

Pharmactive Biotech Products

Disclosure Report Date Submitted: July 19th, 2023

© B Lab 2023



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

Yes No Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that **Animal Products or Services** $\boxed{}$ **Biodiversity Impacts** Chemicals \square **Disclosure Alcohol Disclosure Firearms Weapons** $\boxed{}$ **Disclosure Mining** $\boxed{}$ **Disclosure Pornography** $\boxed{}$ **Disclosure Tobacco** $\boxed{}$ **Energy and Emissions Intensive** $\overline{\mathbf{A}}$ <u>Industries</u> Fossil fuels \square Gambling **Genetically Modified Organisms** $\overline{\mathbf{A}}$ Illegal Products or Subject to $\boxed{}$ **Phase Out** Industries at Risk of Human \square **Rights Violations Monoculture Agriculture** \square **Nuclear Power or Hazardous** \square **Materials** Payday, Short Term, or High **Interest Lending** Water Intensive Industries \square **Tax Advisory Services**

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		\checkmark
Breaches of Confidential Information		N.
Bribery, Fraud, or Corruption		N.
Company has filed for bankruptcy		\triangleright
Consumer Protection		V
Financial Reporting, Taxes, Investments, or Loans		\searrow
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		\searrow
Labor Issues		\checkmark
Large Scale Land Conversion, Acquisition, or Relocation		K
Litigation or Arbitration		
On-Site Fatality		\searrow
Penalties Assessed For Environmental Issues		V
Political Contributions or International Affairs		K
Recalls		✓
Significant Layoffs		V
Violation of Indigenous Peoples Rights		Y
Other		\checkmark



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	K	
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		V
Company prohibits freedom of association/collective bargaining		\searrow
Company workers are prisoners		\searrow
Conduct Business in Conflict Zones		\searrow
Confirmation of Right to Work		V
Does not transparently report corporate financials to government		K
Employs Individuals on Zero-Hour Contracts		N
Facilities located in sensitive ecosystems		N
ID Cards Withheld or Penalties for Resignation		\
No formal Registration Under Domestic Regulations		₹
No signed employment contracts for all workers		V
Overtime For Hourly Workers Is Compulsory		V
Payslips not provided to show wage calculation and deductions		V

	Yes	No
Sale of Data		V
Tax Reduction Through Corporate Shells		V
Workers cannot leave site during non-working hours		V
Workers not Provided Clean Drinking Water or Toilets		\supset
Workers paid below minimum wage		N
Workers Under Bond		\checkmark
Other	\checkmark	

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		\checkmark
Child or Forced Labor		\checkmark
Negative Environmental Impact		\checkmark
Negative Social Impact		\checkmark
Other		\checkmark



Disclosure Questionnaire Category: Energy and Emissions Intensive Industry

Pharmactive Biotech Products is involved in the production or sale of products that are classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Certified B Corps are required to make transparent their involvement in such industries.

Any party aware of specific company practices that have had a negative impact related to their involvement in the sensitive industry, and which may constitute a violation of the B Corp standards, may contact us via our <u>public complaints procedure</u>.



Disclosure Questionnaire Category: Water Intensive Industries

Pharmactive Biotech Products is involved in the production or sale of products that are classified as water intensive, meaning that they are more likely to have significant impacts on the environment, such as water stress or depletion of local water sources if water use is not appropriately managed. Certified B Corps are required to make transparent their involvement in such industries.

Any party aware of specific company practices that have had a negative impact related to its involvement in these or other controversial industries, and which may constitute a violation of the B Corp standards, may contact us via our <u>public complaints procedure</u>.



Disclosure Questionnaire Category: Cannabis Related Products

Topic	Cannabis-derived products in the form of hemp seed oil extract
Summary of Issue	Pharmactive Biotech Products sells organic certified hemp seed oil.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	0.02% of revenue in 2022 derived from hemp seed oil sales.
Impact on Stakeholders	Cannabis-related products are subject to controversy both because of their current and historic legal status around the world, as well as concerns about the potential harm that the products may cause. Current regulations governing the legality of cannabis-derived products are complex and vary widely by local jurisdiction.
Implemented Management Practices	The company complies with all relevant laws and regulations involved for selling hemp seed oil. The hemp seed oil is compliant with EU organic regulation and certified organic. The company is not involved in the sale of medicinal or recreational marijuana.
Management Comments	N/A



Disclosure Questionnaire Category: Animal Testing

Topic	The company carries out mandatory animal testing for registration of product.
Summary of Issue	Pharmactive Biotech Products manufactures and retails plant extracts that have health benefits, approved by Health Canada. The company has been required to conduct animal testing on products in order to sell to the Asian market. Animal testing has been conducted on affron®, ABG+® and CSAT+® brands to date. Animal testing has been outsourced as Pharmactive does not have facilities or permits to perform experiments on animal models. Research centers, belonging to Public Universities, that are entrusted with animal testing with our products are always required to be certified and to register the trials that we carry out in collaboration with ethical committees complying with the Spanish and European regulation. In addition, studies that have been carried out are always reviewed to verify their correct ethical conduct. All animal studies carried out in the company follow the guidelines of the Declaration of Helsinki and are approved by institutional and national Ethics Committees
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Animal testing has been conducted on 3 out of 10 products in total, products which in total represent 70% of the company's total annual revenue.
Impact on Stakeholders	Animal testing and experimentation is widely used to develop and test the safety of new healthcare and/or food products. Many of these experiments can cause pain to the animals involved or reduce their quality of life in other ways.
Implemented Management Practices	The studies carried out with animals have been carried out when there has been no alternative to obtain sufficient evidence to describe the effects and mechanisms of action in their ingredients on living organisms and in humans.
	Animal studies are carried out with prestigious research groups which belong to Spanish universities. These research centers work with animals under the regulatory guidelines stipulated in Europe and Spain, following the guidelines of the Declaration of Helsinki and are approved by institutional and national Ethics Committees. Although the company does not currently have a



	public statement or formal internal policy on animal testing they are responsible for making sure best practices are followed.
Report	Pharmactive has conducted around 30 scientific studies with their ingredients. The following are those performed with animal models: https://doi.org/10.3390/molecules25143207 https://doi.org/10.3390/nu11010153 https://doi.org/10.3390/antiox9040339 https://doi.org/10.3390/antiox11091803
Management Comments	