



Sustainability
Report

2015



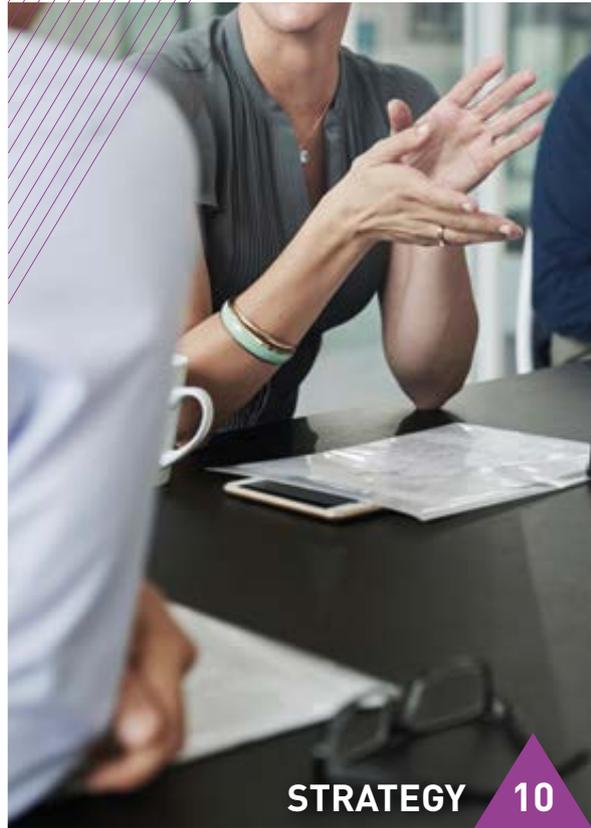
Sustainability Report
Ourofino Saúde Animal

2015





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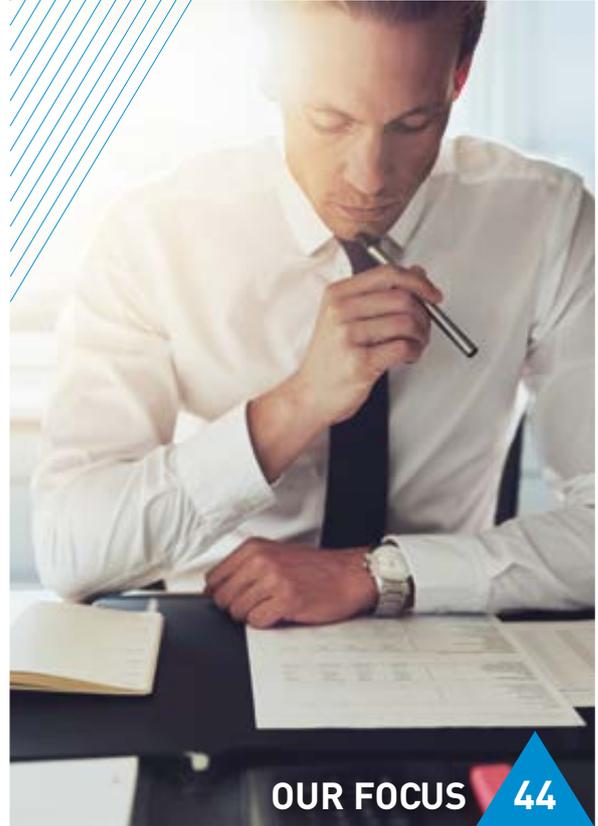
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PROFILE





▼ OUR REPORT

GRI G4- 22/23/28/29/30/31/32/33



Thinking about the commitment to transparency with our various publics of interest, we publish for the second consecutive year our sustainability report, which aims to provide the performance and the results of the management throughout the year of 2015. Our report uses for the first time the guidelines GRI (Global Reporting Initiative) version G4, opting for the essential model.

The data presented in the texts and indicators refer to the period starting January 1st to December 31st, 2015 and are assured by KPMG. We are

considering for this report all operations controlled by Ourofino Saúde Animal Participações S.A., but in case any indicator presents any restriction, alteration in its calculation base, measurement, scope, or significant changes in relation to the data reported in previous years, we will highlight these exceptions throughout the material.

The financial information presented in this report have been prepared in accordance with international standards of financial reporting (International Financial Reporting Standards (IFRS) issued by the

International Accounting Standards Board (IASB). PricewaterhouseCoopers Auditores Independentes was responsible for auditing the financial statements of the period.

For the dissemination of the material, we will publish versions in English and Spanish, both available on our website. Further information or clarification on this report can be obtained through our channel of communication of sustainability through the following address (**sustentabilidade@ourofino.com**) or directly with our department of investor relations through the address **ri@ourofino.com**.

REPORT GUIDELINES

- ▼ Materiality process
- ▼ GRI (*Global Reporting Initiative*) version G4 - Core Model
- ▼ Report Assurance





STRATEGY



▼ MESSAGE FROM THE PRESIDENT

GRI G4-G1



This report is the presentation of our work and effort that culminated in great results in 2015. We have started this year with a new model of reporting even more focused on the importance of our business for all of those who participate somehow in our achievements. We want to share our Mission, our Values and

all initiatives that led Ourofino to one more year of positive results, which motivates us to strengthen our strategy focused on value creation and sustainable development.

Taking into account the Brazilian political-economic scenario in 2015, we were able to exceed expectations and provide consistent growth over the period.

In October, we celebrated 1 year since the public listing of Ourofino Saúde Animal, with significant results. Our revenue increased by 23.6%, reaching BRL \$ 534 million. We also had an increase of 21.3% in EBITDA, which totaled BRL \$119.1 million, and a growth of 27.7% in net profit, which totaled BRL \$ 69.2 million.

The segment of production animals had a growth in its revenues of 25.9%, totaling BRL \$435.7 million, and reflecting share gain in multiple lines, as well as increase in billing relating to 7 new launched products.

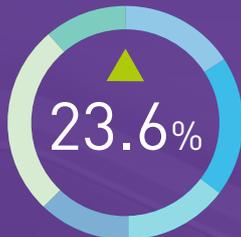
In the segment of companion animals, we launched 2 new

products. We have also started at the end of 2015, the project "Ouro Fino Pet Distribution", which consists in the direct service to petshops and clinics of the south and west regions of the city of São Paulo. We aim to be a work reference to the 42 distributors in the current network, as well as provide training

for improvement and management practices for diverse audiences in the market of pet animals in Brazil. In 2016, we believe in this business model to be a market transformation factor, studying and sharing with our distributors advanced concepts of management to be applied in the

RESULTS 2015

Ourofino Revenue



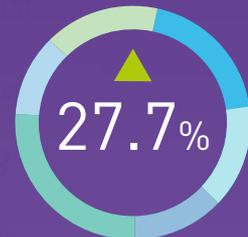
BRL \$ 534.0 million

EBITDA



BRL \$ 119.1 million

Net Profit



BRL \$ 69.2 million

Production animals segment



BRL \$ 435.7 million



+
7 new products

Companion animals segment



2 new products

+
Ourofino Pet Distribution Project

STRATEGIC PROCESS OF INTERNATIONALIZATION



▲ Mexico

In Mexico, we grew and expanded our operation, with an increase in the commercial team and in the customer base.

We made progress in 2015 in the strategic process of internationalization. In Mexico, we grew and expanded our operation, with an increase in the commercial team and in the customer base. In Colombia, we incorporated in September a major local distributor, who brought us new experiences which enabling the expansion of the commercial team and we began the process of registering new products. We are still working to consolidate our international presence and to achieve consistent results over the next periods.

Ourofino believes in the potential of biotechnology as a major technological frontier to be exploited generating competitive differentials. We are attentive to environmental issues of our products involving the entire chain, seeking to increase our portfolio and add value to our business. We keep on investing in the new plant for biological products, and we substantially advanced in its construction keeping aligned with planning to obtain all necessary documentation for production of new vaccines in early 2017. This investment will bring us

greater competitiveness and puts our products within a select group that allows the reduction of environmental impacts generated in the entire cycle of livestock production.

We will reduce significantly the generation of waste throughout the production process and emission of greenhouse gases (GHG) in our logistics, since the production of a significant part of the raw material of this new platform will be performed internally by the own area. Reinforcing our commitment to sustainability, we started actions to take important steps in 2016. Thinking



▲ Colombia

We incorporated in September a major local distributor, who brought us new experiences enabling the expansion of the commercial team and the start of the process of registering new products.

about the well-being of our employees and how our activity can affect the neighboring community, we started the whole strategic planning for deployment of social responsibility requirements based on international standard SA 8000 and will continue with the implementation of the standard during the next period.

Another important step is linked to the issue of climate change and the chain of low carbon. We are in the process of inventory of our GHG emissions as a goal to build a plan for mitigating the impacts, including our supply chain in the challenge to find

smart, efficient solutions for reducing our impact on a global basis.

As a result of our work, we were recognized as the best company in veterinary medicine in South America and of all Latin America in 2015, a award we received by Animal Pharm which inspires us even more to work in order to be the best in what we offer.

This report is the ratification that we are convinced of the power of transformation that our actions and our products have on an extensive value chain, in a market that has a high growth potential still to be explored. We look forward to this commitment

to perpetuate our organization as one that generates value wherever it leaves its mark.

We thank everyone who contributed to these achievements and also for the trust deposited in us. We invite everyone to learn a little more of our way of being, and we follow together in this challenge to grow, because somehow you are part of our business.

Dolivar Coraucci
(CEO Ourofino Saúde Animal)

▼ OBJECTIVES FOR 2016

GRI G4-G1

✓ 1 ETHICS, INTEGRITY AND LEGAL COMPLIANCE

- Review of the current Code of Conduct in order to adapt it, mainly, to the Decree 8.420/15, which regulates the Law Against Corruption (Law 12.846/13), and the requirements of the norm SA 8000.
- Completion of the cycle of training of the Code of Conduct in the foreign units.
- Preparation of program of compliance for the company.

✓ 2 GOVERNANCE

- Adequacy of the structure and governance bodies, according to the period in office.

✓ 3 CERTIFICATION AND STANDARDIZATION

- Creation of a group of internal auditors focused on safety, occupational medicine and environment.
- Improvement of training of security and occupational medicine personnel.
- Implementing of the quality control system in the new plant of manufacture of vaccines aiming the licensing in the Ministry of Agriculture, Livestock and Supply (MAPA).
- Deployment of electronic document management (EDM) to automate the document flow in the company.

✓ 4 QUALITY AND SAFETY OF THE PRODUCT + TRACES OF RESIDUES IN HUMANS

- Study and licensing of new products to the foreign and biological markets;
- Improvement of the control and management of supplies, including the selection process.

✓ 5 INFRASTRUCTURE

- Improvements in the ETE (Effluent Treatment Station), retracing the water balance.
- Drawing up the inventory of GHG emissions and planning of actions to mitigate emissions from the company.
- Improvement of process of internal management of waste (procedures).



✓ 6 INNOVATION AND KNOWLEDGE MANAGEMENT

- Deposit of new patents, focusing mainly on the market of biologicals for expansion of the portfolio in this segment.
- Continuation of the program of leadership development with the main managers of the company.
- Implementing of the *Balance Scorecard*.

✓ 7 RELATIONSHIP WITH THE CLIENT BRAZIL

- Establishment of sales planning based on actions through specific software .
- Establishment of the program of Key Accounts for the poultry and swine unity.
- Continuation of programs of advisory relationship and proximity to cattle ranchers and dealers.
- Structuring and start of operations of Ourofino Pet Distribution.

✓ 8 RELATIONSHIP WITH THE CLIENT COLOMBIA

- Consolidation of brand.
- Establishment of sales planning based on actions through specific software for improvement and better control.

✓ 9 RELATIONSHIP WITH THE CLIENT MEXICO

- Consolidation of brand.
- Launching of line of solutions for the pet market (PET).
- Deployment of tool for managing productivity and demand generated by the teams.

✓ 10 VALUE STRUCTURE

- Performance of development of Branding of the company.



ABOUT US



▼ OUROFINO SAÚDE ANIMAL



OUROFINO - 28 YEARS OF HISTORY OF LEADERSHIP IN THE MARKET

1987

- Founded by Norival Bonamichi and Jardel Massari

2000

- Oufino is on the market of pet animals

2005

- Operations in the Cravinhos plant started
- Received the award for technological innovation from FINEP

We operate on the market of animal health since our founding in 1987 and we have always been guided by a greater purpose to innovate and improve relations

with our internal and external partners. We performed our IPO in the BM&FBovespa in October 2014. This operation handled more than BRL \$ 417 million.



Handled more than
BRL \$ 417
milion



▼ OUR CONFIGURATION

GRI G4-5/7/17

We are a publicly traded company registered in the New Market of BM&FBovespa, with headquarters in Cravinhos, state of São Paulo.

We operate in the production and marketing of medicines, vaccines and other veterinary products through 3 business segments:

- Animal Production: manufacturing and sales in the domestic market of drugs, vaccines and other veterinary products for cattle, pigs, poultry, sheep, horses and goats and provision of services of industrialization to other companies in the industry;
- Pets: manufacture and marketing of medicines and other health products for dogs and cats;
- International Operations: manufacture and marketing in foreign markets, especially for Latin America, of drugs, vaccines and other veterinary products for production animals and pets.

The company participates and controls, directly or indirectly, in the controlled companies listed below:

BRACOL AGRONEGÓCIO S.A.S.

A company controlled by Ouro Fino Saúde Animal Ltda., with headquarters in Medellín, Colombia, which has as its main activity the marketing of medicines and other veterinary products, produced by Ouro Fino Saúde Animal Ltda., exclusively on the Colombian market. The company was acquired in September 2015.

OURO FINO PET LTDA.

Ouro Fino Pet Ltda. Is headquartered in Vinhedo, state of Sao Paulo and has as its main activity: the trading of medicines in the internal market, veterinary products and items related to pets (dogs and cats) purchased from Ouro Fino Saúde Animal Ltda.

OURO FINO AGRONEGÓCIO LTDA.

Headquartered in Cravinhos, State of São Paulo, it has as its main activity the marketing in the internal market of medicinal products and veterinary products for production animals (cattle, pigs, poultry, sheep, horses and goats), produced by Ouro Fino Saúde Animal Ltda.

A map of Latin America is shown in a dark teal color. Three countries are highlighted in a bright yellow-green color: Mexico, Colombia, and Brazil. White triangles mark the locations of these countries, with white lines connecting them to text boxes. The text box for Mexico is at the top, and the text box for Brazil is at the bottom. The text box for Colombia is in the middle, but it is not fully visible in the provided image.

OURO FINO DE MÉXICO, S.A. DE CV.

A company controlled by Ouro Fino Saúde Animal Ltda., with headquarters in Guadalajara, Mexico, which has as its main activity the marketing of medicines and other veterinary products, produced by Ouro Fino Saúde Animal Ltda., exclusively on the Mexican market.

OURO FINO SAÚDE ANIMAL LTDA.

Headquartered in Cravinhos, State of São Paulo, it has as its main activities the research, development, manufacturing and marketing of medicines, vaccines and other veterinary products. It also provides contracted services of industrialization to third parties.

OPERATIONS

GRI G4-6/8/9

We have 1,285 direct employees (Brazil) and 29 in the controlled companies (Mexico and Colombia). In addition to Brazil, our products are also present in 14 countries considering Latin and Central Americas, Russia, Africa and Asia. We also produce formulations for other international laboratories. Our structure is configured as follows:

- ▲ Industrial Plant and Administrative Headquarters (Cravinhos)
- ▲ Plant for tablets (Ribeirão Preto)
- ▲ Controlled Companies (Colombia and Mexico)
- ▲ Experimental Farm and Farm for Tests (Guatapar and Cajuru)



DISTRIBUTION CENTERS:

Aparecida de Goinia-GO
Ribeiro Preto-SP
Vinhedo-SP
Cachoeirinha-RS

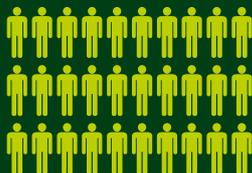


PRESENT IN 14 COUNTRIES: Considering Latin and Central Americas, Russia, Africa and Asia.



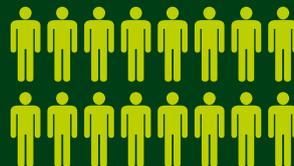
Employees
(Brazil)

1,285



Employees
(Mexico and Colombia)

29



INDUSTRIAL PARK

The administrative headquarters and the manufacturing plant are located in Cravinhos (SP), where we also keep our center for research and development.



- 1 Headquarters
- 2 Quality Control laboratory and RD&I
- 3 Pharmaceutical Production Plant
- 4 Sites for storage / Transport
- 5 Defensive Production Plant
- 6 Therapeutics Production Plant
- 7 Plant for the production of vaccines/Foot and Mouth Disease
- 8 New vaccine production unit - Biological



IN EXPANSION

Considered one of the most modern of Latin America, our industrial park, is expanding. In 2016, we will have the completion of works of the new plant for biological products, with start of production in 2017. Our platform of biologicals began in 2008 with the delivery of the plant intended for the

production of vaccines for Foot and Mouth Disease (sales were initiated in 2011). We believe that the new plant will bring us great advantages, the main one being, the entry into an important market share of biological products. Thus, we can maintain the level of growth and enlarge considerably the portfolio offered.

SCHEDULE OF DELIVERY

Delivery of FMD plant



2008

ONE OF THE LARGEST AND MOST MODERN INDUSTRIAL PLANTS OF ANIMAL HEALTH IN BRAZIL.



▲ END/2016 - ESTIMATED DELIVERY OF WORK

Delivery of the Laboratory



JULY/2014

Beginning of works



JULY//2015

Works in Progress



OCTOBER/2015

SOLUTIONS AND MARKET DISTRIBUTION

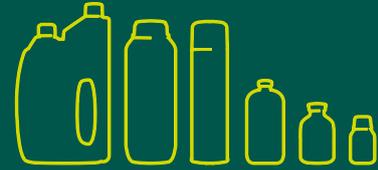
GRI G4-4/8

We have a complete portfolio of products for animal health, composed of 119 veterinary products and approximately 4,200 clients, including farming dealers, agricultural cooperatives, agricultural industries, rural producers and distributors present throughout the national territory and abroad.

In 2015, 9 new products, 7 focused on production animals and 2 others in companion

animals were incorporated into our portfolio. We emphasize, in particular, the launch in November, of Superhion, an innovative ectoparasiticide that combines the knock-out effect of the molecule of Fipronil with the lasting protection of the molecule of Fluzuron.

Below we present the distribution of sales of our solutions in the Brazilian market in 2015.



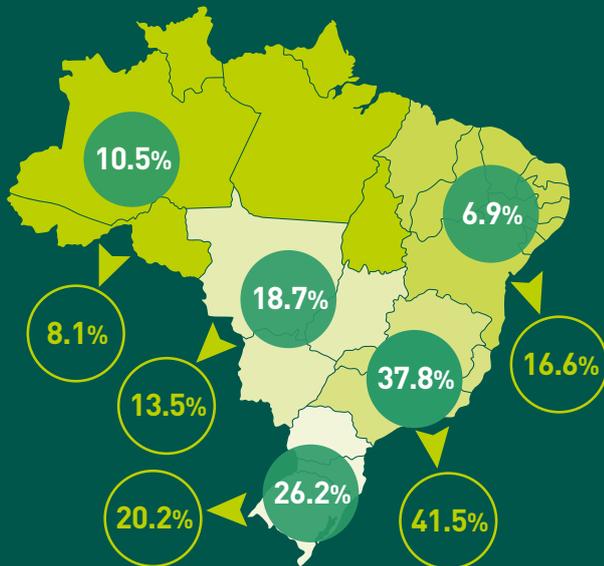
119 Veterinary Products



4,200 Customers

PRODUCTION ANIMALS

Distribution of sales and customers in Brazil (2015)



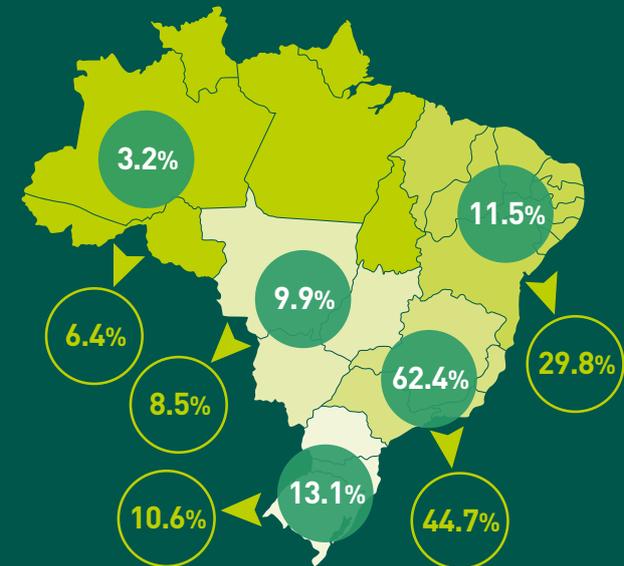
- ▲ North
- ▲ Northeast
- ▲ Southeast
- ▲ Midwest
- ▲ South

Total of Clients:
4,200

● Sales
○ Clients

COMPANION ANIMALS

Distribution of sales and customers in Brazil (2015)



- ▲ North
- ▲ Northeast
- ▲ Southeast
- ▲ Midwest
- ▲ South

Total of Distributors:
42

● Sales
○ Clients

Venda a distribuidores exclusivos

OUR PUBLIC

GRI G4-24/25/26/27

Our relationships are guided by transparency, accountability and for concepts of sustainability. During the last year, we had cases where the partnership and concern with our public of interest was a fundamental factor and differential to maintain growth and credibility. In this context, we have adopted as

a premise that our company has as an objective to be a factor of transformation in society, where everyone wins by respecting the needs of different publics.

At the end of 2014 and beginning of 2015, during the process of definition of materiality, we analyzed the impacts suffered and

caused by our company for the determination of the strategic public, with whom we would like to strengthen relationships. In this analysis eight priority publics were identified: employees, shareholders, suppliers, government, funding bodies, communities, customers and media.

Stakeholder	Main tools used to Engage	Frequency of Engagement
Employees	Code of conduct, internal communications, murals, training and integration.	Entry into the company, daily and monthly as per demand
Suppliers	The selection process and evaluation of Suppliers, visits and audits.	First contact with the company, bimonthly for periodic evaluations and annually for companies selected for audits.
Media	Official communications (press office) and social media.	Daily and monthly as scheduled in the area.
Government	Meetings for discussions of sectoral trends or new regulations.	According to annual schedule of positive components or in emergency cases.
Donors	During the evaluation process of credit for diverse financing.	During the evaluation process and maintenance of the same.
Communities	Social projects developed, official communications (press office).	Daily and bimonthly.
Shareholders	General Assembly and specific meetings and through the sector of Investor Relations (IR).	According to positive annual schedule or in individual cases .
Customers	Commercial Team scattered across the Brazil and abroad, TV Ourofino em Campo, marketing team and official communications (press office).	When required, according to the schedule of visits and training of field teams and daily.

Even with all the effort carried out during the period, we are seeking improvements in our process of engagement. We started , the preparation of corporate procedures for compliance with the international standard of social

responsibility SA 8000 at the end of the year. Among the elaborated procedures, we believe a specific, connected to the process of engagement with interested parties. This new policy is going to help to organize and systematize in a unique way a process that

today is done independently by the areas. We are sure that this improvement will bring a more comprehensive , preventive and objective view of our real needs when we think of our networks of relationships with *stakeholders*.

ENGAGING IN THE SECTOR

GRI G4- G15/16

We are aligned with the policies of social and political development of the country and we have the highest concern in minimizing the impacts deriving from our productive and operational process . Thus, we believe that our participation in discussions with the various organs and associations linked to the sector of animal health is

essential.

In 2015, we participated and contributed within the various associations and organizations that dictate the rules for our sector, and so we have kept up to date with new trends and regulations . As a highlight, we emphasize the role of Ourofino along to the National Union of the Industry for Animal

Health (SINDAN), with the participation of our CEO, in the position of vice president, one of our Directors, in the Chair of the Committee on matters of FMD (CAS), reinforcing our leading edge in the area of biological agents, and a manager in the Coordination of Environmental Legislation. We can also cite our engagement with the:

INSTITUTION

- SINDAN - National Union of the Industry for Products of Animal Health
- AASP - Lawyers Association of São Paulo
- ABRASCA - Brazilian Association of Publicly Held Companies
- IBGC - Brazilian Institute of Corporate Governance
- APROVET - National Association of laboratories of Veterinary Products
- The Brazilian Association of Hereford and Braford
- Apex Brasil - Agência Brasileira de Promoção de Exportações e Investimentos
- ABCZ - Brazilian Association of creators of Zebu
- Infravet (México) - Indústria Farmacêutica Veterinária
- CREDINFAR - Association of Professionals of Credit and Collection of Pharmaceutical Industries and related services
- MAPA - Ministry of Agriculture, Livestock and Supply.
- MCTI - Ministry of Science, Technology and Innovation
- CTNBIO - National Technical Commission on Biosafety
- CONSEA - State Council on Food Safety

LABOR FORCE

GRI G4- 10/11

The company is in constant evolution and transformation, and in this process, the engagement, alignment and the spirit of conquest of our employees are vital, who are considered by us as those responsible for our results.

In order to give conditions and develop the necessary skills of our

employees, we perfected our process of training and leadership formation. These leaders, from the culture of our company, are responsible for driving our growth strategy over the coming years. We aim to incorporate our culture and values to activities performed by employees to the most.

In the last year we had no significant variation in the total number of employees in comparison to 2014. Below we present the distribution of our employees in Brazil and subsidiaries (Mexico and Colombia), considering our work force, which has 100% coverage in collective agreements (ACTs).

Contract	Qty
Indefinite Contract	1259
Apprentice	24
Temporary staff	2
TOTAL	1285

Position	Fem.	Mal.
Full Time	455	806
Part Time	13	11
TOTAL	468	817

Contract	Fem.	Mal.
Indefinite Contract	455	804
Apprentice	13	11
Temporary staff	0	2
TOTAL	468	817
GRAND TOTAL		1285

Position	Fem.	Mal.
Executive Board	4	16
Managers	21	31
Other collaborators	430	759
Apprentice	13	11
TOTAL	468	817

Region	Male			Female			Total
	Undetermined	Apprentice	Temporary staff	Undetermined	Apprentice	Temporary staff	
Midwest	23	0	0	3	0	0	26
Northeast	12	0	0	3	0	0	15
North	22	0	0	2	0	0	24
Southeast	724	11	2	438	13	0	1188
South	23	0	0	9	0	0	32
							1285

Region	Fem.	Mal.	Totais
Midwest	3	23	26
Northeast	3	12	15
North	2	22	24
Southeast	451	737	1188
South	9	23	32
GRAND TOTAL	468	817	1285

International Operations			
Companies Controlled	Fem.	Mal.	Total
Mexico	2	16	18
Colombia	1	10	11
GRAND TOTAL	3	26	29

*Indetermined contract for all employees.

International Operations			
Position	Fem.	Mal.	Total
Managers	0	3	3
Other Collaborators	3	23	26
TOTAL	3	26	29



SOCIETY

GRI G4 S01

Ourofino understands its role in society and believes that the development of the communities with which it interacts is essential to achieve our

mission to create value where we pass. In this regard, we are engaged in generating opportunities by encouraging social projects. During the last year, we

supported many projects related to varied parts of society. The investment was around BRL \$1.5 million, and the main projects are shown in the table below.

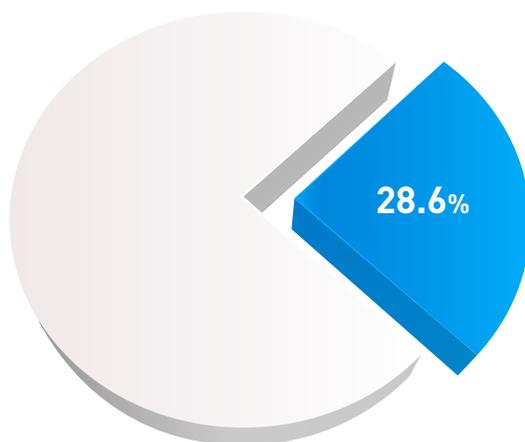
Social Investments	Value in BRL \$
Programa Jovens de Ouro and Cidadãos de Ouro	158,729.86
Project Oficina do Futuro (Workshop of the Future)	57,600.00
Proac - Tax Incentives	249,215.27
Federal Laws - Tax Incentives	698,108.00
Other donations	413,186.63
TOTAL	1,576,839.76

In 2015, we initiated a change in the process of choosing our social projects. We believe that the best way to be transformers of society would be by encouraging projects that have a connection with

our business. In this way, the projects would not be isolated initiatives and would form part of a perennial business model, with with gains to both parties. This process was initiated with the preparation of

a corporate procedure for evaluating grants and support for social projects in a unique and aligned way to our strategy. Thus, in 2016, we will be able to focus on the social investments in an aligned way to the business.

Percentage of operations that have implemented programs of engagement of the community, assessment of impacts and development ^{1,2,3}



- 1 - The operations of engagement in the community of Ourofino Saúde Animal are concentrated in the plant of Cravinhos and in the Farm of Guatapar;
- 2 - In 2015 we started to consider in our operations the controlled companies (Mexico and Colombia) which were not accounted for in 2014;
- 3 - Operational Units considered: Industrial plant of Cravinhos/Offices Mexico and Colombia, Farms of Guatapar and Cajuru, Plant for Tablets and DC Ribeiro Preto.

PROJECT OFICINA DO FUTURO (WORKSHOP OF THE FUTURE)



We support, since 1999, the center of special education Egidio Pedreschi for people with special needs from 14 years of age on. The main objective of the school is to guide the students to the job market. 400 students receive professional education in basic handcraft workshops, culinary arts, agricultural techniques, among others.

Aligned to the new focus of social projects, we carried out in 2015,

in partnership with the school's students, a pilot project in the segment of companion animals that supports the artisan production of items related to the Pet market. The main items produced by the students are rugs, cushions, keychains, beds and toys. The products made are marketed by the institution itself in petshops and fairs of the sector and the income is completely reverted to the workshop.



SUPPLIERS

GRI G4- 12

For the procurement of products and services, we rely on a process of prior analysis of suppliers. This process is aimed at minimizing the risk during the supply and safeguarding the company's image.

As a first step, tax, legal and financial issues are observed, as well as answering the legislation

by the potential partner. In a second moment and after approval, we carry out the choice of the supplier based on criteria that include: total cost of the acquisition, delivery deadline, quality and compliance with legislation in force (including environmental requirements). After the choice of supplier, contracts

are drawn up, covering environmental criteria, labor, social security benefits, among others.

The monitoring and periodic evaluation of suppliers are carried out by the manager of the contract to fulfill all contractual requirements.

Our supply chain is divided primarily in two broad categories.

PRODUCTS AND SERVICES

The main feature of this category is the diversity. In this universe of heterogeneous contracts we can cite as more significant contracts:

- Human Resource Services;
- Supply of Electricity;
- Maintenance;
- Ancillary materials for office and production;
- Investments in construction works, machinery and equipment.

PRODUCTIVE SUPPLIES

In this category suppliers of assets (molecules), vehicles and solvents, packaging (primary and secondary), in addition to products and subcontracted processes are included.

During the stage of approval, specific analysis are carried out linked to aspects as quality and timeliness of delivery, as they are the group of suppliers responsible for the basis of our products.

In 2016, the supplier area will initiate a process of identification and mitigation of emissions of greenhouse gases (GHG) linked to the receipt of products. This project will be conducted over the next few years and has as its main objective, working the chain of low carbon within the follow-up of animal health.

GEOGRAPHICAL CHARACTERISTICS OF SUPPLIERS

GRI G4-EC9

In the report period we worked with 574 suppliers with an estimated expenditure of BRL \$ 312 million. Geographically, 85% of them are located in Brazil, 8% in China and the remaining 7% are distributed in other countries

such as Uruguay, India, Germany, United States and England. Our suppliers basically have industrial characteristics and of provision of services.

The industrial suppliers in the segment of the pharmaceutical area are

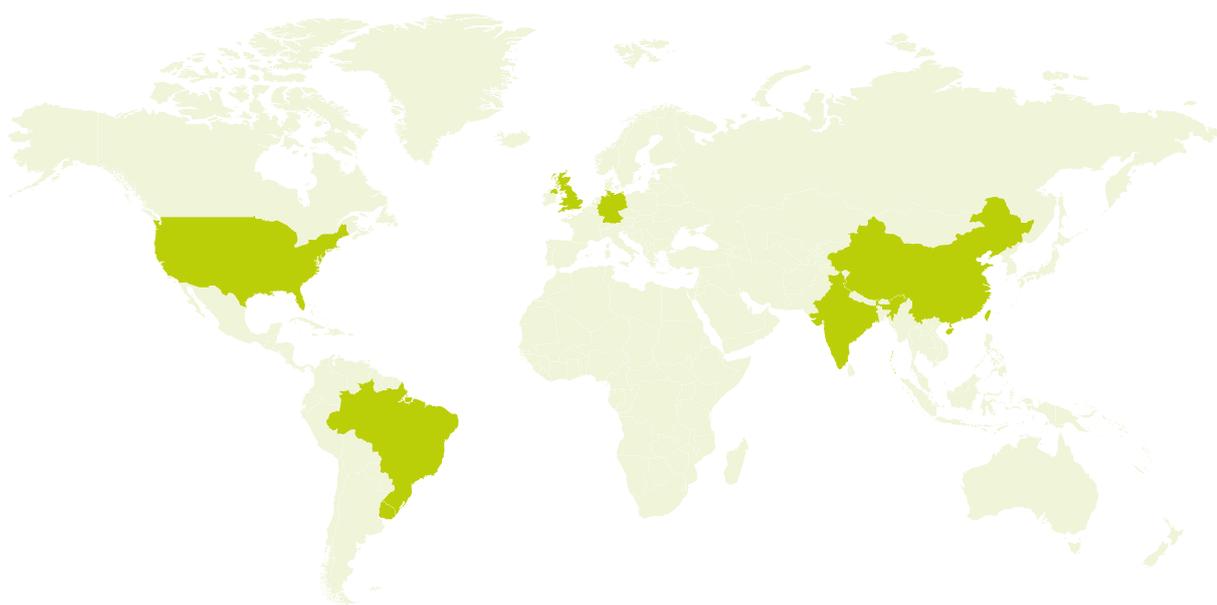
high-tech companies that have investments in quality and research and development. On the other hand, the industrial suppliers who produce packaging have high precision machinery but with low automation.

DISTRIBUTION OF SUPPLIERS:

Brazil
85%

China
8%

Uruguay, India, Germany,
United States and England
7%



Expenditures on local suppliers*	2014	2015
General expenditures with suppliers	BRL \$ 269,058,335.29	BRL \$ 312,030,112.61
Expenditures on local suppliers	BRL \$ 47,555,493.76	BRL \$ 45,610,039.79
% of expenses with local suppliers in relation to the total spent with suppliers	18%	15%

*Net Value and tax-free purchases of domestic and imported direct and indirect materials and services of the Cravinhos Unit. All suppliers located in the mesoregion of Ribeirão Preto which encompasses the micro regions of Batatais, Jaboticabal, Franca, Ribeirão Preto, Ituverava and São Joaquim da Barra were considered local suppliers. Corresponding to 66 cities in the region.

CUSTOMERS

The relationship with our customers, whether national or international, is considered as strategic and reflects a good part of our essence as a company. We work the sales in a consultive way, reflecting the desire to build a value chain that is more structured and therefore more loyal to our solutions. The network of relationships is worked to develop and disseminate the animal health together with cattle ranchers and dealers throughout the Brazil and abroad.



DIFFERENTIATED MARKETING

The field of marketing works by increasing the generation of food from animal protein and the longevity of the relationship between people and their pets and offers much more than the promotion of products. The Ourofino team works to promote animal health by means of the information brought to the publics with which the company relates.

With its own structure that operates within the company, the marketing of Ourofino Saúde Animal presents

differentiated results by its agility and by understanding the company's business, which ensures the quality of work delivered and the lowest cost when considering the factors cited.

More than the 4 Ps of marketing (Promotion, Product, Price and Distribution), Ourofino promotes the communication from inside to outside the company, in an integrated manner with the processes of any company, beginning with

the departments that make up the field of marketing: Product Management, Market Intelligence, International Marketing and Marketing Services.

The marketing department operates directly under the guidance of the CEO of Ourofino Animal Health in alignment with the strategies of commercial directors and human resources by the constant development of business and the people who devote themselves to it.

PRODUCT MANAGEMENT

In order to develop strategies that involve the provision of solutions from Ourofino to the market, the company's marketing includes the work of product managers who devote themselves exclusively to the positioning of the company's portfolio.

The activities of the Management of products

span the approximation of the company to its dealers, agribusiness, agricultural stores, farms, veterinary clinics and pet shops. This work is done by the commercial team of Ourofino that acts in accordance with the direction of the strategy drawn up by the management of products. The encouragement of such

actions of relationship with customers comprises the preparation of campaigns, visits to the facility of Ourofino, distribution of promotional material and participation in events.

All the work is guided by the life cycle designed for each product in order to ensure the results of budget and billing for the company throughout the year.

MARKET INTELLIGENCE

For the marketing strategy to happen successfully it is essential to substantiate the work delivered by the team of Market Intelligence. The department promotes the determination of prices of the products of Ourofino and competitors

to evaluate their positions considering the competitiveness and profitability of the company.

Sales Forecasts in accordance with the potential of regions in which Ourofino acts are also designed by this team.

Market Intelligence in the Marketing of the company also includes monitoring the participation of the company in sector rankings and the monitoring of the economic development of the veterinary market for the presentation of business opportunities.



INTERNATIONAL MARKETING

The strategy applied for marketing actions in Brazil is a reference to the development of the relationship with customers in international markets such as Mexico and Colombia, where Ourofino also has its own commercial and technical teams.

The Department of International Marketing works hand in hand with this team so that guidelines developed by the headquarters are executed in accordance with the market opportunities abroad ensuring that the practices are aligned with the goals of the whole company.



MARKETING SERVICES

In order to implement the marketing guidelines proposing actions that give effect to the company's strategies, the area has a team of professionals of communication that includes advertisers, designers, journalists and cameramen who compose the department of Marketing Services of Ourofino.

The team creates strategies and integrated

content for the marketing tools of Ourofino, as the company's own program (Ourofino em campo/"Ourofino in the field"), digital media, media relations, visitors' program, advertising (magazines, newspapers, radio, television, internet and promotional materials) and organization of events and communication to the employees of the company.



CAMPAIGNS

In 2015, we operated in the sectorial marketing and we emphasized our concern in participating in initiatives related to the value chain where we operate. Going beyond the offering of products, the company celebrated the second year of the initiative “Leite é bom com Tudo/ Milk is good with anything”. The campaign promotes the consumption of milk and dairy amongst all links in the chain of the production of milk. The work is carried out with the primary sector, where the producers, dealers and cooperatives that act providing materials and products are; from dairy produce, up to, and especially consumers including the employees. The campaign is promoted in industry events of dairy cattle, advertisements in the press, TV and internet - www.leiteebomcomtudo.com.br.





CAMPAIGNS

Along the same lines, in November 2014 we presented the campaign "Prove e Aprove/Try and Approve" as a way to boost consumption and the promotion of the benefits of Brazilian swine meat. The initiative went on throughout 2015 and since its launch it has received the support of the Brazilian Association of Pig farmers (ABCS) with publishings in the printed and electronic media. The campaign includes producers, nutritionists, representatives of retail chains, and final consumers - www.provecarnesuina.com.br.

As main results of both campaigns, we can mention the increase of proximity with the cattle ranchers, the strengthening of the brand and promotion of the chain.





CARNE SUÍNA



Prove e Aprove



Anote a receita e apaixone-se:

Adicione a preferência:

carne suína é a mais consumida no mundo.



Coloque uma boa pitada de saúde:

depois do peixe, carne suína tem o menor teor de colesterol.



Retire os mitos:

carne suína não transmite doenças, graças ao controle sanitário e alimentação balanceada de hoje.



Reserve para a sua vida:

uma grande fonte de vitaminas, minerais e sabores deliciosos.



#carnesuína #ProveCarneSuína

Iniciativa:



Apoio:





OUR FOCUS



MATERIALITY

GRI G4-18/19/22/23/27

The definition of materiality was a guiding and an engagement process, which aimed to consolidate through the raise of relevant themes to our business, the understanding of systemic internal and external environment to the company, associated

with the vision of chief executives. Thus, from the materiality set it was possible to start a process of diagnosis in our controls and thus draw the planning of short, medium and long term aligned with the needs of the market, identified risks and vision of internal and external

stakeholders.

Our current and first matrix of materiality is the result of the process carried out at the end of 2014 for adequacy to the GRI G4 guidelines and considers as work methodology four main steps and concepts of integrated reporting, as shown below:



▶ RELEVANT THEMES OUROFINO

In the first and second stages, 80 themes were identified initially throughout the process,

which subsequently were consolidated from the results of the interviews and internal analysis.

On the other hand in the third step, researches and consultations (data analysis) to key stakeholder

considered by our company as impacted or that somehow impact us were carried out.

And finally in the last step, the intersection of both internal and external views, aligned to the vision of the main leaders of the company, resulted in a statement of 28 relevant themes to the business, with 10 selected as focus of the next few years.

- 1 Health and Safety of the Animal
- 2 Ethics, integrity and legal compliance
- 3 Certification and Standardization
- 4 Quality and safety of the product
- 5 Innovation and Knowledge Management
- 6 Infrastructure and operational management
- 7 Traces of residues in humans
- 8 Relationship with Customers
- 9 Corporate Governance
- 10 Value Structure



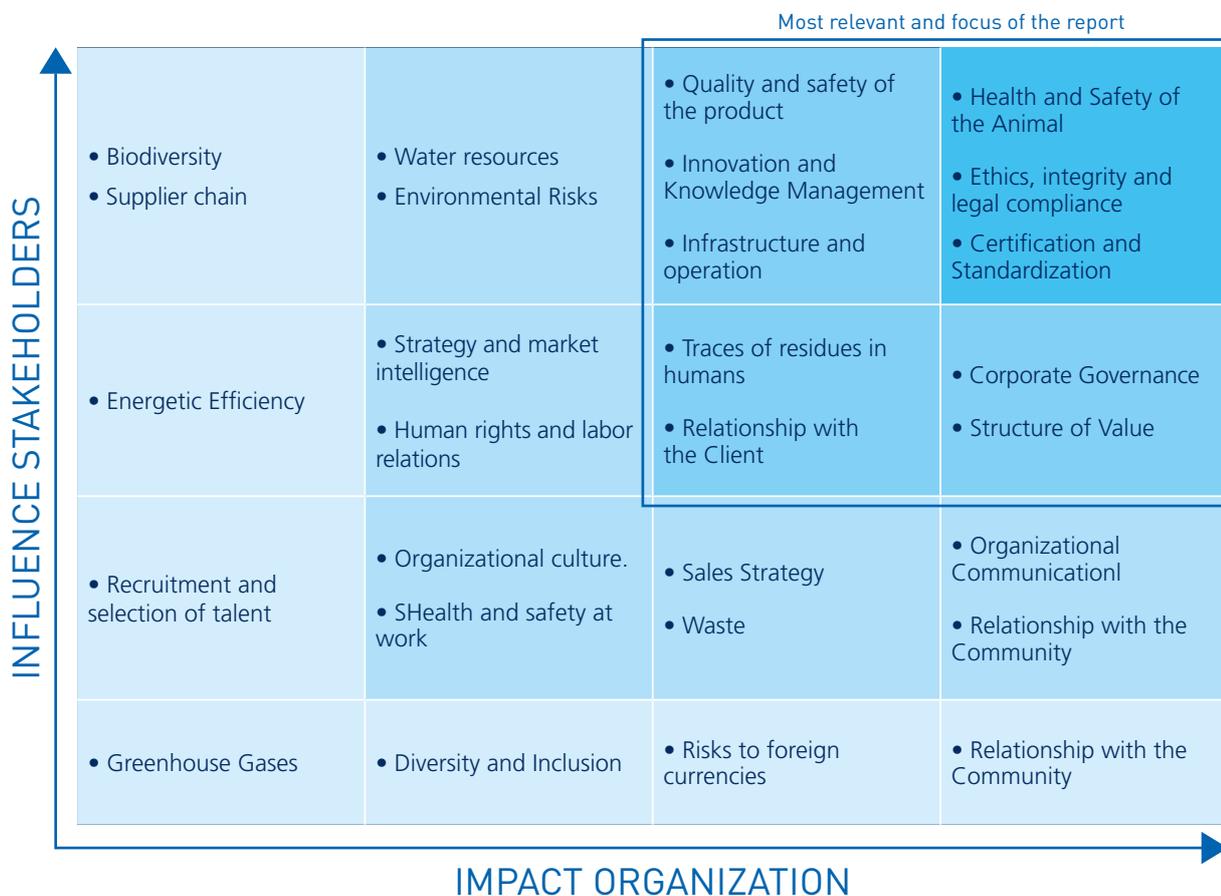
In 2015, we initiated a round of workshops with teams of the company for the presentation of the results obtained in the process of materiality. This dynamic of engagement has aligned the various leaders and areas of the company, with the priority indicators for the next cycles of the sustainability report and its importance in the context of the

management. Thus, we understand even better the impacts of each theme in the processes of the company and we were able to improve our controls, evolving in the reporting.

We identified this year in our process two themes of high interest mainly for our customers and for the market, Animal Welfare and Health and Safety of the client. In this issue, we

adopted the best practices given the international quality standards, and understanding the relevance to our public, we share in our report information about our operations and performance, guided by ethics and transparency in a modern and transparent management, which guarantee the quality of our brand.

MATERIALITY MATRIX



CORRELATION BETWEEN OUR MATERIAL SUBJECTS AND THE IMPACTS CAUSED ON OUR PUBLIC AND OPERATIONS

GRI 64-20/21/27

Health and safety of the animal



Aspects related GRI:

- Animal welfare

Traces of residues in humans



Aspects related GRI:

- Health and safety of the client

Quality and safety of the product



Aspects related GRI:

- Labeling of Products and Services
- Marketing Communication
- Compliance

Innovation and knowledge management



Aspects related GRI:

- Training and Education

Ethics, integrity and legal compliance



Aspects related GRI:

- Compliance
- Investments
- Combating Corruption
- Public Policies

Infrastructure



Aspects related GRI:

- Energy
- Water
- Effluents and Waste

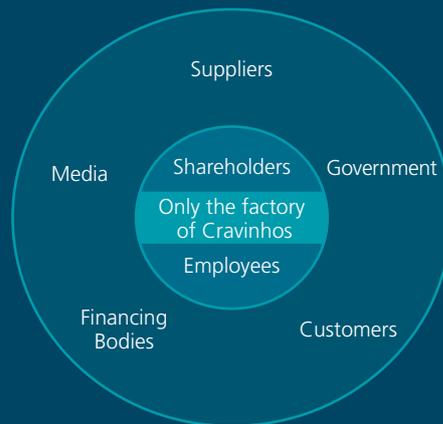
Corporate governance



Aspects related GRI:

- Governance

Certification and standardization



Aspects related GRI:

- Health and safety at work

Relationship with the client



Aspects related GRI:

- Comunidades Locais

Structure of value



Aspects related GRI:

- Economic Development





▼ GOVERNANCE

GRI G4- G34

After the IPO, we continue improving our system of corporate governance in a structured way, making it even more robust and transparent. The last year was very challenging for the company in terms of governance, since we had to adapt very quickly to the needs arising from an environment of open capital on which the information about our activities must be reported to stakeholders in an accurate, transparent, timely and fair way. In order to align information and knowledge about this new environment where we are inserted, our legal department held a round of talks during the last year to present the main

changes and adjustments necessary, focusing mainly on the issue of conflicts of interest, privileged information and obligations of all in relation to the stakeholders and market. The audience was composed mainly of managers and directors, as well as those who occupy positions with access to inside information.

The area of Investor Relations (IR) successfully performed various activities involving investors and other stakeholders such as individual and collective meetings, conferences, lectures, calls and visits to the company's facilities. As the main objective of the area, we can mention

the establishment of a permanent communication channel with shareholders, potential investors, analysts and other interested parties to provide information and answer questions and other demands.

In 2015, the governance structure of the company remained similar to 2014, with a Board of Directors and their respective committees, an Executive Board and a Supervisory Board. In relation to corporate governance practices adopted, we maintained as directors the recommendations and the Code of Best Practices of the Brazilian Institute of Corporate Governance (IBGC).



BOARD OF DIRECTORS

GRI G4- G34/38/39

The Executive Council is composed of a minimum of five and a maximum of seven members, all elected and dismissible

by the General Assembly for a unified term of two years, reelection being permitted. In addition, at least 20% of the members

shall be Independent Counselors. At the end of 2015, the Board of Directors was composed as follows:

Name	Position in the board	Date of Election	End of Term
Norival Bonamichi	President	31/07/2014	31/07/2016
Jardel Massari	Vice President	31/07/2014	31/07/2016
Martín Emiliano Escobari Lifchitz	Effective Independent Member	31/07/2014	31/07/2016
Pedro Augusto Ribeiro Novis	Effective Independent Member	31/07/2014	31/07/2016
Luiz Antônio do Souto Gonçalves	Effective Independent Member	31/07/2014	Resigned on 30/12/2015

To assist the decisions of the Board of Directors, we have structured three committees of support, being one of them statutory. These committees have a defined schedule throughout the year and have as a mission to discuss and make recommendations

to the Council on issues that are specific to their scopes.

Our founders and controlling shareholders, Mr. Norival Bonamichi and Jardel Massari, are on the Board of Directors, focused and committed to the discussion of

strategic issues involving the company and the development of new leaders who perpetuate the culture, values and principles that are the reason for our success. No member of the Board of Directors acts as an executive of the company.

FOUNDERS AND CONTROLLING SHAREHOLDERS

Jardel Massari



Norival Bonamichi



STATUTORY AUDIT COMMITTEE

GRI G4- G34/38

The Statutory Audit Committee is an advisory body of consulting, linked directly to the Board of Directors, which has as its aims (i) Examine, the hiring and dismissal of independent audit, (ii) review

and supervise the activities of the internal and external auditors, (iii) monitor the quality and integrity of the mechanisms of internal controls and financial and accounting information; (iv) to evaluate and monitor

the risk exposure of the company, and (v) to evaluate and monitor, along with the administration and the area of internal audit, the appropriateness of transactions with related parties.

Name	Position in the Committee
Frederico Seabra de Carvalho	Effective Member
Eduardo Scarpellini	Effective Member
Luiz Antônio do Souto Gonçalves	Effective Member and Coordinator (resigned on 12/30/2015)

HUMAN RESOURCES COMMITTEE

GRI G4- G34/38/52

Its main purpose is to advise the Board of Directors in the definition of remuneration and benefits policies. The Human

Resources Committee uses as a basis for internal policies of remuneration associated with the work of external consultants

specialized in salary researches. Thus, the remuneration taken by the company remain aligned to the market.

Name	Position in the Committee
Martín Emiliano Escobari Lifchitz	Effective Member
Dolivar Coraucci Neto	Effective Member

INNOVATION COMMITTEE

GRI G4- G34/38

Its main objective is to advise the Executive Council in the analysis of initiatives related to Research, Development and Innovation (RD&I).

Name	Position in the Committee
Norival Bonamichi	Effective Member
Dolivar Coraucci Neto	Effective Member
Pedro Lichtinger	Effective Member
José Ricardo Garla de Maio	Invited Technician
Carlos Henrique Henrique	Invited Technician

BOARD OF DIRECTORS

GRI G4-G34/38/48

Our Statutory Board is composed of a minimum of two and a maximum of five members, being a Presiding Director, a Director of Investor Relations and the other officers with no specific designation. The

position of Director of Investor Relations may be accumulated by another director. The directors have an unified term of three years and may be reelected. The Chief Executive Officer (CEO)

is also responsible for monitoring and approving the sustainability reports each year, which include the process of definition of materiality. Our board of directors is currently composed as follows:

Name	Position	Date of Election	End of Term
Dolivar Coraucci Neto	Chief Executive Officer (CEO)	18/06/2014	3 years
Fábio Lopes Júnior	CFO and Investor Relations Director	20/08/2014	3 years

SUPERVISORY BOARD

GRI G4- G34/38

The Board of Auditors is composed of three effective members and three alternates, elected by the General Assembly with a mandate

until the first Ordinary General Meeting to be held after their election, reelection being permitted. The Supervisory Board is composed as follows:

Audit Committee Composition:

3

Effective Members

+

3

Alternate members elected by the General Assembly

Name	Position in the Board	Date of Election	Mandate Term
Hugo Saraiva Carvalho Junior	Effective Member	Election for the 2015 mandate ractified on 03/03/2016	OGA 2016
Luiz Antônio Santos Baptista	Effective Member	Election for the 2015 mandate ractified on 03/03/2016	OGA 2016
Cesar Augusto Campezo Neto	Effective Member	Election for the 2015 mandate ractified on 03/03/2016	OGA 2016
Lucio dos Santos Faria	Substitute	Election for the 2015 mandate ractified on 03/03/2016	OGA 2016
Gabriel Vieira Biscaia	Substitute	Election for the 2015 mandate ractified on 03/03/2016	OGA 2016
Paulo César Lima	Substitute	Election for the 2015 mandate ractified on 03/03/2016	OGA 2016

▼ ETHICS, INTEGRITY AND LEGAL COMPLIANCE



GRI G4-14/56/HR2/S04/S05/S06/S08/EN29

Our activities are regulated by agencies such as the Ministry of Agriculture, Livestock and Supply - MAPA, Securities Commission -(CVM) and BM&FBOVESPA S.A. In this sense, our legal department, which is fully aligned to the business strategy and focused on risk management, acts in an inclusive way not only with respect to various

preventive actions and legal demands and advise, but also with respect to regulatory issues that permeate our activities and business.

We believe that the concepts of ethics, integrity and legal compliance are applicable to all our relations whether with suppliers, customers, bodies and government agencies and any other

stakeholders. We also demand of our trading partners, whether suppliers or customers the same attitude, influencing in this way the whole value chain.

Throughout 2015, we also continue conducting training sessions focused on our Code of Conduct. In integrations in 2015, 231 employees, which represent 18% of our labor force were trained.



In total, 32 groups were organized, with an hour dedicated to procedures related to human rights and anti-corruption education.

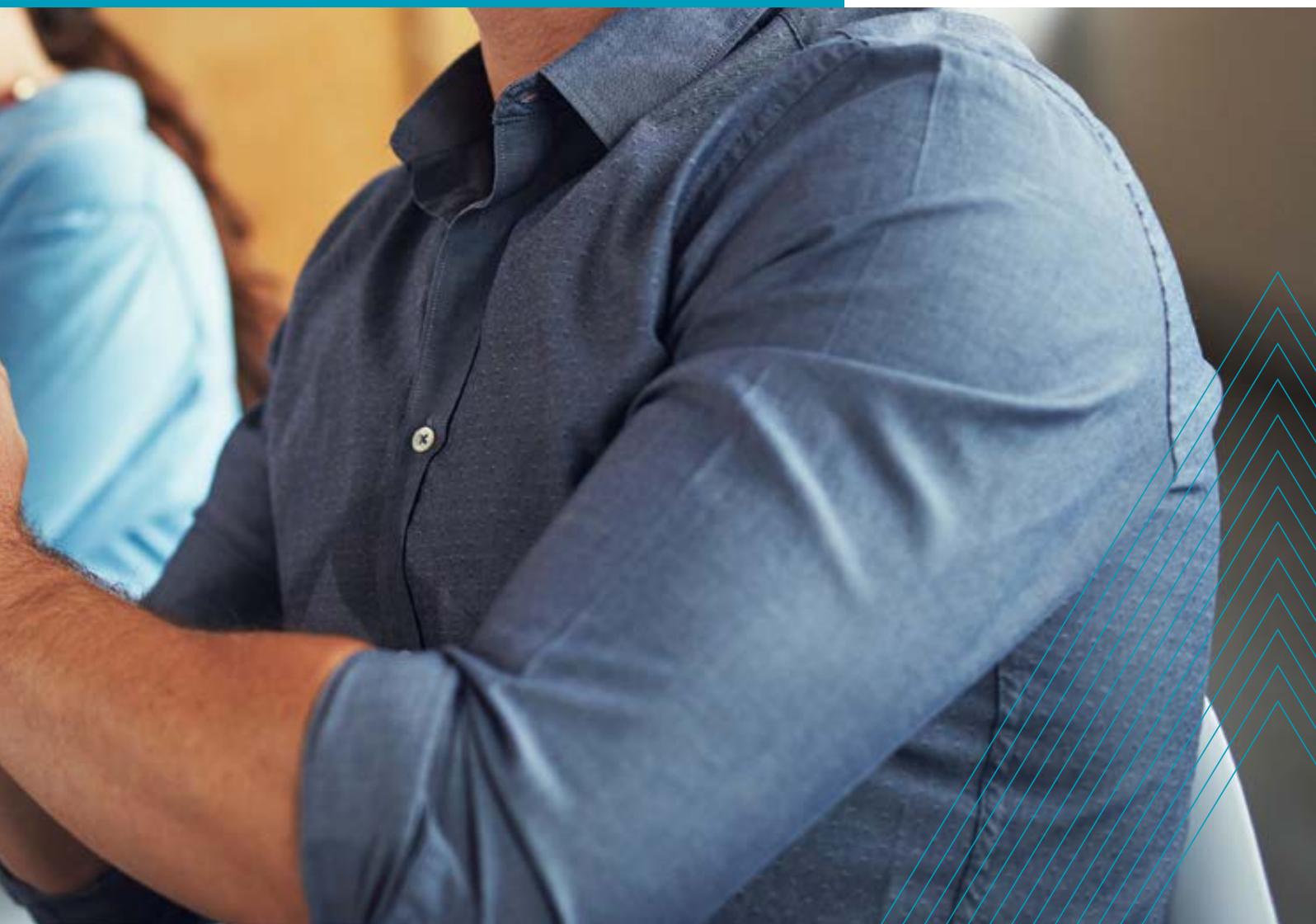
At the end of the period, we began a process of deploying software control for issues related to environment, health & safety in the workplace and social responsibility. Thus, the technical areas involved may make their own management of legal compliance in relation to these themes, aligned with the guidelines issued by

the legal department.

During the last year, we were not the subject of relevant fines or penalties resulting from non-compliance with environmental regulations. In the same way, we had no cases of violation of the rights of indigenous people or confirmed cases of corruption.

In 2015, donations to political parties were not performed by our company. We recorded four acts of infringement of levying taxes on transactions relating to the movement of goods

and Services of Interstate and Intermunicipal Transportation Services and Communication - ICMS, amounting to BRL \$2.8 million. The discussions of tax, administrative or judicial nature in which we are part, derive mainly from the diverse understanding diverse from monitoring on the implementation of the exemption provided for in ICMS Agreement n° 100/97 for imports of technical products intended for the formulation of products for the livestock sector.



FINANCIAL INFORMATION



Considering that the company was formed on 10 April 2014, the individual and consolidated financial statements (“consolidated”) of 2015 have information of comparative results which do not represent adequately the whole operations of the group. In this context, for 2014, the administration chose to present information derived from the consolidated combined

financial statements (“combined”) of the controlled Company.

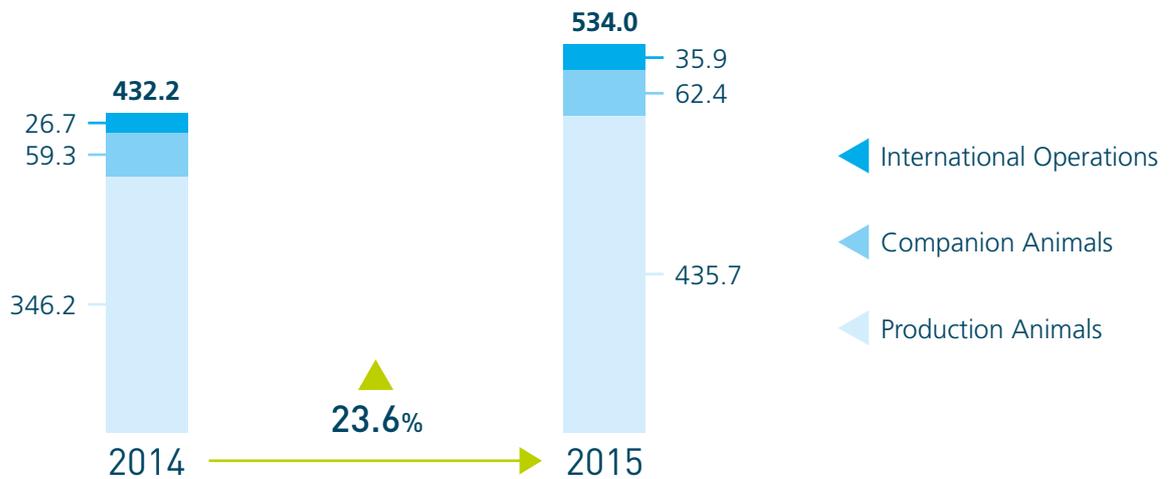
Such financial information combined, relating to 2014, were also adjusted to better reflect the net profit from continuing operations, adjusted for extraordinary events, in particular to consider expenditure of the controller, not included in the combined, and to disregard specific expenditures related to the process of public listing.

ECONOMIC FINANCIAL PERFORMANCE

BRL \$ million	2014	2015	Var. %
Net Revenue	432.2	534.0	23.6%
Cost of sold products	(171.9)	(236.6)	37.6%
Gross Profit	260.3	297.4	14.3%
<i>(Gross Margin)</i>	60.2%	55.7%	-4.5 p.p.
Expenses (*)	(179.6)	(199.5)	11.1%
Operational Profit	80.7	97.9	21.3%
<i>(Operational Margin)</i>	18.7%	18.3%	-0.4 p.p.
Financial Result	(11.4)	(10.6)	-7.0%
Income Revenue and Social Contribution	(15.1)	(18.1)	19.9%
Adjusted Continued Operations Profit	54.2	69.2	27.7%
Adjusted Profit Margin	12.5%	13.0%	0.5 p.p.
Adjusted EBITDA	98.2	119.1	21.3%
<i>Adjusted EBITDA Margin</i>	22.7%	22.3%	-0.4 p.p.

(*) in 2014 it considers adjustments relating to operational expenses of the controlling company, not included in the combined, and expenses related to the IPO.

NET REVENUE – EVOLUTION (BRL \$ MILLION)



SALES, GENERAL AND ADMINISTRATIVE EXPENSES

Reflecting our effort in search of more efficiency in operations and reduced spending, the total of sales general and administrative expenditures in 2015 grew in proportion less than the net revenue with dilution of expenditures. In 2015, SG&A was BRL \$199.5 million, a dilution of 4.2 percentage points on the net revenue.

EBITDA AND MARGIN EBITDA

BRL \$ million	2014	2015	Var. %
Sales, general , administrative and other expenses	(179.6)	(199.5)	11.1%
<i>Percentage on net revenue</i>	41.6%	37.4%	-4.2 p.p.
Profit of the continued operations	54.2	69.2	27.7%
(-) Discontinued Operations	(1.2)		-100.0%
(+) Controlling Company's operational expenses	7.1		-100.0%
(-) Expenses relating to the IPO	(8.8)		-100.0%
Net Profit of the Period	51.3	69.2	34.9%
(+) Net Financial Result	11.4	10.6	-7.0%
(+) Income Revenue and social contribution	15.1	18.1	19.9%
(+) Depreciation and amortization	16.7	20.1	20.4%
EBITDA	94.5	118.0	24.9%
(+) Discontinued Operations	1.2		-100.0%
(-) Operational Expenses of the Controlling Company	(7.1)		-100.0%
(+) Expenses relating to the IPO	8.8		-100.0%
(+) Other	0.8	1.1	37.5%
EBITDA Adjusted	98.2	119.1	21.3%
Net revenues of Sales	432.2	534.0	23.6%
<i>EBITDA Margin</i>	21.9%	22.1%	0.2 p.p.
<i>Adjusted EBITDA Margin</i>	22.7%	22.3%	-0.4 p.p.

The Adjusted EBITDA in 2015 presented growth of 21.3% with Adjusted EBITDA margin of 22.3% and a total of BRL \$ 119.1 million. This result reflects the growth of the revenues and the dilution of the SG&A which compensated the setback of the gross margin.

INDEBTEDNESS

BRL \$ million	31 December 2014	31 December 2015
Circulating	103.1	57.3
Non circulating	112.6	159.2
Gross Debt	215.7	216.5
(-) <i>Net Derivative financial Instruments. net</i>	9.2	0.4
Net Deb of Derivatives	206.5	216.1
(-) Cash and cash equivalents ¹	72.5	23.4
<i>Net Debt</i>	134.0	192.7
Average Cost of the debt (in December) ²	7.54%	7.98%
Net Debt/Annual EBITDA adjusted	1.37	1.62

¹ In 2014, it contemplates the capital of BRL 6.1 of the holding not included in the combined demonstrations.

² Average cost determined considering the protection of derivative financial instruments.

▼ STRUCTURE OF VALUE



GRI G4-9/56/EC1

We seek to add value in a structured way to the company and the environment in which we operate. Strengthening our business means not only to be a better company, but operating together in our supply chain, developing our partners, sharing and creating value.

OUR ESSENCE

▲ **MISSION:** Supply the market with the best solutions in animal health, contributing to the high performance of the protein productive chain and to the longevity of companion animals.

▲ **VISION:** Be the most complete Brazilian company of animal health, committed to the quality of life of humanity and the environment.

▲ **VALUES:** • Respect • Honesty and integrity • Humility and courage • Commitment to quality • Responsibility • Clarity and precision in the dissemination of information • Preservation and sustainability

OUR MAIN RESOURCES

Economic Financial Capital

- Publicly traded company in the BM&FBovespa, with 55% of the shares controlled by founding shareholders and the rest, distributed among other shareholders and executives;
- Net revenue of BRL \$ 534.045 million (+23.55% in relation to 2014).

Intellectual Capital

- An average of 6% of turnover invested in research and development;
- Development, promotion and empowerment of local communities, including cattle ranchers.

Human Capital and Operations

- More than 1.2 thousand employees;
- Presence in national and international markets;
- One of the largest and most modern industrial plants of animal health in Brazil.

Natural Capital

- Wide management of our major environmental risks: Water, Energy and Effluents;
- Early positioning process on climate change in the market of animal health.

Trade Relations

- Total of 54.361 visits to farmers, in 2015;
- Strategy of proximity to the farmer generating increased demand in relation to 2014.

HOW WE BUILD VALUE

▲ PERFORMANCE

- Responsible Performance, based on transparency and guided by material themes of the business;
- Structured quality, environmental and social system and focused on prevention of risks and liabilities.

▲ INNOVATION

- Innovation as a business strategy and going through all the processes;
- Large investment in research and development, including new products and plant of technology of biological preparations for the coming years (operation starts in 2017).

▲ COMPREHENSIVE RELATIONSHIP

- Development programs and training of farmers and customers (local communities);
- Broad participation in associations and organizations, such as the SINDAN for discussion and anticipation of market trends.





ECONOMIC VALUE

Ouro Fino Saúde Animal Participações S,A,

Demonstration of value added
In millions of brazilian reais

	Controlling company		Consolidated	
	Exercise finished on 31/12/2015	Period within 04/10/2014 and 31/12/2014	Exercise ended on 31/12/2015	Period ended on 04/10/2014 and 31/12/2015
Revenues				
Products and services gross sales			586,158	362,558
Other revenues			1,120	326
Revenues relating to the construction of own assets			16,457	11,715
Provision for impairment of trade receivables			(1,105)	(190)
			602,630	374,409
Raw material acquired from other parties				
Cost of sold products, goods and services			(194,695)	(107,083)
Materials, energy, third party services and others	(652)	(6,385)	(135,182)	(92,996)
Gains (losses) of active values, net			679	(3,618)
	(652)	(6,385)	(329,198)	(203,697)
Gross added value	(652)	(6,385)	273,432	170,712
Depreciation and amortization			(20,539)	(11,313)
Net value added produced by the entity	(652)	(6,385)	252,893	159,399
Value added received in transference				
Patrimony equivalence result	71,332	44,813		
Financial revenues	4	51	26,932	22,638
<i>Royalties</i>	100	41	100	41
Others	26		1,591	924
Total value added to be distributed	70,810	38,520	281,516	183,002
Distribution of the value added				
Personal				
Direct remuneration	864	318	96,000	59,001
Benefit	4	2	18,374	10,643
FGTS			7,234	3,992
Taxes, fees and contributions				
Federal	695	430	46,884	32,907
State	1		1,009	5,694
Municipal			207	66
Remuneration of third party capital				
Interests	54	50	37,099	30,183
Rent			4,656	1,760
Other			846	566
Remuneration of own capital				
Retained profit	52,759	28,761	52,759	28,761
Interest on own capital and dividends	16,433	8,959	16,433	8,959
Non-controlling interest			15	470
Distributed added value	70,810	38,520	281,516	183,002

The explicative notes of administration are an integral part of the financial demonstrations.

SOCIAL VALUE

	TOTAL
Internal (Food, Social Security, private pensions, health and nursery aid)	BRL \$ 30,623,775.30
External (private social investment and incentive laws)	BRL \$ 1,576,839.76

ENVIRONMENTAL VALUE

- ▼ -60% of color prints;
- ▼ -24% of purchasing paper;
- ▼ -22% of water consumption;
- ▼ -10% of electrical power consumption.



VALUE OF OUR BRAND

GRI G4- G34



DEVELOPMENT OF BRANDING

As a next step for strengthening the brand, we will hold in 2016 a study focused on the branding of the company. The result of this work will be the development of the idea of central value of Ourofino Saúde Animal and its

purpose, which will guide our company in the decision-making process, inspiring the delivery and distribution of values for customers, employees, shareholders, communities and other stakeholders.

Among the benefits

of branding work, is the alignment of sustainable norths that include the feeling of belonging, engagement of staff, preparation of the differentials of the company and the perception of these, in addition to the optimization of resources.

ACKNOWLEDGMENTS

Our actions in a transparent and attentive way to each public in the midst of the bonds of which we are a part, gave the company recognitions as the Animal Pharm Awards 2015, which elected us the "Best Company - Latin & South America".

Animal pharm is the leading service of business intelligence on-line to the segments of animal health, pets and food production.

For over 30 years it has been offering insights on the major players in the market and information for industry professionals around the world.

The marketing communications, since the packaging of products, accompany the quality and technology of solutions developed by the company. These have highlighted our actions and gave our

company in 2015 two new trophies "Touro de Ouro". In this seventh edition, the awards were in the categories insecticide and horn fly exterminator. The award is sponsored by the Revista AG to elect the best companies of the sector and highlight the top of mind brands by Brazilian cattle ranchers. Since the first edition, we have already received more than ten trophies.



HEALTH AND SAFETY OF THE ANIMAL



GRI G4-FP13



One of our greatest concerns as a company in the sector of animal health, is to care for the health and safety of animals. This concern is not limited only to those animals used in our tests, but also to those

related to the management and implementation of our solutions throughout the chain.

In our research phase, we conducted studies in foreign centers and experimental units of Ourofino Saúde

Animal on the basis of the current Brazilian laws and regulations of regulatory bodies such as the Ministry of Agriculture, Livestock and Supply (MAPA) and the Ministry of Science, Technology and Innovation





(MCTI). The latter has the National Council for Control of Animal Experimentation

(CONCEA) which regulates the use of animals for the purpose of teaching and

research. Among the main regulations that are followed by us we may cite:

NATIONAL

- *Law no. 11.794 (Lei Arouca) from 10/8/2008- establishes the procedures for the use of animals in scientific experiments, regulated by Decree no. 6899 from 07/15/2009, which deals with the composition of the National Council for Control of Animal Experimentation (CONCEA).*

INTERNATIONAL

- *(U.S.A - Food and Drug Administration) VICH GL43 – Target Animal Safety Guidelines for Veterinary Pharmaceutical Products. Guidance for Industry - April 2009.*
- *VICH GL44 – Guideline on target animal safety for veterinary live and inactivated vaccines- July 2008.*



All studies involving animals pass through the evaluation of our Committee of Ethics in Animal Experimentation (CEUA). This committee evaluates the study protocols and allows or denies the use of these animals in research, thus avoiding the exaggeration in the use of animals. Another factor analyzed in our committee is the methods employed in research, which should ensure the welfare of animals involved. In 2015, there were no significant recorded incidents with laws and regulations or standards related to the practices of handling of animals.

The same process occurs with the projects and researches conducted in environments of third parties, being that the private or state experimental units have their own ethics commissions for the use of animals. In the report period 44 studies were conducted in third parties and 83 in experimental units of Ourofino Animal Health. From the performed studies, 100% obtained approval of the committee of ethics of animal welfare, being that all studies were marked out by the use of the guide of good clinical practices.

Another highlight in our process to ensure the health and safety of animals, is in the relationship with the Internal Commission for Biosafety (Clbio), a body linked to the Ministry of the Environment which deals with analytical, guiding and proactive matters in biosafety and work in containment with Genetically Modified Organisms (GMOS). As we use GMOs to develop our solutions, we always subject ourselves to the Clbio for approval processes that involve these organisms, and in 2015 it was no different, being 5 related processes forwarded and approved.

The other end that inspires our care is linked to the management and practice in the application of our products on animals. In this way, the training factor is our main focus. We performed several trainings throughout the year on management and application of products. This training is mainly performed by the Technical Consultants (CTs), dealers, cattle ranchers and collaborators.

As highlighted in the last year, we achieved a total of 2,306 people trained in the field through our programs.





This capacity taken to cattle ranchers by technical knowledge is an important tool of engagement in our value chain, in addition to preserving the integrity of the animals in their daily management. Our field staff, in large part, is trained through programs of Continuing Education (E-PECs), with the minimum approval of at least 60%. In the period 72.07% of employees enrolled were approved.

We also have a training and skills center in Guatapar (SP) that receives students weekly for courses of animal reproduction which are taught through theoretical and practical classes, in addition to the visit to the headquarters. The training for the course of fixed time artificial insemination (FTAI) lasts five days and is accredited with a certificate by Asbia (Brazilian Association of Artificial Insemination) to the students. Thus, the company contributes to the development of the properties and builds relationships and loyalty with customers who benefit by the structure offered by the company. 645 people were trained in 2015.



▼ QUALITY AND SAFETY OF THE PRODUCT + TRACES OF RESIDUES IN HUMANS

GRI G4- 14/PR1/ PR3

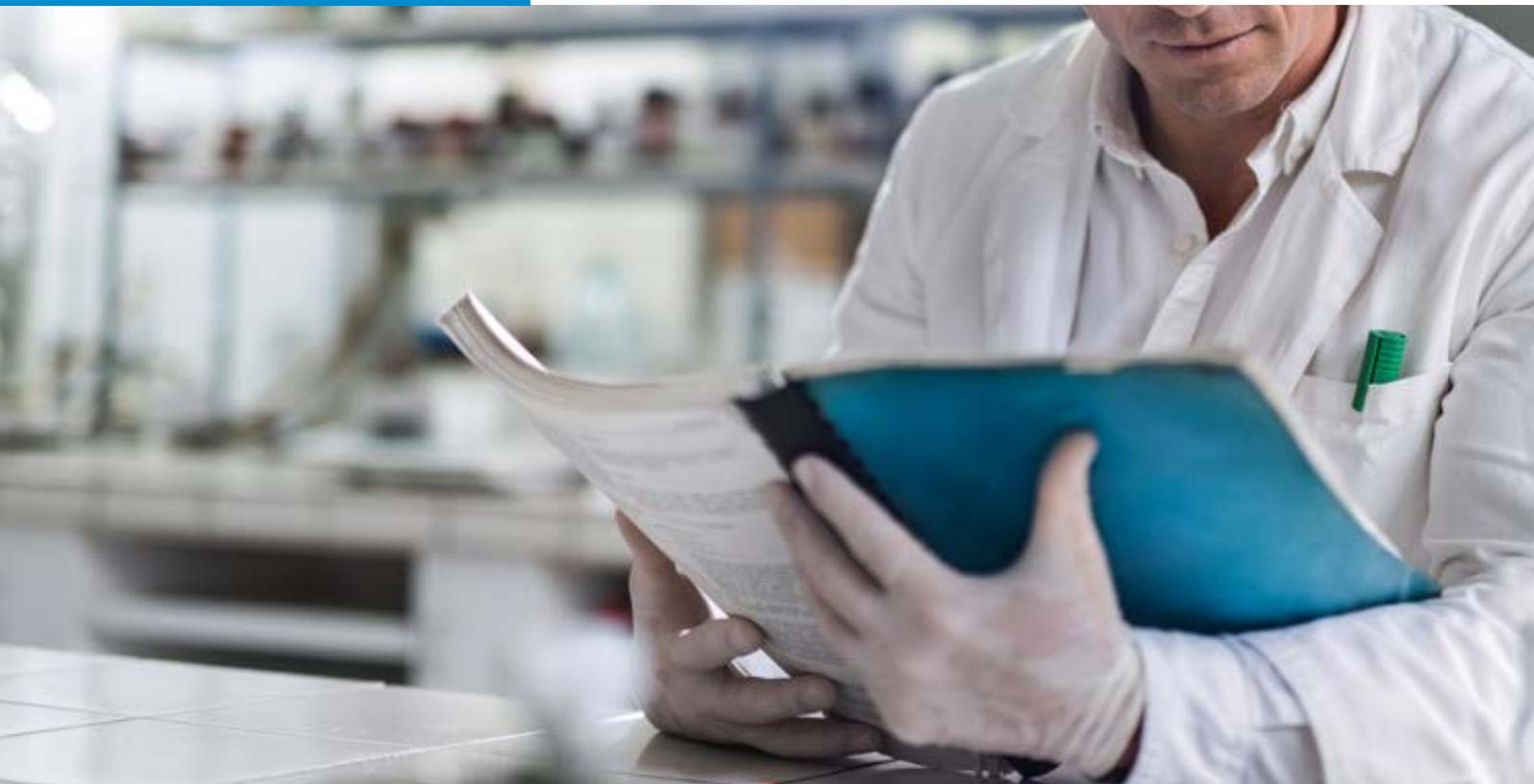
The commitment and the way that we work the quality and safety of our products is without a doubt a market differential for our company. We always think about this topic comprehensively and in this way aiming at the management of risks to prevent any impact on individuals and in our value chain.

We followed all the rules of the Ministry of Agriculture, Livestock and Food Supply (MAPA), relating to the quality and safety of licensed products

and their labeling. The fulfillment of standards is evidenced by records of products accepted by MAPA over the years, being that, in the last cycle, we obtained a total of 10 approvals for registration of new products. All our packaging present information concerning the composition, indications for use, denomination, volume/weight, conditions of storage, manufacture date, expiration date, and data on the manufacturer's facility. Still, in some products and depending

on the current legislation in force, we present information as the grace period and need to sell through retention of prescription.

In relation to the assessed technical specifications of our products, in the last year, we found that 96.2% meet international compendia, such as British and European pharmacopoeias, Merck Index, Codex Alimentarius, among others. The other 3.8% meet only Brazilian specifications.



CONDUCTING OF STUDIES



The market in which we operate is closely related to the food security of humans. Considering that food available to consumers is derived from production animals and these are subject to management and sanitary control during their production cycle, it is essential that the industry

work their products so as to define the grace period, basing it in studies that use recognized scientific methods which are harmonized internationally. Thus, products such as meat, milk and eggs from animals treated with pharmaceutical products should be safe for human consumption with no

residues in quantities that can present risks to the health of the consumer.

The grace period is the period between the last administration of a medicine until the moment it reaches safe concentrations in the edible tissues of a particular animal species. This period ensures that

milk, eggs and edible tissues (bone, muscle, with or without bone base, fat and internal organs, being them processed or in natura) of treated animals can be eaten by humans without risk of toxicity.

In this way, all the steps that make up our studies are outlined in accordance with guidelines from reputable guides and accepted internationally to ensure the reliability of the information generated. During the year, 12 studies were carried

out for determining the grace period for products intended for use in food-producing animals for human consumption or of formulations in development. Of these, 100% used harmonized standards by international bodies such as the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH); European Medicines Agency(EMA); National Health Surveillance Agency

(ANVISA) and Codex Alimentarius.

Another highlight was the work performed with the cattle ranchers for raising awareness of the importance of the correct use of products and compliance with the grace period, where 1,883 people were trained. This work is of great importance, because the management of animals is the key factor when thinking about efficiency and minimizing risks to our end customers.

CHOICE OF THE BEST INPUTS

GRI G4-12

Our concern extends to the choice of inputs that form part of our solutions. We have a program of qualification

and evaluation of suppliers to ensure the quality of all supplies (raw materials and packaging materials) used in the products

and industrialized third parties by the company. As the main stages of the qualification process, we can mention:

- ▲ Prospecting and receipt of samples of materials from new suppliers;
- ▲ Evaluation of the samples of materials and packaging materials;
- ▲ Evaluation and classification of risk of supplier;
- ▲ Conducting audits in manufacturing unit of the supplier;
- ▲ Monitoring of deliveries from the supplier regularly (at least every 2 years).



In March, we reviewed our program of qualification with the aim to meet international guides and improve management. Still in the same period,

the process of evaluation of 185 samples of new suppliers was initiated with the completion of 79 processes up to the end of the year. In relation to the

classification of risks, 48 analysis were performed in 2015 and 13 audits conducted on suppliers, being 8 international and 5 national.

CONSTANT SURVEILLANCE AND RESTRICTIONS OF PRODUCTS

GRI G4- PR2/PR6/PR7/PR9

We are always monitoring any type of complaint, non-conformity or adverse effect related to the quality and safety of our products.

In 2015, there were no non conformities and significant fines related to regulations or voluntary codes relating to labeling and delivery of our products or services

recorded. We also did not have any record of problems related to marketing communications, including advertising, promotion and sponsorship of our solutions.

In relation to the adverse effects, we had no significant cases recorded for the use of our solutions.

In our portfolio, we have 2 products with

restrictions in some markets outside Brazil. The first, intended for the market of pigs has Ractopamine in its composition which is restricted in Europe and China. The second compound, intended for pigs and poultry, has Enramicine in its composition which is prohibited in the European market.

CERTIFICATION AND STANDARDIZATION



We have a quality management system structured that covers 100% of key processes of our manufacture

(production, quality control, maintenance and quality assurance). Within the system, around 12,776 documents are formalized

, of which 3,853 are management procedures. This whole management scaffold is guided by five major goals:

- Ensuring the quality of products and processes;
- Ensuring the training of the employees involved and creating value;
- Ensuring the fulfillment of customer needs.
- Ensuring compliance with applicable regulatory requirements;
- Ensuring the execution of audits attesting the conformity of the system with the specified requirements;

Our management system not only ensures alignment with the Brazilian legislation, but also with the guidelines of various important organs of control in our market. Among the main, we can mention:

- *Ministério da Agricultura, Pecuária e Abastecimento.* (Ministry of Agriculture, Livestock and Supply)
- National Technical Commission on Biosafety (CTNBio);
- Associação Brasileira de Normas Técnicas (Brazilian Association of Technical Norms);
- National Health Surveillance Agency (ANVISA);
- Food and Drug Administration (FDA);
- *European Commission* (EU);
- *Health Canada* (HC);
- *International Conference on Harmonisation* (ICH).



The management of the entire quality system is carried out by the department of Quality Assurance. This area coordinates the process and ensures that all employees are oriented on the concepts of Good Manufacturing Practices (GMP), according

to the specifications of development and regulatory requirements.

An important recognition of our quality work comes through the trust of our customers for outsourced manufacturing of their products. Today, various products of the most important market

players in animal health, are produced in our plant. This outsourcing called world class is an important mechanism for learning in our operation, since we are constantly tweaking the controls and processes to meet standards of safety and quality demanded by customers.



STANDARDIZATION IN SAFETY

GRI G4-LA5, LA6 e LA7

The welfare and health of our employees is a constant subject matter in our company. The concern goes far beyond the activities performed within our operations, we believe the quality of life of people to be paramount.

The management

system of safety in the workplace and occupational medicine is going through a restructuring since the beginning of the period, aiming to adapt the existing procedure to the requirements of the international standard OHSAS 18001. Thus, one

of our main efforts in the last year, was to develop and review procedures and instructions for employees.

Within the framework of safety and occupational medicine we have around 4.13% of our labor force represented in formal committees, namely:

- Executive Safety Committee: 20 members (directors and managers) 4 more guests from SESMT (Specialized Service in Engineering of Occupational Safety and Medicine);
- Internal Labor Accident Prevention Committee (CIPA); 29 members (various levels of professionals).

In 2015, we invested a lot in safety in order to prevent any kind of injury and loss of productivity, being BRL \$ 650 thousand

destined to the theme. This value is lower if compared to the year 2014, because we had purchases of equipment

and a cycle of external training (biannual). Still on this theme, we can cite as highlights over the last year:

- Creation of the Committee of Occupational Safety and Medicine by the directors of the company (managers and directors);
- Committee of Accidents with the aim of controlling the rate of absenteeism;
- Effective participation in the Plan for Mutual Emergencies in the region of Ribeirão Preto
- Exercises to simulate emergencies involving the emergency brigade;
- Reviews of Programs: Prevention of Environmental Risks - PPRA, Medical Control of Occupational Health - PCMSO and Hearing Conservation - PCA;
- Continuity of Ergonomic Analysis of work;
- Investment in safety equipment for emergency response, with training applied to the emergency brigade.

Another issue that receives our special attention, is related to the prevention of serious diseases associated with the position or function exercised. In the last year, we invested a total of BRL \$262,919.70 in programs and actions of quality of life and thus we were able to reduce our rate of absenteeism by almost three points. The main actions were:

- ▲ Program of quality of life, including availability of gym for the employees and labor gymnastics;
- ▲ Preventive health campaigns as:
 - Vaccination against the flu (influenza) to the immunity of employees;
 - Pink October awareness campaign directed at women about the importance of prevention and early diagnosis of breast cancer.
 - Blue November, with the goal of alerting people about the importance of the examination to detect prostate cancer - the gland of the reproductive system.
- ▲ Internal Labor Accident Prevention Week (SIPAT);

When existing, labor related diseases are treated and followed up by the Occupational Medicine Area. In 2015, we did not have any records of new cases of occupational diseases or worsening of existing ones, as well as a history of positions or functions with high indexes of occupational diseases.



OCCUPATIONAL SAFETY AND MEDICINE INDICATORS*

Indicators	2014	2015		
		Woman	Men	Total
Injuries**	11	2	15	17
Occupational Diseases	0	0	0	0
Days Lost	45	5	106	111
Absence Days	7.219	5	106	111
Deaths	0	0	0	0
Injury Rate (TL)	0.668	0.324	1.394	1.004
Rate of Occupational Diseases (TDO)	0	0	0	0
Rate of Days Lost (TDP) 900	2.732	0.809	9.853	6.554
Rate of absenteeism	438.216	0.809	9.853	6.554

*Information regarding the Ourofino Saúde Animal, Ourofino Agronegócio and Ourofino PET. Controlled companies (Mexico and Colombia) are not covered.

**Includes small lesions.

Note: In 2014 we recorded all the events that led to absence (occupational illness, accident at work; Incomplete journey due to accident; Medical License; Day of medical supervision; incomplete journey due to illness; Hours of medical supervision; Maternity leave; Extension of maternity leave; Blood donation; License Gala; Paternity; Death; Military Service, etc.) In 2015 only accidents related to work (without considering commuting accidents) were accounted for, according to protocol GRI G4.

INNOVATION AND KNOWLEDGE MANAGEMENT



GRI G4-4

The market in which we are inserted lives in constant transformation. New formulations, new concepts and work philosophies appear, reappear and are adapted

the whole time. Thus, we work the knowledge management as a vital tool in the managerial and strategic scopes, since the essence of our company is to innovate

and create knowledge.

We operate the decision-making issues on innovation and knowledge management based on the three pillars below:

EXTERNALITIES

Features of our market; Available Infrastructure and technology; International and National laws, rules and standards; Social impacts.

ORGANIZATIONAL STRUCTURE

Governance Structure; Processes of Communication; Knowledge management; Organizational culture.

TECHNOLOGY

New work concepts and methodologies; Availability of new technologies; Patents and financial viability.

DECISION-MAKING - TECHNOLOGICAL

One of our main strategic areas for the creation and development of knowledge, is located in Research, Development and Innovation (RD&I). We have as our main goal, to keep ourselves at the technological cutting edge of the segment,

continuously investing in research, development and innovation. In 2015, we invested approximately 6.4% of net revenue in RD&I, totaling BRL \$ 34.1 million. It is possible to check the total investments between 2014 and 2015 on the chart on the left.



The area of RD&I counts on six internal laboratories for the development of new products and an

internal team of 120 employees who are dedicated, corresponding to 9.1% of the total staff.

As a result of our work, in the last year nine products were launched in the market, namely:

	Name	Indication	Category	Line	Month Launched
	Lactofur	Combats the main infections that affect bovine (beef and dairy) and swine.	Antimicrobial	Production Animal	mar/15
	Ciprolac Vaca Seca	Indicated for the cure and prevention of mastitis (inflammation of the mammary gland) in the dry period so that the herd produces more and better quality milk.	Antimicrobial	Production Animal	mar/15
	Isocox	Helps in the treatment of diarrhea by coccidiosis.	Other	Production Animal	apr/15
	Trissulfim SID	Indicated for the treatment of infections of the intestinal, urinary, respiratory tract, skin and ear infections and also in the treatment of canine isosporiasis, caused by sensitive agents to its action spectrum.	Therapeutic and Antibiotic	Companion Animals	jun/15
	Enfrent	Indicated for the treatment and prophylaxis of Anaplasmosis.	Parasiticide	Production Animals	aug/15
	Voss Performa	Endectocide of broad spectrum based on Eprinomectin for bovine.	Parasiticide	Production Animals	aug/15
	Doxifin Tabs	Palatable Antimicrobial based on doxycycline for cats and dogs.	Antimicrobial	Companion Animals	aug/15
	Superhion	It unites the most modern active principles in the market, fluzaron and Fipronil, which act in the combat to the external parasites, ticks, botflies and horn flies.	Parasiticide	Production Animals	nov/15
	Colosso Avicultura	Indicated in the control of plagues in poultry barns and associates highly safe ingredients.	Parasiticide	Production Animals	dec/15

In 2016, we will enhance our analyzes of factors of

sustainability for feasibility studies of new products,

considering the main impacts in our value chain.

PARTNERSHIPS FOR SUCCESS

A key factor in the success of our area of RD&I are the partnerships with research centers, companies and universities. This process always brings the advantage of access to a great intellectual capital, innovation and technology,

as well as updating the methods used for the processing of products.

In 2015, we had 39 official partners with 69 valid contracts. Among the key partnerships, we can highlight the following: USP, UNIFRAN, IPT, EMBRAPA,

FIOCRUZ, INSTITUTO BUTATAN, UNICAMP, UFSCAR, UCDB, UFV and UNESP. Since 2010, we have officially the program INOVAR, an open channel to offer technologies, projects and products, through our website.

INTELLECTUAL PROPERTY (IP)

We have a sector dedicated exclusively to these issues, called the nucleus of PI. This Sector performs the management of patents, trademarks, industrial designs in conjunction with the specialized offices, as well

as internally monitoring the progress of projects. Another role of the Nucleus of PI is the evaluation of freedom of commercial exploitation of products from the projects.

In the field of patents, 17 applications were made in

total, one of them being in Brazil. In 2014, we had 11 applications (three in Brazil) in total. With respect to patents granted to Ourofino Saúde Animal, there were seven in 2015 (none in Brazil) and three in 2014 (one in Brazil).

N° OF PATENT APPLICATIONS PERFORMED YEARLY



N° OF PATENTS GIVEN PER YEAR



FOCUS ON TRAINING

GRI G4- LA9

The knowledge management is not restricted only to the area of RD&I, being that we recognize the promotion of education as a tool for achieving strategic goals and developing our professionals.

We have deployed in the past year, a platform of education (Software), where we can enter and manage our training needs, as well as its contents and evidence of completion. Thus, we significantly advanced in our management of training,

which in previous years had data generated in various areas and in a decentralized way. Below, we present the volume of training carried out in the last year by gender and functional category, derived from this new system.

Average hours of training per employee	Value (hours)
	2015
Male gender	15.46
Female gender	19.09
Category of leadership male gender	21.20
Category of leadership female gender	28.12
Category of high leadership	36.42
Category of middle managers	28.42
Category of operational leadership	23.42
Category of the production function	7.30
Category of male teams	15.11
Category of female teams	18.14
Category of the technical function	11.13
Category of the administrative function	16.35

* Information regarding the Ourofino Saúde Animal, Ourofino Agronegócio and Ourofino PET. Controlled companies (Mexico and Colombia) are not covered.



RELATIONSHIP WITH THE CLIENT



Among our material subjects the relationship with our customers, whether national or international, is considered as strategic and reflects a good

part of our essence as a company. We work the sales in a consultive way, reflecting the desire to build a value chain that is more structured and therefore more loyal

to our solutions. The network of relationships is worked to develop and disseminate the animal health together with cattle ranchers throughout Brazil and abroad.

PRODUCTION ANIMALS

GRI G4- S01

In 2015, inside the market of bovine and equine, we increased our presence next to cattle ranchers and resales through Brazil by means of our Technical Consultants (CTs) and the result was proven over the period. Our CTs performed a total of

54,361 visits. This number reflects all our effort in local development, providing solutions and advisory work.

Through this strategy of proximity, we obtained as a result, an increase in demand among ranchers compared to 2014. This type of demand is made

directly to the CTs of Ourofino Saúde Animal and passed on to the local retailer. We can say that much of our success was obtained by improving the management system of demands and increase in the supply of solutions to cattle ranchers and dealers.



COMMERCIAL TEAM



PRODUCT MANAGER



CATTLE RANCHERS



RETAILER

The proximity was not the only strategy that we implemented to differentiate ourselves in 2015 when we think about a relationship with the customer, because also we consolidate our accounts structure called "Key". This work focuses on the market of bovine and equine (just over 300 farms located in Brazil) and obtained

an increase of about 71% in affirmation of these accounts in 2015. As main success factors, we may mention the technical development of our teams to work together with the client, the monitoring of management and the work of people management developed in conjunction with the teams of farms.

2015 was also marked by the resumption of our annual conventions, events where we were able to develop specific skills along with Technical Consultants (CTs) and Sales Representatives. The whole process of training of conventions has been developed to work motivational, technical and educational aspects in teams.



The launch of the product Superhion in the second half is also configured as a great strategic opportunity for our company, aiming at the improvement of

the relationship with our customers. The event was attended by representatives of 250 of the major dealers in Brazil. The company was responsible for all costs

of boarding, meals and transportation of these partners. The event was a success and we sold at launch over 30 thousand liters of the product, in a single night.



“When the problem is big
the solution has to be superior”



*Waldemar
Danriva*



Superhion[®]



 **ourofino**
saúde animal

COMPANION ANIMALS (PET)

Our Pet segment is focused on the manufacture and national marketing of medicines and other health products for dogs and cats. We serve 42 distribution areas in the country, that reach more than 25 thousand points of sale, with a portfolio of more than 35 veterinary products. The observed growth in the year reflects the successful strategy of expansion in this segment with a focus on the sales force by increasing the points of sale, reinforced by new products.

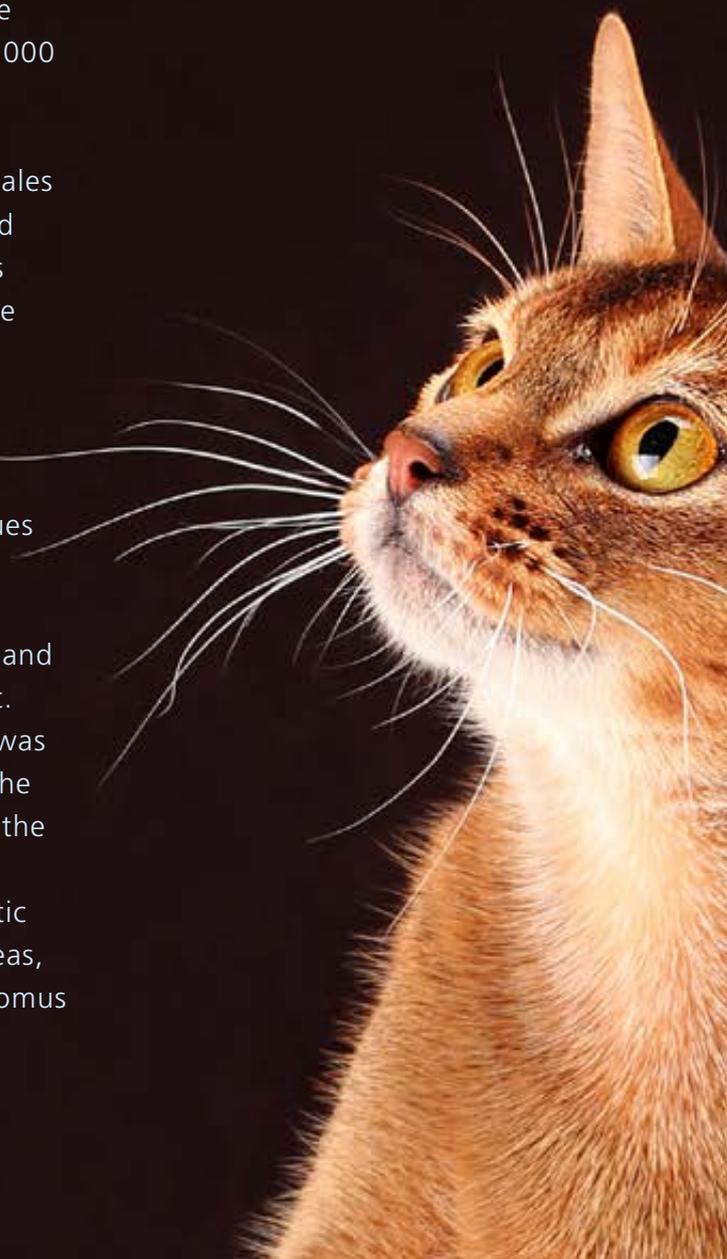
Our great challenge in 2016 is the structuring and start of operations of Ourofino Pet Distribution. We are structuring a distribution company in the city of São Paulo that will care for pet shops, clinics, hospitals and medical offices in the south and west regions of the city. In order to do so we will count on an outsourced logistics expert and sales team trained in high standards of knowledge in the segment. This structure, which aims

to be benchmarking on the market, will count with an area for training and courses that will be available to sales team of current partners in the distribution pipeline of Ourofino Pet, and shop owners from all over Brazil.

Aiming at the planning of the new distributor for the next period, we initiated a training project for the entire chain of distribution, where we carry out more than 1000 training courses and workshops, with vets, shopkeepers, clerks, sales teams, supervisors and owners of distributors of our network. These training courses were diversified, including technical training of products of Ourofino Pet line, technical issues of relevance, sales techniques, customer service, management and business development.

Another highlight was the consolidation of the Protection Line. With the launch of the product Leevre, an anti parasitic leash that combats fleas, ticks and the phlebotomus

which transmits Leishmaniasis, the Protection line has gained acceptance and importance inside the company's portfolio. In this line, the main goal is to inform the final consumer on the importance of prevention.





INTERNATIONAL OPERATIONS

GRI G4-6/13



We are in the process of internationalization of our company, our products and brand. Today we are present in Latin and Central America, Russia, Africa and Asia. The major challenge presented to us is moving from an exporting company of products of animal health to being a global player with our strong and internationalized brand. We operated internationally in 2015 as follows:

Our products and brands are present in 14 countries, namely - Guatemala, Honduras, Panama, Costa Rica, Nicaragua, Mexico, Paraguay, Bolivia, Ecuador, Colombia, Mozambique, Angola, United Arab Emirates and Russia.



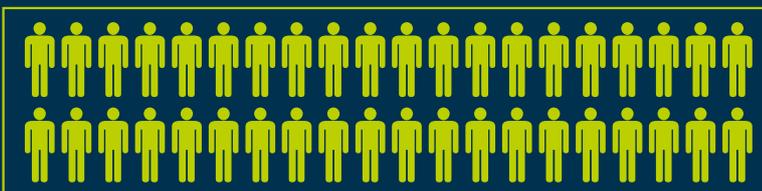
All production is performed in our plant in Brazil.



Acting through two subsidiaries located in Colombia and Mexico.



We have professionals who provide services locally to serve the markets of Central and Latin America.



MEXICAN MARKET

The work on the Mexican market is also evolving. We have our main office and we are present since 1997 in the country. In the last year, our billing in the region grew by 72.2% in Mexican pesos when compared to 2014. According to data from the Sección Industria Farmacéutica (INFARVET) of Mexico, our share of the market, considering all products marketed locally, is

around 0.5%.

As key milestones in our operations in the region, we can cite the expansion of our team of professionals, through hiring of professionals for our commercial team (technical veterinarians) for demand generation and the hiring of a marketing manager in loco, aiming to work the brand while considering regional aspects. Currently we operate within a base

of 30 distributors and we expanded our portfolio in regions that had not been explored before, as for example, the regions Monterrey, Veracruz, Mexicali, Sinaloa, Oaxaca, Tamaulipas and the Yucatan Peninsula.

In the last year we focused on marketing actions through print media, radio and workshops (Technical Lectures) with opinion makers.



COLOMBIAN MARKET

In order to care for our strategic objectives, we have acquired 100% of a distributor in Colombia, Bracol, and we started to act in a more structured way and directly in the region. A considerable increase of staff and greater proximity

between our end customers and our solutions have resulted in a great expansion of client portfolio in the last year, when compared to 2014. We have expanded our business with the opening of new customers and sales channels, and our technical

sales representatives (RTCs) had a strong performance together with cattle ranchers. This model is similar to the work performed for Bovine in Brazil, where we operate in a more consultative way and in partnership with our customers.



OTHER EXPANDING MARKETS

In addition to the already mentioned markets, we have a growing development in the regions of Central America and Latin America. These markets are worked by third parties hired by Ourofino Saúde Animal, who perform the work of prospection and sales with

local clients. It is very important to emphasize that because we are dealing with local professionals, these employees bring many advantages to the company due to their full understanding of the market where they perform.

For the markets of Asia,

Russia and Africa the work is carried out from Brazil through local distributors. In 2015, we conducted our first sale of products to the Russian market, which represented a milestone in our line of products for companion animals.





▼ INFRASTRUCTURE

The infrastructure to operate in our plant has four basic elements for which we offer a deeper look, as: energy, water and effluents and waste. All of these elements

are indispensable in our management of sustainability. In recent years, we have come a long way in relation to the concepts of sustainability within our organization,

working on important issues such as infrastructure, in an integrated and transversal way within the company. Our main objectives in relation to the management of infrastructure are:

- ▶ **Seek minimal use of resources to the most;**
- ▶ **Continually increase the efficiency of processes;**
- ▶ **Evaluate the use of materials and dispose of properly;**
- ▶ **Reduce and plan the generation of any type of waste or residue.**

For 2016, in addition to the elements mentioned above, we will start a job focused on climate change. This work will primarily focus on the reduction of atmospheric emissions of

greenhouse gases (GHG) throughout our supply chain. Thus, we will initially execute our inventory and planning of actions in the short, medium and long term for a low carbon chain.

ENERGY

GRI G4-EN3/ EN5/ EN6

The importance of the responsible use of energy not only passes by the issue of financial impact on the acquisition of energy, but also by the impact caused by the use of non-renewable resources. In this way, the last year was an important milestone in

the creation of our Internal Committee of Energy Efficiency, responsible for raising opportunities for improvement and implementation of projects to reduce specific energy consumption in the processes of the company. During the discussions in

the last year, we set for 2016 as a goal, improving efficiency in the generation of steam at 4%, leaving the current level of 89% to reach 93% thermal efficiency, which represents a reduction of consumption of 1250 GJ of energy for the generation of steam.

DIRECT AND INDIRECT ENERGY CONSUMPTION, SEGMENTED BY PRIMARY SOURCES*

Source	Type of source	Unity	Values	
			2014	2015
Consumption of GPL	Not renewable	GJ	23,761.20	25,214.54
Electric Power Consumption	Not renewable		64,983.20	66,552.18
Total energy consumption**	Not renewable		88,744.40	91,766.72

* Data relating to the plant of Cravinhos/ most of the heating of the plant is made by vapor and part by electric energy. / The specific consumption of heating and cooling are contained in the consumption of electricity and steam informed. / The sale of any type of energy is not performed . /

** The total energy consumption was calculated by the sum of the consumption of electric power and steam in GJ. The consumption of electrical energy have been established through the accounts of electric energy and the energy for steam through the spreadsheet of consumption of GPL in kg, considering one PCI of 11.000 kcal/kg GPL and 1 kcal = 4.184 kJ. These factors supplied by Aalborg/Alfa-Laval, which brings the value of 11.025 kcal/kg. The approach is justified due to the fact that the values are tabulated based on mean market values.

ENERGY INTENSITY

Form of payment	Unity	Values	
		2014	2015
Total energy consumption (electrical + steam) per unit of the filled product	GJ/Unidade	2.68	2.64

* Data relating to the plant of Cravinhos and domestic consumption.

REDUCTION OF THE CONSUMPTION OF ENERGY*

Energy included in the reduction	Unity	Values
		2015
Electrical	kWh	47,693.00

* Data relating to the plant of Cravinhos . / Reduction estimated based on percentage reduction of 10% of the operating pressure of the compressor (10 bar to 9 bar). The power of the compressor is 55.2 kW to 10 bar. As the absorbed power is a direct function of the working pressure, a reduction of 10% of the working pressure represents a proportional reduction of the absorbed power. Considering the regime of continuous operation (24h and 365 days a year), we come to the value of 47,693 kWh of reduction in consumption.

WATER AND EFFLUENTS

GRI G4- EN8/ EN9/ EN10/ EN22

Water is essential for the production of veterinary medicinal products, either as an ingredient or in the process of sanitization of areas and tanks. This is why its lack carries grave consequences for the growth of the organization. In this way, we work this source under two perspectives, that is, before and after its use.

The supply uses as extraction sources the public municipal water and an artesian well located in our facilities. In order to monitor the consumption we use a hydrometer for groundwater and for the water from the municipal network, we use the water consumption and sewage bills.

Our extraction of water is directly linked to the

Guarani Aquifer which has around 1.2 million km², and is considered the largest reserve of groundwater surpassing the frontiers of Brazil, with immeasurable value to local biodiversity. Its resources management is performed by the Department of Water and Electrical Energy (DAEE) despite not being a protected source.

WATER WITHDRAWN BY SOURCE (m³)*

Source	2013	2014	2015
Underground water (well)	12.829	12.829	6.585
Public Network	105.996	118.139	90.642
TOTAL	118.825	130.968	97.227

RECYCLED AND REUSED WATER (m³)*

Source:	2013	2014	2015
Total calculated	21.000	21.000	28.382
Percentage of the total withdrawn	17.67%	16.03%	29.19%

* Data relating to the plant of Cravinhos..

After the use of the water resource we treat the effluent generated in the production process and auxiliary operations, in our Effluent Treatment Station (ETE). This treatment ensures that the release done, achieves

the standards required by legislation.

In our station we have two types of treatment for effluents, denominated physical chemical and biological. The industrial effluents are treated from the physical and

chemical process, which consists in adding various chemicals (flocculants, polymers, sulfuric acid and sodium hydroxide) to reduce) to reduce the load of sedimentable solids, insoluble materials among others. After some stages

of oxidation the industrial effluent resulting from the process finally is guided to the biological treatment which consists in the degradation of organic material through bacteria and micro-organisms

already present in the effluent.

When sewage is sanitary, the launch is performed directly in the public collection of sewage, being directed to the service of Water Supply and Sewage

(SAAE) of Cravinhos (SP).

On the table below we illustrate how the characteristics of our effluents have varied over the last two years according to the analysis of the quality of some main aspects:

DISCARD AND EFFLUENT TREATMENT*

Aspecto Avaliado	2014	2015
Total Volume of disposal (m ³ /year)	22,650	26,566
Destination	Emissary	Emissary
Method of treatment	Physical-chemical and biological	Physical-chemical and biological
Chemical Oxygen Demand - (COD) (mg/L)	444	1090
Oil and grease (mg/L)	<5	<5
Sedimentary Solids (mg/L)	<0.3	<0.3
pH	NA	7.08
Temperature (°C)	NA	32.9
Percentage of treated effluent (%)	100	100

* Information relating to the plant of Cravinhos . Only the parameters required by Decree 8468/76 were presented This decree guides the quality of the launch of the effluent generated by the company according to the requirement of CETESB (Environmental Company of the State of São Paulo) contained in the licensing processes.

In 2015 we started the plan of improvement in the efficiency of our ETE, with investments of BRL \$73,807.00, and it includes:

- The study of tractability of the effluent;
- Water balance;
- Effluent Treatment Station Diagnosis;
- Tank for receipt of effluent.

In 2016 we will continue with the improvement plan whose estimated value of investment is BRL 248,000.00 and includes:

- Adjustments to the Effluent Treatment Station;
- Improving the process of equalization and homogenization of the effluent;
- Deployment of a laboratory for analysis of effluent.

WASTE

GRI G4- EN23

The waste generated at headquarters are segregated into four categories: hazardous, non-hazardous, inert or non inert. The waste from packaging, raw materials, expired or out of

specification products are forwarded to destruction by normative and always characterized as hazardous.

Due to the characteristic of our waste, we have a dedicated team to monitor the process of

destruction and recycling. In addition to the aforementioned monitoring, we have an audit cycle established annually held on our suppliers to mitigate any type of risk or non-compliance.

WASTE GENERATED

Category	Year:		Disposal
	2014	2015	
Hazardous Waste (t)	179.6	423.62	Incineration
	NA	NA	Recycling
	103.49	111.52	Recovery (barrel)
	103.35	74.97	Co processing
Non hazardous waste (t)	224.43	270.08	Recycling
	126.3	170.14	Reuse
	290.4	770.21	Landfill

While confident and supported by its good historical performance, Ourofino maintains the commitment and focus on the continuity of its efforts for sustainable growth. In the constant pursuit of business excellence, Ourofino thanks its clients, suppliers, agents, financial supporters, shareholders and collaborators for the trust deposited in our actions and invites all to continue sharing our ideal for the coming years.





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Limited assurance report issued by independent auditors

To the Board of Directors, Shareholders and Stakeholders
Ourofino Saúde Animal Ltda.
Cravinhos - SP

Introduction

We have been engaged by Ourofino Saúde Animal Ltda. to apply limited assurance procedures on the sustainability information disclosed in Ourofino Sustainability Report 2015, related to the year ended December 31st, 2015.

Responsibilities of Ourofino' Management

The Management of Ourofino is responsible for adequately preparing and presenting the sustainability information in the Sustainability Report 2015 in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI-G4)*, as well as the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the Sustainability Report 2015 based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Ourofino' Sustainability Report 2015, taken as a whole, is free from material misstatement.



A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Ourofino and other professionals of the Company involved in the preparation of the information disclosed in the Sustainability Report 2015 and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues, which may lead them to believe that the information disclosed in the Sustainability Report 2015 taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Sustainability Report 2015, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) Engagement planning: considering the material aspects for Ourofino' activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Ourofino' Sustainability Report 2015. This analysis defined the indicators to be checked in details;
- (b) Understanding and analysis of disclosed information related to material aspects management;
- (c) Analysis of preparation processes of the Sustainability Report 2015 and its structure and content, based on the *Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI-G4)*;
- (d) Evaluation of non-financial indicators selected:
 - Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - Application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Sustainability Report 2015;
 - Analysis of evidence supporting the disclosed information;
 - Visits to Ourofino' operations and offices for application of these procedures, and items (b) and (c);
- (e) Analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company;



- (f) comparison of financial indicators with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Sustainability Report 2015.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in Ourofino' Sustainability Report 2015 is not fairly stated in all material aspects in accordance with the *Global Reporting Initiative - GRI (GRI- G4)*, as well as its source records and files.

São Paulo, April 29th, 2016

KPMG Assessores Ltda.
CRC 2SP034262/O-4 F-SP

Eduardo V. Cipullo
Accountant CRC 1SP135597/O-6

KPMG Financial Risk & Actuarial Services Ltda.

Ricardo Algis Zibas
Director

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GRI G4-32

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