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Our commitment is to create a safer, cleaner, and healthier world through innovative solutions and local collaborations

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Francisco Chavez from Thermo Fisher Scientific explains the company's global mission to advance science and healthcare, with a particular focus on Latin America. Chavez highlights Thermo Fisher's significant investment in R&D and its strategic approach to addressing regional healthcare challenges through public-private partnerships.

Could you provide an overview of Thermo Fisher Scientific's structure and the range of products and solutions it offers?

I would describe the company as one deeply rooted in science, a focus that has always been central to our mission. Our goal is to collaborate with our customers to foster discovery and innovation, creating a world that is safer, cleaner and healthier. This mission not only defines our primary areas of focus but also instills a sense of purpose in our daily work. It is truly motivating to know that we are contributing to solving some of the world's most pressing challenges, which makes it easy to rally our teams and colleagues around this shared vision.

Thermo Fisher Scientific is experiencing rapid growth, having recently surpassed $40 billion in global revenue. We operate in over 50 countries and employ more than 120,000 people worldwide. Notably, we have a strong emphasis on research and development, with over 7,000 employees dedicated to R&D, including engineers, scientists, and many with PhDs. This extensive pool of

expertise allows us to provide robust technical support to our customers. Each year, we invest over $1.2 billion in research and development yearly, underscoring our commitment to advancing science and innovation.

The company operates across several key areas. In the realm of laboratory products, we are one of the largest manufacturers of laboratory equipment and supplies. We cater to a broad spectrum of needs, from basic equipment to highly specialized items for high-security laboratories.

In life sciences, our capabilities have expanded significantly since the acquisition of Life Technologies in 2014. We are now heavily focused on precision medicine, oncology, and other critical areas, supporting research and development efforts that drive forward advancements in health and medicine.

Our specialty diagnostics sector encompasses a wide range of diagnostic solutions. This includes microbiology, transplant diagnostics, and allergy and immunology testing, all of which are vital for enhancing healthcare diagnostics.

In chemical analysis, our Analytical Instruments Group provides advanced machines, reagents, and consumables for chemical analysis across various industries, making significant contributions to the field.

Additionally, our pharma services cover extensive needs throughout the pharmaceutical lifecycle. Recent acquisitions, such as PPD, have bolstered our clinical trials business. We play a crucial role in supporting major pharmaceutical companies and contributing to industry advancements.

Can you elaborate on Thermo Fisher Scientific’s presence and footprint in Latin America?

Latin America is a crucial region for Thermo Fisher Scientific. We have established a strong presence across the region, operating directly in most major cities. Our operations include over 7,000 employees spread throughout Latin America.

We also have significant manufacturing capabilities in the region. Specifically, we operate three manufacturing sites in Mexico, a smaller facility in Brazil, and a Center of Excellence in Tijuana. Additionally, we have a shared services location in San Jose, Costa Rica. Our extensive network of distributors further supports our reach across Latin America, ensuring comprehensive coverage and support throughout the region.

How has Thermo Fisher Scientific performed in Latin America, especially following the surge in demand during the COVID-19 pandemic, and what are the company's growth expectations for the region?

Thermo Fisher Scientific has maintained strong momentum in Latin America, viewing it as a crucial emerging market with significant potential. Despite the global shift in focus post-pandemic, the company has continued to experience growth. The Latin American market presents unique opportunities due to its varying needs, ranging from basic healthcare solutions to more advanced diagnostics. The company is not only focusing on major cities like São Paulo and Mexico City but is also expanding its presence into smaller countries such as Colombia, Chile, Ecuador, and Peru. This strategic expansion reflects Thermo Fisher's commitment to tapping into the broader potential of the region and continuing its growth trajectory.

How do Latin American governments prioritize healthcare, and what challenges do they face in maintaining consistent healthcare policies?

In Latin America, healthcare is indeed a priority for governments, similar to other emerging markets. It is crucial for the well-being of the population and often features prominently on the political agenda. There is a consistent flow of investment into healthcare, which is critical for development. The main challenge lies in refining the business models for healthcare delivery. While some countries have managed to find effective solutions in certain areas, there is still significant room for improvement across the region.

How do the challenges in healthcare access and insurance models across Latin America influence your company's focus on solutions for the region?

The diverse challenges in healthcare access and insurance models across Latin America significantly shape our strategic focus. Many countries in the region grapple with high out-of-pocket expenses for healthcare services. For instance, in Mexico, out-of-pocket costs for insurance are relatively low, around 10%, whereas in Brazil, a strong public-private partnership has evolved, enabling better collaboration between private companies and the government. This contrasts with other countries where the public and private sectors often operate in isolation, making healthcare both expensive and difficult to access for many individuals.

To address these challenges, we prioritize solutions that enhance both accessibility and efficiency. Public-private collaborations are increasingly important, and we are supporting initiatives that use technology to drive productivity and address healthcare demands. . However, there are still barriers, such as fragmented electronic medical records systems and inefficiencies in drug supply and distribution.

Additionally, there's a pressing need to expand primary care services in rural areas and address talent shortages in healthcare professions. The potential for artificial intelligence and automation to transform healthcare is immense, particularly in areas like radiology and genetic testing. However, ethical considerations and the need for innovation at affordable costs remain significant challenges. Our focus is on navigating these complexities to develop solutions that can effectively address the region's unique healthcare needs and support its continued growth.

Looking ahead, my hope is for the democratization of life sciences, where advanced technologies such as genetic sequencing become accessible to all. This would have a profound impact on preventive care for diseases like cancer and Alzheimer's. The future of healthcare lies in making these innovations affordable and widespread, truly transforming healthcare on a global scale.

The future holds immense promise, and it is both exciting and a bit daunting to consider the possibilities that lie ahead in healthcare.

Can you provide more details about Thermo Fisher's operations in Mexico and the strategic importance of the region for the company?

Thermo Fisher has a significant presence in Mexico with several key facilities and operations that highlight the region's strategic importance. We have manufacturing facilities that produce plastics used globally in laboratory settings and bioproduction facilities that manufacture bags for serum and bioprocessing applications.

In addition to manufacturing, we have an IT Center of Excellence (ITCoE) in Tijuana, Baja California Norte, part of a global network with locations in Budapest, India, and China. This center focuses on developing software and applications for our life sciences solutions. It supports the creation of tools for reporting and analyzing patient data and developing custom solutions based on customer needs. The ITCoE employs over 250 highly skilled engineers, playing a crucial role in advancing our technological offerings.

Mexico’s strategic importance is underscored by its geographical proximity to the U.S. market, reflecting the strong economic ties between the two countries. The Mexican government’s promotion of nearshoring—moving production closer to the market—is particularly relevant due to recent changes in global trade dynamics and the need for more resilient supply chains. Consequently, we see a lot of companies coming not only from the US but also from China, Korea, Taiwan, Vietnam, and other countries, seeking to establish operations in Mexico.

Thermo Fisher is also transitioning from the Maquila program, which involved manufacturing primarily for export with limited local value addition, to a model focused on designing and producing finished goods locally. This shift aims to enhance Mexico’s role in the global supply chain.

However, there are challenges associated with this expansion, including infrastructure issues like power and water supply and workforce availability. The government’s focus on improving infrastructure in the southern part of Mexico, which has traditionally been less developed, presents both opportunities and challenges for investment and expansion. Overall, Mexico plays a crucial role in Thermo Fisher’s global strategy, offering substantial opportunities.

What strategies does Thermo Fisher Scientific employ to leverage Mexico’s unique market characteristics, particularly its organized healthcare system and active patient groups, in advancing its business?

Thermo Fisher Scientific strategically harnesses Mexico’s distinctive market attributes to further our business objectives. Our global leadership in clinical research is a cornerstone of our operations in Mexico, where we play a pivotal role in clinical trials. This strong position is reinforced by our deep connections with the country’s leading national institutes, recognized for their cutting-edge technology and innovation. These relationships are particularly vital in our collaboration on research and development projects, especially within the healthcare sector.

Our partnerships extend beyond public institutions like IMSS and ISSSTE to include private hospitals, ensuring a broad and integrated presence across the healthcare landscape. The recent shift towards a centralized healthcare system under the new government has provided us with additional opportunities to strengthen our collaborations, particularly with entities such as INSABI and IMSS-Bienestar.

A key focus for us is precision medicine, where we are committed to advancing preventive healthcare. Our expertise in genetic testing, infectious diseases, rare diseases, and oncology positions us as a global leader in life sciences. Additionally, we have a significant role in women's health, particularly in reproductive health diagnostics. Through these initiatives, we remain deeply engaged with Mexico's healthcare institutions, driving innovation and supporting critical advancements in various medical fields.

Prevention and diagnostics are often referred to as the unsung heroes of the healthcare system. Do you share this view?

I fully agree that prevention and diagnostics are vital yet often overlooked components of healthcare. In Mexico, we've been committed to establishing a preventive approach, particularly in addressing major health concerns such as cardiovascular disease, diabetes, and increasingly, cancer. While we are actively engaged in these areas, there remains a significant need for better coordination among various healthcare institutions.

The cost of preventive tests is another hurdle, as they are often expensive, and insurance companies are still deliberating on whether to cover them. In contrast, Brazil has made commendable progress in creating an ecosystem that improves healthcare access through collaboration between the government and insurance providers. In Mexico, however, we face additional challenges, particularly in rural areas where primary care services are still underdeveloped. The practice of regular checkups is not widespread, partly due to the high costs, which discourage many from seeking early medical intervention.

To overcome these barriers, it is crucial to foster public-private partnerships that can stimulate preventive care, making it more accessible and affordable. Such initiatives would significantly benefit patients and enhance the overall effectiveness of Mexico's healthcare system.

As Mexico's healthcare system undergoes significant transformations, including changes at ISSSTE, IMSS-Bienestar, and COFEPRIS, what strategies do you anticipate emerging from these developments?

Mexico's healthcare sector is indeed facing substantial shifts, and several key strategies are likely to emerge from these changes. Firstly, there is a continued emphasis on prevention campaigns, which the government has actively promoted. However, while the intent is commendable, the

effectiveness of these initiatives remains a topic of discussion.

In the pharmaceutical sector, the government's push to cut spending on medications is another significant development. While reducing costs is important, this strategy may not fully address the country's healthcare needs, especially for managing terminal illnesses that require costly treatments. The slow introduction of critical drugs into the market further complicates access, which is a persistent challenge.

Thermo Fisher Scientific is deeply committed to ensuring that physicians are fully equipped to maximize the potential of advanced medical technologies. We have a robust team of over 7,000 highly qualified professionals, many holding PhDs, who are dedicated to supporting and educating doctors on the effective use of our technologies. A key initiative in this regard is our Customer Experience Center (CEC), where we provide immersive training sessions. This facility allows physicians to engage directly with our full suite of solutions, gaining the practical knowledge needed to apply these technologies effectively in their practices.

Moreover, our commitment extends to supporting clinical research, particularly through our involvement in clinical trials. This not only advances medical knowledge but also ensures that the latest innovations are integrated into healthcare practices, benefiting both physicians and patients alike. Through these efforts, we strive to bridge the gap between cutting-edge technology and its practical application in the medical field.

Thermo Fisher Scientific's culture is deeply rooted in the four I's: Integrity, Intensity, Innovation, and Involvement. How do you ensure these values are effectively implemented and resonate across your region?

The four I's form the cornerstone of Thermo Fisher Scientific's culture, and while each plays a crucial role, I believe ***innovation*** lies at the heart of our operations. Our commitment to scientific advancement drives us to continuously innovate, enabling the rapid development and introduction of new products and services, particularly within healthcare. This dedication to innovation empowers our customers to make significant discoveries, aligning seamlessly with our overarching vision.

Integrity is equally paramount, especially in the diverse environments in which we operate. We place a strong emphasis on ethical business practices and compliance, which not only fosters trust but also helps shape a culture of integrity within the regions we serve. This commitment ensures

that we conduct our business with the highest standards of honesty and responsibility.

Intensity is another defining aspect of our culture. We bring a high level of energy and focus to our work, striving to build deep, long-lasting relationships with our customers. This intensity allows us to consistently deliver value and support, ensuring that we are true partners in our customers' success.

Involvement, particularly in the healthcare sector, reflects our investment in the future of the industry. For instance, we are at the forefront of advancing genetic testing, helping our customers understand its profound impact on personalized medicine. Through our work in pharmacogenomics, we guide the selection of the most effective treatments based on a patient's genetic profile. Moreover, our involvement in genetic mapping enables the early identification of health risks, empowering individuals to make informed lifestyle choices that promote long-term health. This comprehensive approach underscores how our culture is intricately connected to the advancements in healthcare that we actively support and drive.

ESG (Environmental, Social, and Governance) is widely discussed, yet often challenging to fully implement. What specific initiatives has Thermo Fisher Scientific undertaken in this area?

Thermo Fisher Scientific has made significant progress in strengthening our ESG initiatives, with a particular emphasis on environmental stewardship, social responsibility, and governance. Over the past few years, we've set ambitious targets for reducing carbon emissions worldwide. This commitment drives the design of our manufacturing facilities, ensuring they operate with sustainability at their core. While many companies in our industry share these goals, we are particularly proud of the comprehensive and robust nature of our approach.

In the realm of social responsibility, we have established a strong culture of volunteerism, supported by our Community Action Councils (CACs). These councils are active across various regions, including Mexico, where they spearhead community-focused initiatives. For example, at our Customer Experience Centers, we offer basic science workshops for children, such as teaching them to extract DNA from fruit. These programs have not only inspired a love of science among young participants but have also influenced some to pursue scientific careers.

Our social initiatives extend beyond education. We work closely with local communities, supporting both the young and the elderly, and collaborating with institutions dedicated to societal

improvement. In the food industry, for instance, we engage in efforts to reduce food waste, reflecting our broader commitment to social impact.

On the environmental front, we are deeply invested in sustainability. Many of our products are designed with a focus on reducing emissions and promoting the use of clean energy. A notable example is our development of energy-efficient freezers used for sample storage, which are engineered to minimize power consumption and are compatible with clean energy sources. These initiatives underscore our long-term commitment to ESG. By investing heavily in these areas, we aim to create a meaningful and lasting impact, not only within our industry but also in the broader communities we serve.

What are your strategic and operational expectations for Thermo Fisher Scientific in Latin America for 2024 and 2025?

Our strategic and operational focus for the next two years is centered on becoming more deeply customer-centric. This involves making it easier for our customers to engage with us and ensuring that our processes are designed to enhance their overall experience. Additionally, we are committed to fully harnessing the power of our comprehensive customer value proposition. With such a wide array of offerings, our capacity to support and add value to our customers is vast. Therefore, we plan to invest significantly in developing the tools, processes, and training necessary to enable our teams to deliver this value seamlessly in the field.

Effective data management is another critical priority. We are acutely aware of the importance of leveraging data more effectively, and we are exploring the potential of artificial intelligence to drive productivity, improve outcomes, and simplify operations. By integrating AI, we aim to streamline routine tasks, allowing our teams to focus on higher-value activities that directly benefit our customers. This will not only enhance the efficiency of our operations but also elevate the quality of service we provide.

Innovation remains a cornerstone of our mission, and we are steadfast in our commitment to continue investing in this area. We view it as our duty to contribute meaningfully to the community, with healthcare at the heart of our efforts. By focusing on these strategic initiatives, we are poised to drive significant progress in 2024 and 2025, enhancing both our operational effectiveness and our impact on the communities we serve.

You've been with Thermo Fisher Scientific for 10 years, including 5 years as President of Latin America. How do you sustain your motivation, and how do you inspire your team to believe that each day can be better than the last?

My tenure at Thermo Fisher Scientific, particularly in Latin America, has been both a journey of growth and a testament to the power of perseverance. With each passing year, I've gained a deeper understanding of the impact of our strategies and decisions. The advantage of being in a role for an extended period is the ability to see the long-term effects of your actions, which in turn, refines your approach to better serve our customers and drive innovation.

What fuels my enthusiasm every day is our company's mission. The idea that we are contributing to solving some of the world's most pressing challenges is profoundly motivating. I regularly share this perspective with my team, emphasizing that our work has the potential to make a significant difference—not just globally, but also within our own communities, and even among our families and friends. This sense of purpose is a powerful driver that I strive to communicate clearly to all our colleagues.

Managing a predominantly young workforce, with over 50% of our employees being millennials, presents its own set of challenges and opportunities. This generation brings a unique set of skills and perspectives, particularly in adapting to new technologies and remote work—an aspect that has been accelerated by the pandemic. While I value the efficiencies digital tools bring, I also stress the importance of face-to-face interactions, especially when it comes to building strong relationships with our customers. Balancing the digital with the personal is key to maintaining our effectiveness.

Talent management is a critical component of our strategy, both in Latin America and company-wide. We are deeply committed to providing our employees with opportunities for growth through on-the-job experiences, stretch assignments, and international exposure. This approach resonates particularly well with millennials, who are driven by challenges and a strong sense of purpose. Managing these diverse expectations can be complex, but it also creates a vibrant, innovative environment.

Moreover, the company's continuous investment in cutting-edge technologies keeps both me and the team highly motivated. For instance, we're currently at the forefront of proteomics, a field that represents the next major breakthrough in life sciences. Proteomics, and the broader domain of omics, offer revolutionary insights into disease detection and personalized medicine through the study of proteins. Being part of such pioneering advancements is incredibly exciting, and the

constant need to learn and adapt is both challenging and inspiring.

What does Thermo Fisher Scientific bring to Mexico, and what does Mexico, in turn, contribute to Thermo Fisher?

Thermo Fisher Scientific has introduced a wealth of opportunities to Mexico, particularly in terms of career development and professional growth. We offer the chance to engage with a vast and diverse portfolio that spans multiple industries and sectors—a rarity that makes us an attractive employer. The breadth of opportunities we provide is something few companies can match. On the other hand, Mexico has been immensely valuable to Thermo Fisher. The country has served as a pivotal testing ground for innovative solutions, such as our IT Center of Excellence (ITCoE) in Tijuana, where we develop state-of-the-art software solutions for our customers. This center, which draws talent from across the globe, underscores Mexico's importance as a key operational hub for us. Additionally, from a manufacturing perspective, Mexico continues to be a significant contributor, with ongoing expansion in what can be achieved here.

Moreover, Mexico has allowed us to address unique healthcare challenges, particularly in providing solutions for underserved populations in remote areas. The opportunity to enhance primary care in these regions aligns closely with our mission to improve access to quality healthcare.

A particularly noteworthy contribution from Mexico is its talent. The country is home to a rich pool of skilled professionals, and it's crucial to recognize that local talent can be just as exceptional as talent from abroad. Mexico offers a tremendous opportunity to nurture and develop this talent, helping more individuals achieve a higher quality of life.

In summary, the relationship between Thermo Fisher and Mexico is mutually enriching. The contributions we've made to each other are significant, and I'm excited about the potential for continued growth and collaboration in the future.

What final message would you like to share with our global audience?

My final message centers on the profound importance of having a clear and compelling purpose in all that we do. Purpose provides focus and direction, particularly in the field of healthcare, where our responsibilities go beyond mere business objectives. We have a pivotal role in shaping health policies and driving meaningful outcomes for our societies, our families, and our nations. At Thermo

Fisher Scientific, our mission is not just about extending life but enhancing the quality of that extended life. We are committed to providing the tools, solutions, services, and data necessary to improve life expectancy while ensuring that people live healthier, more fulfilling lives. This dual focus on longevity and quality of life is at the heart of everything we do.

As I reflect on my journey, I am deeply motivated by the desire to leave a lasting legacy. My hope is that, in the years to come, people will recognize the significant impact Thermo Fisher has made on society, on patients, on families, and across nations. Leaving behind a meaningful legacy is not just a professional goal; it’s a personal one that drives me every day.

Looking to the future, I am convinced that healthcare is on the brink of a revolutionary transformation, particularly with the advent of digital technology and artificial intelligence. These innovations will fundamentally reshape how healthcare is delivered, offering unprecedented opportunities to improve patient outcomes and elevate the standard of care globally.

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