategies and action plans according to the areas of opportunity identified in the work climate survey and focus groups. Implementation of training and development programs for our employees.

Communication and application of our Integrity Policies.

Implementation of wellness programs for our employees.

Development of initiatives that promote diversity, inclusion and non-discrimination. Strengthening our talent attraction strategy. Integration of the Talent Committee.

Strengthening of the Performance Evaluation Program.

Defense of Human Rights

Today, societies in general require organizations to demonstrate their commitment to the protection of human rights. For this reason, it is essential that companies link their business objectives with respect for human rights, as well as the prevention and reparation of the damages that their violation could cause. Otherwise, the Company could face future lawsuits, risks to its operations and reputation.

The risks identified based on our business model are those related to the inadequate payment of salaries, benefits and contracts in the subcontracted companies on which we rely to cover some operational positions. Likewise, discrimination against foreign employees, non-compliance with local immigration laws, and verbal and physical harassment, both in our operations and in our value chain.

In Genomma Lab Internacional, our employees are the backbone and the most important factor in the success of our operations, so we have taken the following mitigation measures:

Mitigation actions

Diagnosis and mapping of the main risks of human rights violations in all the Company's operations. (To be completed in 2023).

Strategy, policies and processes involving human rights due diligence.

Adherence of our supply chain to the Supplier Code of Conduct and Ethics.

Awareness and training initiatives generated by the Diversity, Inclusion and Gender Equality Committee.

Communication and training to staff on the Policies for Prevention and Attention to Workplace Harassment, Human Rights, and Code of Conduct.

Ethics Hotline: Gen-Te Escucha

RESULTS ANALYSIS AND DISCUSSION

CONSOLIDATED FULL-YEAR RESULTS 2022

2022 Net Sales

Net Sales for the 12 months of 2022 reached $16.8 billion pesos; an increase of 8.6%, year-over-year.
The increase in sales is mainly attributed to new line extensions, aggressive media campaigns, as well as an increased presence at the point of sale throughout the year.

Net Sales for the 12-month period of 2022 grew $1.3 billion pesos; +8.6% year-over-year.

EBITDA 2022

The EBITDA for the year 2022 was $3.4 billion pesos, compared to $3,209.8 million pesos in 2021. EBITDA margin for the full year 2022 closed at 20.5%; a year-over-year decrease of 20 bps mainly attributable to currency depreciation in some countries where the Company operates, inflationary increases in the cost of certain raw materials, as well as non-recurring growth-related investments.

EBITDA 2022 increased $243.3 million pesos, closing at 20.5%.

Gross profit 2022

Gross Profit reached $10.1 billion pesos during the 12 months of 2022, compared to $9.5 billion pesos in 2021. The gross margin at the end of 2022 decreased 130 bps, closing at 60.4%. The contraction in gross profit margin was mainly due to cost-of-sales inflation, as well as the impact of exchange rate depreciation in some regions where the company operates.

Selling, General, Marketing and Administrative Expenses 2022

Selling, General, Marketing and Administrative Expenses closed at 39.9% as a percentage of sales during 2022, compared to 41.4% reported at year-end 2021. SGM&A's improvement is attributed to marketing efficiencies and lower spending on television and other media.

Comprehensive financing result 2022

The Comprehensive Financing Result represented an expense of $1 billion pesos during 2022, compared to an expense of $734.3 million pesos reported in 2021. An increase in expense of $276.8 million pesos is mainly due to: i) a net increase of $182.8 million pesos year-over-year in the foreign exchange loss; ii) an increase of $65.4 million pesos in the loss related to the monetary position in inflationary subsidiary in Argentina; as well as iii) an increase of $81.3 million pesos in the financial expense during the year 2022. The above was offset by i) an increase of $52.6 million pesos in financial income during 2022.

Income Taxes for 2022

Income Taxes for 2022 reported an increase of $46.4 million pesos, to close at $867.6 million pesos, compared to $914.0 million pesos reported in 2021. The decrease is mainly due to an improvement in the tax effects derived from the distribution of dividends from foreign subsidiaries.

Net income 2022

Net Income reached $1.3 billion pesos during 2022, compared to $1.3 billion pesos of net income in 2021, which represented a variation of $81.3 million pesos year-over-year.

Financial Position 2022

- Working Capital 2022: Working Capital was adjusted during the year and the cash conversion cycle closed at 100 days; an improvement of 9 days versus the close of December 2021.
- Accounts Receivable 2022: Accounts Receivable amounted to $4.2 billion pesos as of December 31, 2022. Accounts receivable days totaled 91 days; a decrease of 9 days compared to the fourth quarter of 2021.
- Inventories 2022: Inventories reached $2.3 billion pesos as of December 31, 2022. Inventory days reached 136 days; a 6-day increase compared to the fourth quarter of 2021.
- Suppliers 2022: Supplier Accounts reached $1.7 billion pesos as of December 31, 2022. Supplier days closed at 127 days reported at the close of December 30, 2022, a 6-day increase compared to the close of December 31, 2020.

Fixed Assets 2022

The Company invested $256.0 million pesos in the 12 months ended December 31, 2022, mainly related to the start-up of the manufacturing lines of the new industrial cluster located in the State of Mexico.

Net Financial Debt 2022

Net Financial Debt showed an increase compared to the end of 2022:

- Cash and Equivalents reached $1.5 billion pesos as of December 31, 2022, representing an increase of 18.9% during 2022.
- Gross Financial Debt reached $6.3 billion pesos as of December 31, 2022, compared to $5.9 billion pesos at the end of 2021, which represented an increase of $473.3 million pesos year-on-year. The Company's total long-term debt represented 24.3% of total debt at the end of 2022.
- Net Financial Debt reached $4.8 billion pesos at the close of the fourth quarter of 2022; an increase of $234.3 million pesos compared to December 31, 2021. During 2022, the Net Debt to EBITDA ratio closed at 1.41x, in line with the Company's leverage expectations.

2022 Share Repurchase Program

The Share Repurchase Program had a total balance of 83,490,027 shares as of December 31, 2022, equivalent to $1.4 billion pesos. In other words, during the 12 months of 2022 the net increase was 30,129,313 shares with a value of $460.4 million pesos.

Free Cash Flow from Operations 2022

Excluding investments in the Company's new manufacturing plant, free cash flow would have reached $1.8 billion pesos for the 12 months of 2022.

Key Financial Ratios

Financial Ratio	At year-end 2022
EV/EBITDA	6.97x
DN/EBITDA	1.41x
PE	12.73x
UPA	1.40 MXN

Analyst Coverage 2022

As of December 31, 2022, LAB B has 11 hedges: Banco Itaú BBA; BBVA Bancomer; UBS Casa de Bolsa; Vector Casa de Bolsa; Barclays Bank; BTG Pactual US Capital; GBM Grupo Bursátil Mexicano.; Banorte Financial Group; Actinver Brokerage House; JP Morgan Securities; and Monex Financial Group.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, 2020, AND INDEPENDENT AUDITORS' REPORT DATED APRIL 28, 2023

To view the official audited information reported to the Mexican Stock Exchange (Bolsa Mexicana de Valores, BMV) in Exhibit N and in the issuer's section of the BMV's website, please click on the following link:

https://inversionistas.genommalab.com/wp-content/uploads/2022/04/Reporte-Anual-2022.pdf

ANNEXES

INDEXES, AWARDS, INITIATIVES AND RANKINGS

INDEXES

Member of the Dow Jones Sustainability MILA Pacific Alliance Index for the third consecutive year. Awarded to companies with the best corporate sustainability practices in the region, including Chile, Colombia, Peru and Mexico.

Member of the S&P Global Sustainability Yearbook 2023, for our environmental, social and corporate governance (ESG) practices.

Member of the S&P/BMV Total Mexico ESG Index for the third consecutive year, which includes the 30 most sustainable companies in Mexico. Previously known as *IPC Sustentable*.

AWARDS

Distintivo Empresa Socialmente Responsable for the 16th consecutive year. Awarded by CEMEFI (Mexican Center for Philanthropy), accrediting us as a Company publicly committed to social responsibility.

Through the organization **Human Rights Campaign (HRC),** we received the *Equidad MX* certificate for the second consecutive year, which acknowledges best practices in human rights and inclusion for the LGBTQ+ community in the workplace. This is the sixth annual edition of the HRC Equidad MX: Global Workplace Equity Program survey with which HRC Mexico evaluates leading Mexican and multinational companies in the following core pillars of LGBTQ+ inclusion: 1) Adoption of non-discrimination policies; 2) Creation of diversity and inclusion resource groups or councils 3) Education and training in LGBTQ+ diversity and inclusion, and 4) Participation in public activities to support LGBTQ+ inclusion.

SUSTAINABILITY INITIATIVES

UNITED NATIONS GLOBAL COMPACT
Since 2008 we have been committed to the United Nations Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

Adherence to the United Nations Women's Empowerment Principles (WEPs). These principles are a joint initiative of UN Women and the Global Compact to provide guidance to the private sector on measures to empower women in the workplace, markets and community.

CDP (Carbon Disclosure Project), disclosure of information on climate change environmental impacts, risks and opportunities. Rating of B in the 2021 Climate Change Assessment.

RANKINGS IN MEXICO

Our Chairman of the Board and Founder, Rodrigo Herrera Aspra, is part of the "merco LÍDERES" ranking, the best valued business leaders in Mexico.

Member of Expansión's "Empresas Responsables" ranking, which recognizes the 100 companies with the best economic, social and environmental measures in Mexico.

We are part of the "500 Empresas contra la Corrupción" ranking of Revista ExpansiónMx. This list is made up of companies that have codes and statements in which they declare their genuine commitment to anti-corruption, based on transparency, publicity, accuracy and scope as part of a commitment against corruption.

INDUSTRY ASSOCIATIONS

Associations related to Personal Care products

Our participation in external forums, such as industry chambers or associations, allows us to continue promoting best practices in our industry and to be an active part of the regulatory evolution throughout the countries in which we operate. It is also a way of keeping us up to date with regulations.

At present, we belong to 12 regulatory and scientific-technical commissions or forums in prestigious chambers and entities in the region within the Personal Care field. We are members of some of the Steering Committees of the chambers in which the Company is involved and actively participate in the commissions on issues relevant to the categories in which we compete.

CHAMBER	COUNTRY	CATEGORY	STATUS	ANNUAL FEE (LOCAL CURRENCY)	EXCHANGE RATE	ANNUAL FEE (USD)	REMARKS
Argentine Chamber of Cosmetics and Perfumes (*Cámara Argentina de la Industria de Cosmética y Perfumería, CAPA*)	Argentina	Cosmetics	Member	$1.454.957,00	$104,61	$13.908	
National Chamber of Commerce of Bolivia (*Cámara Nacional de Comercio Bolivia*)	Bolivia	Cosmetics	Member	$1.200,00	$7,00	$171	The Chamber of Cosmetics is part of the Chamber of Commerce.
Brazilian Association of the Personal Hygiene, Perfumery and Cosmetics Industry (*Asociación Brasileña de la Industria de Higiene Personal, Perfumería y Cosméticos, ABIHPEC*)	Brazil	Cosmetics	Membe	$100.416,00	$5,19	$19.359	
Chamber of Commerce of Costa Rica (*Cámara de Comercio de Costa Rica, CCCR*)	Central America	Multisector	Member	$4.496,00	$1,00	$4.496	
Chilean Chamber of Commerce (*Cámara Chilena de Comercio, CCC*)	Chile	Cosmetics	Member	$-	$-	$7.560	
National Association of Entrepreneurs of Colombia (*Asociación Nacional de Empresarios de Colombia, ANDI*)	Colombia	Cosmetics	Member	$35.472.800,00	$4.199,95	$8.446	
PROCOSMÉTICOS	Ecuador	Cosmetics	Member	$3.208,00	$1,00	$3.208	
Council of the Cosmetics, Personal Hygiene and Home Care Industry of Latin America (*Consejo de la Industria de Cosméticos, Aseo Personal y Cuidado del Hogar de Latinoamérica, CASIC*)	Latam	Cosmetics	Member	$13.500,00	$1,00	$13.500	
National Chamber of the Cosmetic Products Industry and National Association of the Personal and Home Care Products Industry (*Cámara Nacional de la Industria de Productos Cosméticos y Asociación Nacional de la Industria de Productos del Cuidado Personal y del Hogar A.C., CANIPEC*)	Mexico	Cosmetics	Member	$957.261,00	$20,00	$47.863	
Peruvian Cosmetics and Hygiene Guild, (*Gremio Peruano de Cosmética e Higiene, COPECOH*)	Peru	Cosmetics	Member	$11.600,00	$3,80	$3.053	Including CONSALUD
Association of Manufacturers of Personal and Home Care and Hygiene Products (*Asociación de Fabricantes de Productos para el Cuidado e Higiene Personal y del Hogar, AFAPER*)	Dominican Republic	Cosmetics	Member	$90.000,00	$56,41	$1.595	
Personal Care Products Council (PCPC)	U.S.A.	Cosmetics	Member	$12.500,00	$1,00	$12.500	
					Total (USD)	**$135.660**	

Associations related to over-the-counter medicines

In Mexico, we belong to the Association of Manufacturers of Over-the-counter Medicines[1] (Asociación de Fabricantes de Medicamentos de Libre Acceso, AFAMELA) and the National Chamber of the Pharmaceutical Industry (Cámara Nacional de la Industria Farmacéutica, CANIFARMA)[2]. Through these organizations, we participate in forums and working groups for the regulatory interpretation of COFEPRIS[3], propose strategies, processes and standards for the benefit of both consumers and the industry, and have an impact on the acceleration of lagging procedures and the presentation of new perspectives and strategies in health and sanitary regulation. Annual investment AFAMELA: $32,394 USD, CANIFARMA: $59,805 USD.
https://canifarma.org.mx/directorio.xhtml
https://afamela.org/organizaciones-y-asociaciones/

In Brazil, the Brazilian Association of the Self-Care Products Industry (Asociación Brasileña de la Industria de Productos para el Autocuidado de la Salud, ACESSA[4]) promotes the responsible use of OTC medicines and offers ethical guidance and good practices in the communication and marketing of OTC medicines to healthcare professionals and consumers. ACESSA also promotes the global exchange of scientific information on over-the-counter medicines. Annual investment: $12,240 USD.
https://www.acessa.org.br/texto/associados.

In Peru, the Chamber of Commerce of Lima (Cámara de Comercio de Lima, COMSALUD) is a forum for the analysis of proposed amendments to the regulations and offers courses on the application of the amendments. Annual investment: $520 USD.
https://www.camaralima.org.pe/lista-de-gremios/

In Colombia, the Chamber of the Pharmaceutical Industry and the National Association of Entrepreneurs (Asociación Nacional de Empresarios, ANDI) are involved in the review and creation of new regulations for OTC products and their dissemination for the OTC category. Annual investment: ANDI $2,125 USD, Post-consumer Drug Program $7,284 USD.
https://www.andi.com.co/Home/Camara/18-industria-farmaceutica

In Chile, the Chamber of Over-the-counter Medicines (Cámara de Medicamentos de Venta Directa) focuses on board and technical meetings, and in Argentina, the Argentine Chamber of OTC Medicines (Cámara Argentina de Medicamentos de Venta Libre, CAPEMVeL)[5] discusses current issues with the local health authority and proposes provisions to be approved.
Annual investment: $12,000 USD.

In Argentina, through the Argentine Chamber of Producers of Over-the-counter Medicinal Specialty Products (Cámara Argentina de Productores de Especialidades Medicinales de Venta Libre), we participated in the debate on current issues within the local health authority and the draft provisions to be approved by the Institute. Annual investment: Argentina: $8,257 USD.
http://capemvel.org.ar/?page_id=51

Total Annual Investment (Associations related to OTC Medicines): $134,625 USD

1 The Association of Manufacturers of Over the Counter Medicines (Asociación de Fabricantes de Medicamentos de Libre Acceso, A.C., AFAMELA), is a non-profit civil association that since 1985, has promoted the knowledge of over-the-counter medicines in Mexico in a safe, effective and accessible way.
2 Established in 1946 under the Law of Chambers and Business Organizations, the National Chamber of the Pharmaceutical Industry (Cámara Nacional de la Industria Farmacéutica, CANIFARMA) is the institutional representative of this industry in Mexico before the authorities.
3 The Federal Commission for the Protection against Health Risks (Comisión Federal para la Protección contra Riesgos Sanitarios, COFEPRIS) is the regulatory entity whose purpose is to protect the Mexican population from health risks related to the use and consumption of goods and services and healthcare supplies, as well as exposure to environmental and occupational factors, the onset of health emergencies and the provision of healthcare services through the regulation, control and prevention of health risks.
4 The mission of the Brazilian Association of the Self-Care Products Industry (Asociación Brasileña de la Industria de Productos para el Autocuidado de la Salud, ACESSA) is to be a transforming agent in society, highlighting the value of self-care for the sustainability of the healthcare system. This ensures the empowerment of consumers through their education, thus promoting greater freedom of choice and access to products that promote their wellbeing.
5 The Argentine Chamber of Over-the-Counter Medicines (Cámara Argentina de Medicamentos de Venta Libre, CAPEMVeL) is made up of national and international companies that participate in the Argentine market of over-the-counter medicines and share a strong ethical sense of service to the community. CAPEMVeL is a member of the Global Self-Care Federation, a non-governmental organization officially affiliated with the World Health Organization.

STAKEHOLDER ENGAGEMENT

(GRI 2-23, 2-24, 2-29)

We are a transparent company and strive to maintain ongoing communication with our stakeholders. This is regulated in our Stakeholder Engagement Policy, which mentions the channels we make available to listen to their needs, concerns and expectations.

This constant communication helps us to identify, analyze and prioritize our stakeholders' critical concerns which could become a risk to our Company. We use tools such as our ethical hotline "Gen Te Escucha" or our Environmental and Social Management System (ESMS) to prevent and mitigate these risks. Our ESMS seeks to continuously improve by measuring our operations' environmental and social performance, strengthening our human resources policies, improving working conditions, identifying risks to establish occupational health and safety action plans, and maintaining a positive long-term relationship with the communities surrounding our operations. This system is based on the Inter-American Development Bank (IDB) and International Finance Corporation (IFC) guidelines.

STAKEHOLDERS	RELATION	IDENTIFIED CONCERNS	COMMUNICATION CHANNELS	RESULTS
Employees	We consider our employees to be the main stakeholder group within our organization. We care about their well-being and provide them with opportunities to develop their talents, always in compliance with equal opportunities, diversity, inclusion and human rights. We do not tolerate any type of discrimination, harassment or violence in the workplace. In addition, we ensure that they have a safe and healthy work environment, complying with regulations and promoting continuous improvement	• Corporate culture • Organizational climate • Training • Programs and benefits for employees and their families • Concern for the physical and mental well-being of our employees	• Internal communication • Social platform "GEN APP", which allows daily interaction between employee • Annual organizational climate survey • Ethical hotline "GEN Te-Escucha" • Town Hall Sessions • Open dialogue sessions with the CEO • Employee Assistance Program (Psychological Counseling, Legal Assistance, Financial and Accounting Assistance and Nutritional Counseling)	• Understanding employees' needs • Communication of organizational changes, training and benefits • Improving the work environment • Knowledge of company values and Corporate Integrity Policies • Reporting ethics cases
Investors	We strive to ensure the financial sustainability of the company, in a framework of transparency and legality, ensuring the lasting success of the Company and the generation of profitability for our shareholders, so that they continue to place their trust in us.	• Financial performance of the Company • Stock performance • Sustainability disclosure and performance • Risk and opportunity management	• Direct communication with the Investor Relations area • Periodic meetings • Quarterly financial reports • Investor relations website • Annual Report • Press Release	• Understanding of the Company's economic, environmental and social performance • Transparency and reliability with investors • Investor attraction

STAKEHOLDERS	RELATION	IDENTIFIED CONCERNS	COMMUNICATION CHANNELS	RESULTS
Clients and consumers	We are committed to offering high quality products that meet the necessary regulatory and legal standards and at an affordable price. We work as a team to ensure the satisfaction of our customers and consumers by continuously improving our processes throughout the value chain, from our suppliers to our consumers. We strive to provide exceptional service before, during and after the purchase of our products, ensuring their timely availability.	• Price and quality of products and services • Responsibility towards the environment • Adverse reaction or adverse event when using any of our products	Customers • Direct relationship with sales representatives • Website • Customer service hotline • Ethical hotline “GEN Te-Escucha” Consumers • Website • Consumer hotline • Social media • Genomma Lab Internacional's Pharmacovigilance, Technovigilance and Cosmetovigilance Line.	Customers • Communicating our product and service assortment, prices and quality • Customer satisfaction and exceeding expectations Consumers • Consumer satisfaction • Understanding of expectations • Prompt attention in response to any adverse reaction or adverse event resulting from the use of any of our products. It can be reported through our official communication channels.
Suppliers and business partners	We focus on having an efficient and sustainable supply chain, establishing long-term relationships with our suppliers. We have a Supplier Code of Conduct and Ethics to verify and encourage our suppliers' commitment to sustainability, prioritizing respect for human rights and environmental management, as well as their employees' well-being.	• Efficient and sustainable supply chain • Ethics and legal compliance • Quality of products and services • Alignment with Company values and policies	• Direct communication with purchasing representatives • Supplier website • Ethical hotline “GEN Te-Escucha”	• Efficient supply chain • Long-term relationships • Alignment with Company values, standards and policies • Supplier Sustainability Program • Increased efficiency, reliability and transparency
Communities	We seek to manage our business objectives in an ethical manner and foster the connection with our stakeholders, especially with the surrounding communities, contributing to the Sustainable Development Goals and the company's Sustainability Model in all the areas where we operate, making a positive impact and generating alliances to establish programs for access to health and well-being.	• Open dialogue with the community close to the operations • Company's responsibility and commitment towards the environment	• Direct communication with the social responsibility and sustainability area • Ethical hotline “GEN Te-Escucha” • Dialogue with surrounding communities • Social initiatives • Volunteering • Genomma Lab Internacional Foundation Programs • Corporate volunteering	• Identifying concerns and needs • Comprehensive well-being • Trusting relationships • Social license to operate • Mitigation of social and environmental risks

STAKEHOLDERS	RELATION	IDENTIFIED CONCERNS	COMMUNICATION CHANNELS	RESULTS
Authorities	We manage our operations and relations with governmental, regulatory and legislative authorities always in line with the applicable laws and regulations in the countries where we operate, in addition to acting in accordance with the provisions of our Integrity Policies, such as our Code of Conduct and Ethics and Anti-Corruption Policy.	• Ethics and legal compliance • Culture of legality • Labor Practices • Environmental Performance	• Direct communication with the regulatory affairs area • Direct communication with the legal department • Direct communication with the tax department	• Legal compliance • Adaptation to new local, national and regional regulations • Reduction of legal risks • Increasing the Company's trust and reputation
NGO members	We establish strategic relationships with non-profit organizations, such as foundations and institutions of health, education, protection of Human Rights, local and regional with the aim of promoting welfare initiatives for vulnerable communities and groups.	• Company's sustainability performance • Building alliances to promote the development of the environment • Accessibility to well-being and health programs	• Direct communication with the social responsibility and sustainability area • Website • Annual Report	• Understanding of the Company's economic, environmental and social performance • Building strategic alliances to drive the development of the environment • Collaboration in capacity building projects
Multilateral organizations and sectorial chambers	In 2018, the World Bank's IFC and the Inter-American Development Bank's IDB Invest provided us with long-term financing to support our first manufacturing project in Mexico, providing us with offering strategic advice on various technical, social, and environmental aspects. In addition, since 2008 we have been a signatory 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 be an active part in the regulatory evolution in all the countries where we operate.	• Company's responsibility and commitment towards the environment • Ethics and legal compliance • Environmental Performance • Promoting best practices in the industry	Multilateral organizations • Direct communication with the Investor Relations area • Direct communication with the legal department • Direct communication with the social responsibility and sustainability area • Annual Report Sectoral Chambers • Direct communication with the regulatory affairs area • Periodic meetings • Annual conferences and forums • Specialized committees and working groups dealing with the international context	Multilateral organizations • Understanding of the Company's economic, environmental and social performance • Implementation of environmental and social best practices • Reduction of environmental and social risks. Sectoral Chambers • Development of coordinated initiatives with industry chambers • Adaptation to new local, national and regional regulations • Sharing industry best practices

COMPLEMENTARY INFORMATION
CORPORATE CULTURE

Diversity breakdown: U.S.A.

BREAKDOWN	PERCENTAGE (0-100%) OF TOTAL WORKFORCE	PERCENTAGE IN ALL MANAGEMENT POSITIONS, INCLUDING JUNIOR AND SUBORDINATE (AS % OF TOTAL WORKFORCE)
NUMBER OF ASIAN PEOPLE	3%	0%
NUMBER OF AFRICAN-AMERICAN PEOPLE	0%	0%
NUMBER OF HISPANIC OR LATINO PEOPLE	43%	50%
NUMBER OF CAUCASIAN PEOPLE	45%	42%
NUMBER OF INDIGENOUS PEOPLE	0%	0%
OTHER (SPECIFY)	9%	8%

Diversity breakdown: Brazil

BREAKDOWN	PERCENTAGE (0-100%) OF TOTAL WORKFORCE	PERCENTAGE IN ALL MANAGEMENT POSITIONS, INCLUDING JUNIOR AND SUBORDINATE (AS % OF TOTAL WORKFORCE)
NUMBER OF ASIAN PEOPLE	1%	0
NUMBER OF AFRICAN-AMERICAN PEOPLE	11%	3%
NUMBER OF HISPANIC OR LATINO PEOPLE	3%	3%
NUMBER OF CAUCASIAN PEOPLE	85%	94%
NUMBER OF INDIGENOUS PEOPLE	0	0
OTHER (SPECIFY)		

MATERIALITY STUDY

(GRI 3-1, 3-2)

During this period, we managed the detailed review of the materiality analysis performed in 2021, which was conducted based on the following methodology:

1. Selection of representatives of 11 key internal and external stakeholders (customers, consumers, suppliers and/or business partners, authorities, investors, NGOs, sectoral chambers, multilateral organizations, employees and the surrounding community) to consult them on relevant issues and identify the priority issues for the organization.
2. Review of the sustainability context (GRI, SDG, CSA standards, among others) to generate a preliminary list of potential material issues.
3. Learn best practices from companies in the sector.
4. Conduct internal and external stakeholder questionnaire.
5. Analysis of results.
6. Linking results with the Company's risks, SDGs selected by Genomma Lab Internacional, issues included in the 2025 Sustainability Agenda, among others.
7. Preparation of materiality matrix.

The **material issues identified as priorities are 13**, divided into economic, environmental and social axes. These results were reviewed and approved by the Board of Directors. In addition, the Board entrusted the Global Sustainability Committee with the authority to address social, economic and environmental issues. This Committee is led by the Chairman of the Board and the Chief Executive Officer. The Global Leader of Social Responsibility, Human Resources, Institutional Relations and Media is responsible for consulting with stakeholders on economic, environmental and social issues.

In order to keep our materiality matrix updated, this year the Company analyzed it in order to determine if the actual and potential impacts were current. Accordingly, we screened the material topics of "Biotechnology and Pharmaceuticals" and "Personal Care and Household Products" sectors against the parameters of the **Sustainability Accounting Standards Board (SASB),** in addition to the criteria highlighted in **S&P Global's Corporate Sustainability Assessment (CSA)** questionnaire.

This has resulted in certain modifications to the materiality matrix that can be identified below:

PRIORITIZED MATERIAL ISSUES

ENVIRONMENTAL
1. Climate Change
2. Water Management
3. Packaging and Waste
4. Operational Waste

SOCIAL
5. Promoting health and wellness, including affordability and accessibility
6. Talent attraction, development and health of our employees
7. Diversity, inclusion and gender equity in our team
8. Community outreach

ECONOMIC
9. Product safety and quality
10. Responsible management of the value chain
11. Consumer satisfaction
12. Anti-corruption practices
13. Innovation

We have therefore decided to integrate the dimensions of **accessibility and affordability** into the material topic of "Promoting health and well-being" since, in addition to being part of industry trends, they are also part of our growth strategy. On the other hand, due to the beginning of operations of our new Industrial Complex, we consider that the concept of **safety and health** of our employees should be included within the material topic "Attracting talent, developing our employees". Finally, the **the innovation approach,** which is present in the CSA questionnaire, and is also an important point in our growth strategy, will be included as a new material topic.

GRI INDEX

Genomma Lab has prepared the report in accordance with the GRI Standards for the period from January 1 to December 31, 2022.

GRI standard		Content	Location	OMISSION		
				Omitted requirement	Rationale	Explanation
GRI 1: Fundamentals 2021						
General Disclosures						
GRI 2: Contenidos Generales 2021	2-1.	Organizational details	10			
	2-2.	Entities included in the organization's sustainability reporting	4, 196			
	2-3.	Reporting period, frequency and contact point	196			
	2-4.	Restatements of information	196			
	2-5.	External assurance	196			
	2-6.	Activities, value chain and other business relationships	8, 10, 58, 69			
	2-7.	Employees	86			
	2-8.	Workers who are not employees	97			
	2-9.	Governance structure and composition	146, 147, 151, 155			
	2-10.	Nomination and selection of the highest governance body	146			
	2-11.	Chair of the highest governance body	147			
	2-12.	Role of the highest governance body in overseeing impact management	150, 163			
	2-13.	Delegation of responsibility for managing impacts	150, 163			
	2-14.	Role of the highest governance body in sustainability reporting	150, 151, 155, 196			
	2-15.	Conflicts of Interest	150, 151			
	2-16.	Communication of critical concerns	151			
	2-17.	Collective knowledge of the highest governance body	147			
	2-18.	Evaluation of the performance of the highest governance body	150			
	2-19.	Remuneration policies	162	a. Describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits	Confidentiality	Information regarding compensation policies for members of the highest governance body and senior executives is of a sensitive nature for the organization, and therefore will not be disclosed in the 2022 report

GRI standard		Content	Location	OMISSION		
				Omitted requirement	Rationale	Explanation
GRI 2: General Disclosures 2021	2-20.	Process to determine remuneration	162	b. Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Confidentiality	Information regarding compensation policies for members of the highest governance body and senior executives is of a sensitive nature for the organization, and therefore will not be disclosed in the 2022 report
	2-21.	Annual total compensation ratio	-	Annual total compensation ratio	Confidentiality	Information regarding the annual compensation ratio is of a sensitive nature for the organization, therefore it will not be disclosed in the 2022 report
	2-22.	Statement on sustainable development strategy	5			
	2-23.	Policy commitments	16, 18, 20, 159, 160, 180			
	2-24.	Embedding policy commitments	18, 20, 160, 180			
	2-25.	Processes to remediate negative impacts	157, 163			
	2-26.	Mechanisms for seeking advice and raising concerns	157, 163			
	2-27.	Compliance with laws and regulations	38, 127, 160			
	2-28.	Membership associations	44, 80			
	2-29.	Approach to stakeholder engagement	21, 180			
	2-30.	Collective bargaining agreements	97			
GRI 3: Material Topics 2021	3-1.	Process to determine material topics	184			
	3-2.	List of material topics	184			
Innovation						
GRI 3: Material Topics 2021	3-3.	Management of material topics	23			
Responsible management of the value chain						
GRI 3: Material Topics 2021	3-3.	Management of material topics	56, 58, 59, 61			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	57			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that have successfully passed evaluation and selection filters in accordance with environmental criteria	58, 61			
	308-2	Negative environmental impacts in the supply chain and actions taken	58, 59, 61			

GRI standard		Content	Location	OMISSION		
				Omitted requirement	Rationale	Explanation
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	58, 61, 96			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	58, 61, 96, 97			
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	58, 61, 96, 97			
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	58, 61			
	414-2	Negative social impacts in the supply chain and actions taken	58, 61			
Anti-corruption practices						
GRI 3: Material Topics 2021	3-3.	Management of material topics	157			
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	161			
	205-2	Communication and training about anti-corruption policies and procedures	58, 59, 61, 160			
	205-3	Confirmed incidents of corruption and actions taken	161			
GRI 415: Public Policy 2016	415-1	Political contributions	161			
Packaging and Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	142			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	142			
	301-2	Recycled input materials used	142			
	301-3	Reclaimed products and their packaging materials	-	Reused products and packaging materials	Information not available	Records of recovered products and wrapping/ packaging materials are not kept for each category of our products.
Climate Change						
GRI 3: Material Topics 2021	3-3.	Management of material topics	140			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	137			
	302-2	Energy consumption outside of the organization	137			
	302-3	Energy intensity	137			
	302-4	Reduction of energy consumption	137			

GRI standard		Content	Location	OMISSION		
				Omitted requirement	Rationale	Explanation
GRI 302: Energy 2016	302-5	Reductions in energy consumption of products and services	137			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	141			
	305-2	Indirect (Scope 2) GHG emissions from power generation	141			
	305-3	Other indirect (Scope 3) GHG emissions	141			
	305-4	GHG emissions intensity	141			
	305-5	Reduction of GHG emissions	141			
	305-6	Emissions of Ozone-depleting substances (ODS)	-	Emissions of substances that deplete the ozone layer (ODS)	Information not available	Genomma Lab Internacional does not currently measure this type of emissions
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Information not available	Genomma Lab Internacional does not currently measure this type of emissions
Water Management						
GRI 3: Material Topics 2021	3-3.	Management of material topics	136			
GRI 303: Water and Effluents 2018	303-1	Interaction with water as a shared resource	136			
	303-2	Management of water discharge-related impacts	136			
	303-3	Water withdrawal	136			
	303-4	Water discharge	136			
	303-5	Water consumption	136			
Operating Waste						
GRI 3: Material Topics 2021	3-3.	Management of material topics	130			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	130			
	306-2	Management of significant waste-related impacts	130			
	306-3	Waste generated	131			
	306-4	Waste diverted from disposal	131			
	306-5	Waste directed to disposal	131			
Talent attraction and employee development						
GRI 3: Material Topics 2021	3-3.	Management of material topics	85			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	89			

GRI standard		Content	Location	OMISSION		
				Omitted requirement	Rationale	Explanation
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	93			
	401-3	Parental leave	93			
GRI 403: Occupational health & safety 2018	403-1	Occupational health and safety management system	111			
	403-2	IPER - Incident investigation	112			
	403-3	Occupational health services	113			
	403-4	Worker participation, consultation, and communication on occupational health and safety	112			
	403-5	Worker training on occupational health and safety	114			
	403-6	Promotion of worker health	113			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	113			
	403-8	Workers covered by an occupational health and safety management system	111			
	403-9	Work-related injuries	114			
	403-10	Work-related ill health	114			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	106			
	404-2	Programs for upgrading employee skills and transition assistance programs	106			
	404-3	Percentage of employees receiving regular performance and career development reviews	102			
Boosting health and wellness						
GRI 3: Material Topics 2021	3-3.	Management of material topics	46			
Diversity, inclusion and gender equity in our team						
GRI 3: Material Topics 2021	3-3.	Management of material topics	98			
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity of governance bodies and employees	86, 98			
	405-2	Ratio of basic salary and remuneration of women to men	98			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	97			
Community outreach						
GRI 3: Material Topics 2021	3-3.	Management of material topics	115			

GRI standard		Content	Location	OMISSION		
				Omitted requirement	Rationale	Explanation
GRI 413: Comunidades Locales 2016	413-1	Operations with local community engagement, impact assessments, and development programs	115			
	413-2	Operations with significant actual and potential negative impacts on local communities	115			
Product safety and quality						
GRI 3: Material Topics 2021	3-3.	Management of material topics	36, 42			
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	36			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	38, 39			
Consumer Satisfaction						
GRI 3: Material Topics 2021	3-3.	Management of material topics	53			
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	41, 77			
	417-2	Incidents of non-compliance concerning product and service information and labeling	53, 77			
	417-3	Incidents of non-compliance concerning marketing communications	77			
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	53			

BIOTECHNOLOGY AND PHARMACEUTICALS

Topic	Accounting parameter	Code	Location	Omission
Safety of participants in clinical trials	Analysis by world region of the management process to ensure quality and patient safety during clinical trials	HC-BP-210a.1	37	
	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	37	
	Total amount of monetary losses resulting from legal proceedings associated with clinical trials in developing countries.	HC-BP-210a.3	37	

Topic	Accounting parameter	Code	Location	Omission
Access to medicines	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	47	
	Products on the WHO List of Prequalified Medicinal Products as part of the WHO Prequalification of Medicines Programme (PQP)	HC-BP-240a.2	48	

Topic	Accounting parameter	Code	Location	Omission
Affordability and pricing	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	161	
	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	48	
	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	48	
Drug safety	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	39	
	Number of product-associated deaths according to the FDA Adverse Event Reporting System	HC-BP-250a.2	39	
	Number of recalls issued, total number of units recalled	HC-BP-250a.3	44	
	Total quantity of product accepted for recovery, reuse or disposal	HC-BP-250a.4	44	
	Number of FDA enforcement actions adopted in response to current GMP violations, by type3	HC-BP-250a.5	39	
Counterfeit medicines	Description of the methods and technologies used to maintain product traceability throughout the supply chain and prevent counterfeiting	HC-BP-260a.1	43	
	Analysis of the process for alerting customers and business partners of potential or known risks associated with counterfeit products	HC-BP-260a.2	43	
	Number of actions that resulted in raids, seizures, detentions or filing of criminal charges related to counterfeit products	HC-BP-260a.3	43	

Topic	Accounting parameter	Code	Location	Omission
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings related to false promotional claims	HC-BP-270a.1	77	
	Description of the code of ethics regulating the advertising of uses for unauthorized product directions	HC-BP-270a.2	77	
Employee recruitment, development and retention	Analysis of talent recruitment and retention efforts for scientific and research and development staff	HC-BP-330a.1	89	
	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	-	Information not available related to voluntary and involuntary turnover rate by labor category
Supply chain management	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	58	
Business ethics	Total amount of monetary losses as a result of legal proceedings related to corruption and bribery	HC-BP-510a.1	160	
	Description of the code of ethics governing interactions with healthcare professionals	HC-BP-510a.2	160	

ACTIVITY PARAMETER	Code	Location	Omission
Number of patients treated	HC-BP-000.A	13	
Number of drugs (1) in the pipeline and (2) in research and development (Phases 1-3)	HC-BP-000.B	13	

PERSONAL AND HOME CARE

Topic	Accounting parameter	CODE	Location	Omission
Water Management	(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	136	
	Description of water management risks and analysis of strategies and practices to mitigate them	CG-HP-140a.2	136	
Environmental, health and safety performance of the product	Revenue from products containing Substances of Very High Concern (SVHC) according to REACH regulation	CG-HP-250a.1	39	
	Revenue from products containing substances included in California's list of candidate chemicals for toxic substances control (DTSC)	CG-HP-250a.2	39	
	Analysis of the process of identification and management of new materials and chemicals of interest	CG-HP-250a.3	40	
	Revenue from products designed according to the principles of green or sustainable chemistry	CG-HP-250a.4	39	

Topic	Accounting parameter	CODE	Location	Omission
Packaging Lifecycle Management	(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	142	
	Analysis of strategies to reduce the environmental impact of packaging throughout their life cycle	CG-HP-410a.2	142	
Environmental and social impacts of the palm oil supply chain	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	60	

ACTIVITY PARAMETER	CODE	Location	Omission
Units of product sold, total weight of products sold	CG-HP-000.A	13	
Number of manufacturing facilities	CG-HP-000.B	64	

SUSTAINABLE DEVELOPMENT GOALS INDEX

SDG	Goal	GRI correlation		Content	Location
1 FIN DE LA POBREZA	1.4	**GRI 413: Local communities 2016**	413-2	Operations with significant actual and potential negative impacts on local communities	115
2 HAMBRE CERO	2.3				
3 SALUD Y BIENESTAR	3.2	**GRI 401: Employment 2016**	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	93
			401-3	Parental leave	93
	3.3	**GRI 403: Occupational health & safety 2018**	403-1	Occupational health and safety management system	111
	3.6			Work-related injuries	114
	3.7		403-6	Promotion of worker health	113

SDG	Goal	GRI correlation		Content	Location
3 SALUD Y BIENESTAR	3.9	**GRI 305: Emissions 2016**	305-1	Reduction in energy requirements of products and services	141
			305-2	Direct (Scope 1) GHG emissions	141
			305-3	Indirect (Scope 2) GHG emissions from power generation	141
			305-6	Reduction of GHG emissions	141
			305-7	Emissions of Ozone-depleting substances (ODS)	141
		GRI 306: Waste 2020	306-4	Waste diverted from disposal	131
4 EDUCACIÓN DE CALIDAD	4.3	**GRI 404: Training and Education 2016**	404-1	Average hours of training per year per employee	106
	4.4				
	4.5				

SDG	Goal	GRI correlation		Content	Location
5	5.1	**GRI 405: Diversity and equal opportunities 2016**	405-1	Diversity of governance bodies and employees	86, 98
	5.5				
	5.2	**GRI 414: Supplier Social Assessment**	414-1	New suppliers that were screened using social criteria	58, 61
	5.1	**GRI 401: Employment 2016**	401-1	New employee hires and employee turnover	89
	5.4		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	93
6	6.A	**GRI 303: Water and Effluents 2018**	303-1	Interaction with water as a shared resource	136
	6.B				
	6.3		303-2	Management of water discharge-related impacts	136
			303-3	Water withdrawal	136
	6.4			Water discharge	136
			303-5	Water consumption	136
	6.3	**GRI 306: Waste 2020**	306-2	Management of significant waste-related impacts	130
	6.4		306-3	Waste generated	131
	6.6		306-3	Waste generated	131
7	7.2	**GRI 302: Energy 2016**	302-2	Energy consumption outside of the organization	137
	7.3		302-3	Energy intensity	137
8	8.4	**GRI 302: Energy 2016**	302-1	Energy consumption within the organization	137
			302-4	Reduction of energy consumption	137
			302-5	Reductions in energy consumption of products and services	137
		GRI 301: Materiales 2016	301-3	Reclaimed products and their packaging materials	142
	8.5	**GRI 401: Empleo 2016**	401-1	New employee hires and employee turnover	89
	8.6				
	8.5	**GRI 404: Training and Education 2016**	404-2	Programs for upgrading employee skills and transition assistance programs	106
	8.2		404-3	Percentage of employees receiving regular performance and career development reviews	102

SDG	Goal	GRI correlation		Content	Location
	8.5	**GRI 405: Diversity and equal opportunities 2016**	405-2	Ratio of basic salary and remuneration of women to men	99
8	8.8	**GRI 403: Occupational health & safety 2018**	403-2	IPER - Incident investigation	111
			403-3	Occupational health services	111
			403-4	Worker participation, consultation, and communication on occupational health and safety	111
			403-5	Worker training on occupational health and safety	111
				Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	111
			403-8	Workers covered by an occupational health and safety management system	111
	8.8	**GRI 406: Non-discrimination 2016**	406-1	Incidents of discrimination and corrective actions taken	96
10	10.3	**GRI 401: Employment 2016**	401-1	New employee hires and employee turnover	89
	10.3	**GRI 405: Diversity and equal opportunities 2016**	405-1	Diversity of governance bodies and employees	86, 98
12	12.2	**GRI 301: Materials 2016**	301-1.	Materials used by weight or volume	142
	12.5		301-2	Recycled input materials used	142
	12.2	**GRI 302: Energy 2016**	302-1	Energy consumption within the organization	137
	12.4	**GRI 306: Waste 2020**	306-1	Waste generation and significant waste-related impacts	130
	12.5		306-2	Management of significant waste-related impacts	130
	12.8	**GRI 417: Marketing and labeling 2016**	417-1	Requirements for product and service information and labeling	41
13	13.4	**GRI 305: Emissions 2016**	305-4	Other indirect (Scope 3) GHG emissions	141
	13.1	**GRI 305: Emissions 2016**	305-5	GHG emissions intensity	141
14	14.1	**GRI 306: Waste 2020**	306-1	Waste generation and significant waste-related impacts	130
	14.2	**GRI 306: Waste 2020**	306-5	Waste directed to disposal	131

SDG	Goal	GRI correlation		Content	Location
	15.1	**GRI 306: Waste 2020**	306-5	Waste directed to disposal	131
	15.5	**GRI 306: Waste 2020**	306-5	Waste directed to disposal	131
	16.1	**GRI 414: Supplier Social Assessment**	414-2	Negative social impacts in the supply chain and actions taken	58
	16.2	**GRI 408: Child Labor 2016**	408-1	Operations and suppliers at significant risk for incidents of child labor	58, 61
	16.5	**GRI 205: Anti-Corruption 2016**	205-1	Operations assessed for risks related to corruption	160
			205-2	Communication and training about anti-corruption policies and procedures	58, 160
		**GRI 415: Public Policy 2016**	415-1	Political contributions	160
	16.3	**GRI 416: Customer health and safety 2016**	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	36
	16.3	**GRI 417: Marketing and labeling 2016**	417-2	Incidents of non-compliance concerning product and service information and labeling	41, 77
			417-3	Incidents of non-compliance concerning marketing communications	77
	16.10	**GRI 418: Customer privacy 2016**	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	53

REDES SOCIALES

Verification Letter of 2022 Annual Report "Our path to success"

To the Board of Directors of Genomma Lab Internacional, S.A.B. de C.V.:

We inform you that Redes Sociales en Línea Timberlan was contracted to carry out a limited and independent verification of a sample of GRI Disclosures (listed below), published in the 2022 Annual Report "Our road to success"("2022 Annual Report 2022") of Genomma Lab International, covering the period from 1st January to 31st December 2022.

Our commitment is to provide impartial and objective opinions about the certainty, traceability and reliability of the GRI Disclosures selected as a sample to verify and published in the "2022 Annual Report". The information report has been validated as compliant with the methodological requirements in accordance with the GRI Standards. Our work considered the activities of the International Standard on Insurance Work (ISAE 3000) "Insurance Work Other than Audits or Reviews of Historical Financial Information".

The Genomma Lab Direction is responsible for the information published in the "2022 Annual Report" and that presented in the verification process, which implies, in a more unrestricted manner, the process of selection of material issues, the GRI Disclosures report and provide true and sufficient documentary and/or visual evidence to verify the GRI Disclosures selected.

Among the activities carried out during the verification process are listed :

- Qualitative and quantitative data verification by means of visual, documentary and public evidence,
- Validation of information presented in previous reports,
- Review of methodological compliance to GRI Standards
- Quantitative data analysis

As a result of the verification exercise, the information and evidence analyzed; we can conclude that we do not find any factor that makes us consider that the GRI Disclosures data selected to verify and published in the 2022 Annual Report are not reliable.

An internal report of recommendations, exclusive to Genomma Lab International, containing the areas of opportunity detected for a future report is delivered separately.

GRI Disclosures verified sample		Scope
Environmental		
302-1	Energy consumption within the organization	Mexico
303-3	Water withdrawal	Mexico
303-5	Water discharge	Mexico
305-1	Direct (Scope 1) GHG emissions	Mexico
305-2	Energy indirect (Scope 2) GHG emissions	Mexico
305-3	Other indirect (Scope 3) GHG emissions	Mexico
306-3	Waste generated	Mexico
306-4	Waste diverted from disposal	Mexico
306-5	Waste directed to disposal	Mexico
308-1	New suppliers that were screened using environmental criteria	GLI
Social		
403-9	Work-related injuries	GLI
403-10	Work-related ill health	GLI
404-1	Average hours of training per year per employee	GLI
406-1	Incidents of discrimination and corrective actions taken	GLI
417-1	Requirements for product and service information and labeling	GLI
417-2	Incidents of non-compliance concerning product and service information and labeling	GLI
417-3	Incidents of non-compliance concerning marketing communications	GLI
Governance		
2-23	Policy commitments	GLI
2-25	Processes to remediate negative impacts	GLI
2-27	Compliance with laws and regulations	GLI
2-28	Membership associations	GLI
415-1	Political contributions	GLI

Alma Paulina Garduño Arellano
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Declaration independence and competence of Timberlan Online Social Networks
The collaborators of Redes Sociales en Línea Timberlan have the level of competence necessary to verify compliance with the standards used in the preparation of the Sustainability report, so they can issue a professional opinion of the Reports of non-financial information, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior In no case can our declaration of verification be understood as an audit report so that 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 22nd, 2023** and is valid as long as it is not make subsequent and substantial modifications to the 2022 Annual Report "Our path to success" of Genomma Lab Internacional S A B. de C.V.

ABOUT THIS REPORT

(GRI 2-2, 2-3, 2-4, 2-5, 2-14)

This report was prepared in accordance with the **Global Reporting Initiative (GRI) Standards,** using the new **2021 Universal Standards and the Sustainability Accounting Standards Board** (SASB) parameters of the (i) Personal and Home Care Products and (ii) Biotechnology and Pharmaceuticals sectors. We also considered the interests of investors and other key stakeholders through **S&P Global's Corporate Sustainability Assessment** (CSA) requirements. This report also includes the actions taken to contribute to the **Sustainable Development Goals** (SDGs) and the **10 principles of the United Nations Global Compact.**

This report's scope includes all entities and subsidiaries covered by the audit of our consolidated financial statements. The previous edition corresponded to the year 2021 and was published in 2022. This report is published annually.

This document was prepared by an external consulting firm together with Genomma Lab's sustainability team and has been validated by the Board of Directors. In addition, it was subjected to external verification by an independent third party.

It is important to note that the contents of this report have informational purposes only and should not be considered as official information for Genomma Lab Internacional, S.A.B. de C.V. and its subsidiaries. In addition, it is important to mention that some information in this report, except for financial information, contains statements about future events and is based on the current understanding of the company's management, as well as on assumptions and information available at this time.

However, it is important to note that these statements are subject to certain risks, uncertainties and assumptions; that many factors could cause the Company's current results, performance or achievements to differ from any future results, performance or achievements mentioned in these statements. In addition, Genomma Lab undertakes no obligation to update these forward-looking statements.

INFORMATION FOR INVESTORS AND STAKEHOLDERS

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The shares of Genomma Lab Internacional, S.A.B. de C.V. have been listed on the Mexican Stock Exchange under the ticker symbol "LABB" (Bloomberg: LABB.MM) since June 18, 2008.

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DISSEMINATION OF THE ANNUAL REPORT

Official website, email,
Mexican Stock Exchange and website of the United Nations Global Compact.

REPORT RELEASE DATE

May 26th 2023

LAST REPORT RELEASE DATE

May 27th 2023

Genomma Lab.®
Internacional

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