B Lab Statement on Sanofi Consumer Healthcare Hispanic Latin America - B Corp Requirements for Pharmaceutical Companies

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies in the pharmaceutical industry:

"B Lab and its independent Standards Advisory Council have determined that pharmaceutical companies are eligible for B Corp Certification if they have not engaged in specific prohibited practices in the last five years AND are meeting additional industry-specific practice requirements outlined below."

Sanofi Consumer Healthcare **Hispanic Latin America** are required to disclose a summary of how they comply with these industry requirements as a part of their B Corp Certification. For more information on the specific requirements, please refer to B Lab's position statement on Pharmaceutical Companies here.

About Sanofi Consumer Healthcare Hispanic Latin America

Sanofi Consumer Healthcare **Hispanic Latin America** is made up of SOCOPAC & MEXICO which are regional businesses of Sanofi's global consumer healthcare organization. SOCOPAC is made out of Central America countries (Belize, Honduras, Guatemala, Nicaragua, El Salvador, Costa Rica, and Panama), South America countries (Colombia, Venezuela, Peru, Ecuador, Bolivia, Argentina, Chile, Uruguay. Paraguay) and Caribbean islands except for Cuba. Sanofi Consumer Healthcare is one of Sanofi Group's four business units and is structured as an independent company and subsidiary.

CHC SOCOPAC's portfolio spans five categories – Pain, Digestive Wellness, Allergy, and Personal Care, Cough&Cold – and includes brands like Allegra®, Enterogermina®, Buscapina®, Dulcolax®, Bisolvon® and Pharmaton®. Approximately 92.8% of CHC SOCOPAC's annual revenue comes from over-the-counter products and 7.2% comes from two prescription-only products in SOCOPAC.

CHC MEXICO's portfolio spans five categories – Digestive wellness, Cough and Cold, Allergy, Pain, Physical and Mental Wellness – and includes brands like Allegra®, Enterogermina®, Histiacil® and Buscapina®. In 2022, 88.1% of CHC MEXICO's annual revenue comes from over-the-counter products and 11.9% comes from two prescription-only products.

In 2023, CHC SOCOPAC employs 365 people and provides, sales, and marketing activities for all its products in the SOCOPAC markets. CHC MEXICO employs 542 people and provides manufacturing, research and development, sales, and marketing activities for all its products in

the Mexican market. The company's manufacturing sites and distribution sites are based in Ocoyoacac, Estado de México, and are licensed Good Manufacturing Practice Sites (GMPs).

Sanofi Consumer Healthcare, Hispanic Latin America Disclosure on Prohibited Practices

Pharmaceutical companies engaged in the following practices in the last five years, as demonstrated through company disclosures or through material, justified, and unresolved stakeholder concerns, are currently ineligible for B Corp Certification:

- *Companies engaged in any form of lobbying or policy advocacy that endanger consumer safety, promote an anti-competitive environment (e.g. by opposing increased transparency measures), inhibit affordable pricing, or limit equitable access to medicine. This includes membership, Board involvement, or funding of industry associations that engage in such lobbying activities,*
- *Companies utilizing intellectual property strategies for branded products to influence an unjustified delay to the introduction of an authorized generic product to the market (e.g. "evergreening" patents),*
- *Companies engaged in price gouging as evidenced by significant and unjustified year-over-year price increases to their products.*

Sanofi CHC **Hispanic Latin America**, as part of Consumer Healthcare, have been reviewed in accordance with B Corp Certification's Disclosure Questionnaire and background check requirements, including disclosure of its involvement in lobbying and advocacy activities, intellectual property strategies, and price changes to verify it is meeting the above requirements regarding prohibited industry practices. The company's approach to managing these material topics in the industry is further detailed below.

Sanofi Consumer Healthcare, Hispanic Latin America Disclosure on Required Best Practices

1. *Adherence to credible national and/or international standards of safety, quality, and efficacy covering all relevant stages of the drug life cycle (i.e. drug development, supply chain, manufacturing, and distribution), which should include explicit systems to manage the risk of substandard medicines.*

The company reported that all CHC products are produced in accordance with all relevant local and international regulations. CHC SOCOPAC products are produced in accordance with all

relevant Colombian, Ecuadorian, Peruvian, Panamanian, and Argentinian laws, and local health regulations of the SOCOPAC perimeter.

The relevant Health authorities overseeing company's practices and products are:

- **Colombia** (INVIMA - Instituto Nacional de Vigilancia de Medicamentos y Alimentos),
- **Ecuador** (ARCSA - Agencia Nacional de Regulación Control y Vigilancia Sanitaria),
- **Perú (**DIGEMID - Dirección General de Medicamentos, Insumos y Drogas),
- **Panama** (Farmacias y Drogas),
- **Argentina** (ANMAT - Dirección General de Medicamentos, Insumos y Drogas),
- **Mexico** (COFEPRIS - Comisión Federal para la Protección contra Riesgos Sanitarios),
- **Bolivia** (AGEMED - Agencia Estatal de Medicamentos y Tecnologías en Salud),
- **Costa Rica** (Unidad de Registros Dirección de Regulación de Productos de Interés Sanitario Ministerio de Salud),
- **República Dominicana** (Dirección de Drogas y Farmacias, Dirección General de Medicamentos, Alimentos y Productos Sanitarios de DIGEMAPS),
- **El Salvador** (DNM - Dirección Nacional de Medicamentos),
- **Guatemala** (MSPAS - Ministerio de Salud Públicas y Asistencia Social),
- **Honduras** (ARSA - Agencia de Regulación Sanitaria),
- **Nicaragua** (MINSA - Ministerio de Salud Nicaragua),
- **Paraguay** (DINAVISA - Dirección Nacional de Vigilancia Sanitaria. Ministerio de Salud Pública y Bienestar Social Paraguay),
- **Uruguay** (Departamento de Medicamentos Ministerio de Salud Pública de Uruguay).
- **Chile** (ISP - Instituto de Salud Publica),
- **Venezuela** (Instituto Nacional de Higiene "Rafael Rangel"),
- **Caribbean Islands:**
    - **Aruba** (Ministry of Health Aruba),
    - **St. Marteen** (Inspectorade of Public Health Social Development and Labour, Ministry of Public Health),
    - **Trinida & Tobago** (Chemist - Food and Chemistry Division Ministry of Health),
    - **Curacao** (Drug Registration Board (Ministry of Health of Curacao),
    - **Jamaica** (Standards & Regulations Division Ministry of Health Jamaica).

CHC Hispanic Latin America's facilities (manufacturing sites, distribution centers, commercial activities, and/or development centers, as applicable) are monitored by the relevant regulatory bodies and regularly inspected by the Health Authorities to confirm the quality, efficacy, and safety of its products and compliance with applicable regulations. All company manufacturing sites are Good Manufactured Practices (GMP) certified sites and operate quality management systems in line with the ICH Quality Guideline Q10 on the Pharmaceutical Quality System.

To maintain product quality, efficacy, and safety, CHC Hispanic Latin America collects, manages, submits, when relevant, and monitors pharmacovigilance cases, quality complaints, and medical inquiries. Any trends are assessed, and appropriate actions are taken to adjust the benefit-risk profile of products where necessary.

2. *A Code of Conduct and/or other policies applicable to all company employees and critical third parties that establish minimum expectations with regard to anti-corruption and bribery, lobbying and advocacy activities, company interactions with healthcare professionals/organizations, and ethical marketing (where applicable). The company must also have clear processes to enforce the Code, including an accessible whistleblowing channel, and regular training of staff and third parties on the Code.*

CHC Hispanic Latin America follows all applicable laws and regulations, overarching industry and Sanofi Group policies and procedures concerning ethics, anti-corruption, and bribery, lobbying and advocacy, interactions with healthcare organizations/professionals and ethical marketing.

Code of Conduct & Training

The company's Code of Conduct requires all employees and any critical third parties working on behalf of Sanofi and their subsidiaries, to comply with applicable laws and regulations, including anti-bribery and anti-corruption laws, as well as the specific principles and rules of conduct. The Code of Conduct outlines the company's approach to ethics and risk culture to enable employees to make decisions fairly and ethically and ensure ethical business conduct.

The Code of Conduct is a public interactive document available in 26 languages, at the following link Code of Conduct | Sanofi , where a PDF version can also be downloaded.

Furthermore, CHC Hispanic Latin America has policies and procedures designed to help ensure that officers, employees, agents, intermediaries, and other third parties comply with applicable laws and regulations. Suppliers can access a webpage called Supplier Connect (Sanofi Standards), which outlines the standards and procedures required to work with CHC and establish a trustworthy collaboration. This includes guidelines on Technology and Cybersecurity, Supplier Code of Conduct, Data Protection, Pharmacovigilance, and Supplier Relationships Charter. In the CHC Hispanic Latin America markets, this includes but is not limited to the current anticorruption laws, as applicable in local countries.

CHC Hispanic Latin America ensures that all relevant employees receive and complete mandatory Ethics & Business Integrity (EBI) training, as part of the onboarding process, annually, as part of refresher training, and on an ad hoc basis as part of disciplinary actions/measures for identified employees, in line with its zero tolerance towards bribery and abuse of power strategy amongst employees, business partners and stakeholders. In CHC Hispanic Latin America, there are annual audits of EBI policies and procedures by the internal control group.

Suppliers

CHC Hispanic Latin America conducts risk-based anti-bribery due diligence on their business partners, including suppliers, customers, and third-party sales and marketing intermediaries,

before engaging them and periodically during their partnering. Any potential issue raised through this monitoring is reviewed and assessed to evaluate the need for a risk mitigation plan, including termination if required.

Additionally, the Supplier Code of Conduct (embedded within the code of conduct policy and shared with all suppliers) is part of CHC Hispanic Latin America's responsible procurement approach and a key element of its vigilance plan. Supplier code of conduct commits suppliers and critical third parties working on behalf of CHC Hispanic Latin America, to strictly observe and comply with all the fundamental principles expressed in all its activities and sites worldwide. Suppliers are also expected to ensure their own suppliers comply with the code of conduct requirements, apply its fundamental principles in the areas of human rights, working conditions, environment, and fight against corruption.

Interactions with Healthcare Professionals (HCP)

All interactions with HCPs/organizations follow high ethical standards, policies, and regulations. CHC Hispanic Latin America complies with Sanofi Group policy on interactions with healthcare professionals (HCPs). In Hispanic Latin America, Sanofi CHC directly handles its interactions with HCPs.

Each year, Sanofi Group publicly discloses the transfers of value made to healthcare professionals, in line with the Ethics Code of the industry associations and other applicable laws and regulations Colombia and Mexico are the only countries currently within Hispanic Latin America that require disclosure of Transfers of Value to the Ministry of Health or other associations. In Mexico we need to disclose Transfer of Value to Cetipharma which is an organization to which we belong which works on ethics within pharma companies

The codes of ethics of the main industry associations to which the Sanofi Group is affiliated are:

- Argentina: Code of Good Pharmaceutical Marketing Practices and Interactions with Healthcare Professionals - Cámara Argentina de Especialidades Medicinales (CAEMe),
- Central America & The Caribbean: Code of Good Practices (FEDEFARMA),
- Chile: Código de Buenas Prácticas 2022 - Cámara de la Innovación Farmacéutica (CIF),
- Colombia: - Código de Ética AFIDRO 2022 - Asociación de Laboratorios Farmacéuticos de Investigación y Desarrollo (AFIDRO)
- Ecuador: Código de Conducta IFI – IFPMA 2019 - Corporación de la Industria Farmacéutica de Investigación (IFI) and Federación Internacional de la Industria del Medicamento (IFPMA),
- Mexico: Código de Integridad, Ética y Transparencia de Empresas de Insumos para la Salud - Consejo de Ética y Transparencia de la Industria Farmacéutica (CETIFARMA),
- Peru: Código de Etica 2020 - Asociación Nacional de Laboratorios Farmaceuticos (ALAFARPE).

Whistleblowing

Sanofi CHC Hispanic Latin America has established clear procedures and frameworks for employees to raise concerns or beliefs that any law, regulation, policy, or code has or may be violated. Employees must raise any concern through the appropriate channel.

As part of a global pharmaceutical company, CHC Hispanic Latin America adheres to applicable codes on promotional activities (CHPA). Sanofi has released a factsheet on its promotional activities.

Promotional practices

For all promotional practices, Sanofi CHC Hispanic Latin America abides by all applicable local regulations, according to the country (Mexico, Colombia, Panama, Ecuador, Peru, and Argentina). Sanofi CHC Hispanic Latin America enlists a team from regulatory, medical, legal, and commercial to ensure promotional activities are substantiated and not misleading, in compliance with internal standard operating procedures and applicable laws and regulations, on which all relevant internal stakeholders are trained.

3. *Public disclosure detailing the company's approach to government affairs, inclusive of lobbying/advocacy and political activities. This should include disclosure of the material issues that the company lobbies/advocates for, their trade associations, and the controls they have in place in regards to political contributions, lobbying/advocacy on the company's behalf, revolving door policy, political contributions and donations.*

Sanofi CHC Hispanic Latin America follows Sanofi Group's internal Global Lobbying policies which apply to all Sanofi Group employees and Consultant lobbyists hired around the world. The Sanofi Group conducts direct lobbying activities for all SOCOPAC & Mexican subsidiaries, including Consumer Healthcare. Only authorized Sanofi employees and hired consultant lobbyists, where permitted, may engage in direct discussions with policymakers on Sanofi's behalf concerning legislative activity.

Sanofi Group's lobbying activity is governed by internal policies that ensure compliance with relevant SOCOPAC & Mexican Countries' federal and state/provincial laws, regulations, and guidance. Sanofi employees are provided training and compliance with the company's lobbying practices is monitored by the Internal Control & Risk Management Group.

In compliance with the SOCOPAC & Mexican Countries federal law, Sanofi Group discloses all expenditures related to federal lobbying every quarter. The Sanofi group publishes an annual, public disclosure that outlines the approach to lobbying, requirements for ethical and transparent activity for lobbyists and hired consultants, as well as lobbying expenditures and political contributions, where applicable. It can be found at: https://www.sanofi.com/assets/dotcom/content-app/documents/Lobbying-4.pdf

The issues on which Sanofi CHC Hispanic Latin America are engaged include is broad, equitable access to OTC medicines and products; regulatory pathway reform and standards;

product quality and safety; supply chain flexibility; and packaging design, including sustainability, recycled content, and waste minimization.

Only authorized Sanofi employees and hired consultant lobbyists may engage in discussions on Sanofi's behalf concerning legislation and rulemaking activity without prior, expressed, and written Sanofi approval.

Per Sanofi Lobbying Policy, all Sanofi authorized employees and consultant lobbyists must ensure that:

- they remain compliant with all applicable laws and regulations,
- lobbying must be done with the purpose of advancing Sanofi's interests,
- they remain honest and transparent concerning whom, and for what, they are lobbying, they shall provide no gifts,
- hospitality must be made in strict compliance with applicable anti-corruption laws and regulations, Sanofi policies, and regulations and other regulations and codes (e.g. internal policies of the lawmaker),
- and any contract with a consultant lobbyist must include a detailed quotation of services, anti-bribery provisions, audit rights of Sanofi, and the consultant lobbyist's commitment to comply with local regulations.

The Organization for Economic Co-operation and Development (OECD) Principles for Transparency and Integrity in Lobbying were also used as a reference in developing the companies' responsible Lobbying policy.

CHC Hispanic Latin America employees who are not Sanofi Authorized Employees, must not engage in discussions on Sanofi's behalf about legislation, rulemaking, or policy development with Public Decision Makers without prior review and written approval from Sanofi's relevant Public Affairs or Government Relations manager. Information shared must be objective, reliable, accurate, and up-to-date supported by evidence, and must not misrepresent facts.

Trade Associations

CHC Hispanic Latin America are members of several trade associations that represent and advocate on behalf of Sanofi CHC Hispanic Latin America and other consumer healthcare companies, on consumer healthcare-related issues aimed at improving the environment for self-care. Trade associations for which Sanofi CHC Hispanic Latin America is a member, lobby on the behalf of the aggregated industry regarding business practices affecting quality, safety, and access to consumer healthcare products. They do not lobby specifically on the behalf of any individual company. Positions taken by the Trade Associations on the behalf of the industry are derived by consensus of the member companies which are then approved by the Trade Associations Board of Directors, on which an executive from Sanofi CHC sits. The CHC industry trade associations that CHC Hispanic Latin America participate in are:

- Colombia: Asociación Nacional de Empresarios de Colombia (ANDI),
- Argentina: Cámara Argentina de Medicamentos de Venta Libre (CAPEMVeL) and Cámara Argentina de Especialidades Medicinales (CAEME),

- Peru: Asociación Nacional de Laboratorios Farmacéuticos de Peru (ALAFARPE),
- Panamá: Federación Centroamericana y del Caribe de Laboratorios Farmacéuticos (FEDEFARMA),
- Ecuador: Corporación de la Industria Farmacéutica de Investigación (IFI),
- Mexico: AFAMELA (Asociación de Fabricantes de Libre acceso), ANAISA (Asociación Nacional de la industria de Suplementos Alimenticios) & CANIFARMA as ONE Sanofi (Cámara Nacional de la Industria Farmacéutica)

Sanofi CHC is also represented in the Latam regional organization for self-care called Asociación Latinoamericana de Autocuidado (ILAR). ILAR also holds the Consultative Status of a Non-Governmental Organization (NGO) by the Economic and Social Council of the United Nations, with access to the Council, its numerous subsidiary bodies, and special events organized by the President of the General Assembly of the United Nations.

4. *For companies involved in research & development, public disclosure of its R&D and intellectual property strategies and disclosure of annual resources invested in both internal and collaborative R&D activities.*

R&D activities for CHC Hispanic Latin America are focused on two priorities:

1) to develop and deliver innovative new products that meet the expanding needs of its consumers. Developing new products can mean launching new product formats that don't require us to develop new molecules. New formats can be e.g. smaller size packs, new forms like liquids or gels to make products accessible and/or convenient to consumers,

2) to provide the technical support to maintain existing products on the market, including necessary regulatory & pharmacovigilance activities and technical updates/remediation work when needed.

R&D in consumer healthcare may also encompass supporting Rx(prescription)-to-OTC (Over-the-counter) "switches". After Rx use of a medicine for several years, certain classifications of drugs may sometimes justify a change in Regulatory classification and move to a non-prescription status. Such Rx-to-OTC switches generally require extensive R&D work and investments to demonstrate the suitability (safety and efficacy) of previously prescription-only products to non-prescription status to make them more easily accessible to the public.

Of the projects currently in development in Sanofi CHC's pipeline:

- 70% of R&D projects are Sanofi CHC initiated and are developed at the Sanofi CHC development centers,
- 30% of R&D projects are Sanofi CHC initiated and are developed at Contract Development and Manufacturing Companies (CDMOs) managed by Sanofi CHC,
- 0% of R&D projects are sourced from the Sanofi group, excluding Sanofi CHC. External companies are mainly CDMO (contract development and manufacturing company)

In 2023, Sanofi CHC began publicly disclosing its spending on R&D. Please find details via this link.

The Company files patent applications based on the innovation and benefit to patients and consumers. Sanofi CHC, as a consumer healthcare business, does not work on the development of new molecules (e.g., active pharmaceutical ingredients). Generally, new medicinal products may only be supplied on prescription. In 2022, approximately less than 5% of Sanofi CHC's products were subject to patents. Internal experts in intellectual property report directly to Sanofi CHC's Chief Legal Officer, who maintains oversight of any intellectual property issues. The Chief Legal Officer is a member of CHC's executive leadership team.

As required by the local health authority, Sanofi CHC Hispanic Latin America provides all the necessary information to the patient on the product packaging and leaflet. In addition, Sanofi CHC Hispanic Latin America organizes educational programs that encourage the responsible use of medicines. e.g., by empowering consumers to use the products according to their licensed indication, including helping to raise awareness on the risks of overdose, misuse, or prolonged treatment.

5. *For companies involved in research & development for priority diseases, conditions, and pathogens identified in the Access To Medicine Index, R&D processes for both internal and collaborative R&D activities must include a framework to develop equitable access plans for such projects. Access plans must be project-specific and include detailed commitments and strategies to improve access to such products in low- and middle- income countries (LMICs).*

The Access to Medicine Index does not feature any of Sanofi's Consumer Healthcare products or innovations, as they do not have any active R&D projects to address priority diseases, conditions, and pathogens identified in the Access to Medicine Index. Sanofi's Consumer Healthcare products treat low severity conditions, for which there is in general, a wide range of alternatives.

Sanofi Consumer Healthcare division is not expected to meet B Lab's requirement in relation to companies listed on the Access to Medicine Index (ATMI). For reference, in 2022 Sanofi Group achieved a score of 3.47 on the ATMI.

6. *For companies involved in sales, public disclosure of its approach to pricing which, at a minimum, utilizes pricing instruments that are generally accepted by public health agencies to set prices in all markets (such as internal reference pricing, external reference pricing, and value-based pricing). Additionally, for sales in LMICs, pricing strategies must prioritize the payer's ability to pay across different segments of a country's population and aim to improve access to those in need.*

CHC Hispanic Latin America deploys Price Pack Architecture strategies that provide consumers with the appropriate selection of products that is based on the economics of what the consumer market will bear. CHC Hispanic Latin America uses a variety of analytical techniques to develop their Price Pack Architecture such as, but not limited to, price slope optimization work, competitive benchmarks, conjoint studies, and market research. Furthermore, as CHC Hispanic Latin America innovate into new product spaces, the company will look to adjacent market segments to benchmark appropriate pricing metrics. The company will also, at times, engage in first-party consumer research to determine how to develop meaningful innovation that consumers value.

CHC Hispanic Latin America does not intervene directly or control the pricing made by its retail partners in accordance with anti-trust regulations. The final shelf price is ultimately at the sole discretion of the retailer.

As CHC Hispanic Latin America primary distribution channels are pharmacies and retailers, and their products in general do not require prescriptions, they are not subject to the same pricing requirements as other pharmaceutical companies. The company's pricing strategy is the same for prescription and non-prescription products. The price is at the discretion of the retailer.

7. *For companies involved in sales, companies have financial incentive structures for sales agents/teams designed to encourage responsible sales practices and minimize the risk of overselling (for example, by decoupling bonuses from sales volume).*

As a consumer healthcare company, CHC Hispanic Latin America's sales team sells to wholesale customers. Therefore, the way the consumer healthcare market is structured, their sales practices are responsible and inherently there is no risk of overselling. CHC Hispanic Latin America follows Sanofi Group's internal Sales Incentives policy which includes an addendum specific to 'Sales Incentive Plans for CHC dedicated Pharmacy/Retail/Trade functions.

Sanofi CHC Hispanic Latin America's Incentive Plan has in its composition components, such as:

- Financial (e.g., Net Sales),
- Executional (e.g., Distribution,) and,
- External (e.g., Market Share,)

Additionally, CHC Hispanic Latin America promotes responsible sales practices in various ways including but not limited to, the following.

Incentive Structure. CHC Hispanic Latin America has financial incentive structures for sales teams that are specific to the sale of consumer products.

Sanofi's Code of Conduct. All sales representatives must undergo, and complete Compliance training related to the company's global policies and Code of Conduct to qualify for any sales incentive bonus.

Training: CHC Hispanic Latin America also has specific mandatory training for their retailer teams, as well as mandatory Sales Representatives' training process for Sanofi CHC Hispanic Latin America sales representatives, and its third parties. All sales representatives must undergo and complete Compliance training with the company's global policies and code of ethics to be able to qualify for any of their sales incentive bonuses and if the employees don't complete the trainings mentioned, in their annual performance evaluation, they obtain the lowest rating "Inadequate".

Oversight: CHC Hispanic Latin America utilizes a bonus committee to ensure appropriate ethical behavior and operational management is coached on ensuring ethical marketing and CHC Hispanic Latin America's various internal control mechanisms are enforced. Additionally, Sanofi CHC Hispanic Latin America has an enterprise-wide framework to identify and manage abusive incentive compensation business practices, and regular audit checks are conducted to ensure compliance.

The global procedure determines how incentive plans are set. The following are some examples of actions we take to avoid abusive incentive compensation practices:

1. A variable incentive plan with a maximum limit,
2. The incentive structure is based on the global procedure, which is standardized across the world, and therefore standardized for the same role/job description,
3. It is not to be used for compensating a low base salary,
4. It is based on performance, not a % of their base salary,
5. The incentive plans are in place for one year,
6. The source of data to compute the incentive is collected independently,
7. Incentives payout curves are in place to avoid the threshold effect,
8. Clear exception management protocols are established,
9. Additional monetary incentives are avoided, and cash-based awards are not allowed,
10. Short-term incentives (STI) and sales force incentives cannot be cumulated.

The Internal Control coordinates the CSA (Control Self-Assessment), which ensures that the mandatory controls are being complied with. The frequency is annual and the Testing has 3 waves per year This process involves the entire Sales Force.

The CHC Hispanic Latin America Sales team utilizes a Customer Relationship Management (CRM) tool for sales visits designed to identify any deviations from this policy and identify any misconduct, and regular audit checks are conducted to ensure compliant behavior with customers. If any irregularity is identified, the Ethics and Business Integrity area investigates the root cause to identify if it is a failure in the procedure, in which case, together with Internal

Control, they establish an action plan. If a misconduct is identified, the case will be reviewed by a Responsibilities Committee where, together with the People & Culture area, corrective actions are established, which may represent sanctions and even the firing of the worker in serious cases.