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

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

Nektium is required to disclose a summary of how it complies with these industry requirements as a part of its B Corp Certification. For more information on the specific requirements, please refer to B Lab's position statement on Pharmaceutical Companies here.

Summary of Company

Nektium is a science-driven nutraceutical ingredient company operating in the health, wellness, and functional nutrition sector. The company develops, manufactures, and commercializes branded botanical extracts used as ingredients in dietary supplements and functional foods, covering the full value chain from botanical research and human studies to production and global commercialization. All Research and Development (R&D) activities are conducted within a nutrition and wellbeing framework, aimed at supporting physiological functions such as stress management, sleep quality, cognitive performance, energy, and metabolic balance, without targeting the diagnosis, treatment, or prevention of disease.

Headquartered in Spain, where its main R&D, manufacturing, and corporate activities are located, Nektium operates internationally through a network of distributors and partners, with a strong presence in the United States, Europe, Brazil, South Korea, and Japan. The company supplies ingredients to nutraceutical and food companies worldwide, providing scientific and technical support while operating exclusively under food and supplement regulatory frameworks.

Nektium's portfolio consists entirely of nutraceutical ingredients, with no involvement in pharmaceutical drugs, biologics, or active pharmaceutical ingredients. Its business model is focused on enabling preventive, nutrition-based approaches to health and wellbeing, combining scientific validation with sustainable sourcing and responsible production, in alignment with B Corp principles.

Nektium's Disclosure on Prohibited Practices

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

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

Nektium has been reviewed in accordance with B Corp Certification's Disclosure Questionnaire and background check requirements, including disclosure of its involvement in lobbying and advocacy activities, intellectual property strategies, and price changes in order to verify it is meeting the above requirements regarding prohibited industry practices. The company's approach to managing these material topics to the industry are further detailed below.

Nektium's Disclosure on Required Best Practices

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

Nektium explicitly operates within the Nutraceutical and Functional Food sector, not the pharmaceutical industry. Consequently, our operations are governed by Food Safety and Dietary Supplement regulations, such as the European Food and Safety Authority (EFSA) in Disclosure Statement - Pharmaceutical Companies the EU and Food and Drug Administration (FDA)/Self-Affirmed Generally Recognized as Safe (GRAS) in the USA, which differ fundamentally from the pharmaceutical Drug Development Life Cycle. The company does not manufacture medicines; however, it applies an equivalent level of rigor to our Botanical Extract Life Cycle.

In the botanical sector, the equivalent risk to "substandard medicines" is the threat of economically motivated adulteration, biological contamination, or extracts lacking the promised concentration of bioactive compounds. To explicitly manage and eliminate these risks, Nektium adheres to stringent international quality systems. The company's Management System (QMS) is certified by top-tier international standards, including FSSC 22000, food-grade Good Manufacturing Practices (GMP), Halal, and Kosher, ensuring every batch is safe, potent, and unadulterated.

Nektium's QMS comprehensively covers its entire operational lifecycle, from raw material to post-market, structured across the following stages:

- **Development & Sourcing:** This includes science-driven botanical extract development, commercial scale-up planning, and the rigorous qualification, purchase, and control of all incoming raw materials and equipment.
- **On-Site Manufacturing & Quality Assurance:** All commercial manufacturing takes place strictly at the Gran Canaria production plant. This phase encompasses controlled production, secure packaging and labeling, continuous in-house Quality Control and Assurance (QA/QC), precise batch release protocols, and secure storage.
- **Distribution & Post-Market Monitoring:** The safe distribution is ensured through vetted commercial partners. Our post-market system includes comprehensive technical support, customer complaint resolution, benefit-risk assessments, and external audits. Furthermore, Nektium maintains strict protocols for continuous product evaluation, sample/document retention, and product discontinuation.

All critical decisions throughout this lifecycle are governed by established internal procedures. Specifically, the stages of approving incoming materials, controlling the production process, and releasing final botanical extracts must be explicitly approved by Nektium's Quality Management leadership to ensure absolute compliance with international nutraceutical standards.

In the nutraceutical sector, the "drug life cycle" focuses heavily on the standardization of bioactive compounds, it is not a drug. Unlike synthetic pharmaceuticals, botanical extracts face risks of biological variability and contamination. Adhering to international standards is crucial to mitigate the risk of "substandard" ingredients, which in our industry refers to products lacking the promised concentration of active fito-nutrients or containing unauthorized adulterants.

Nektium's "science-driven" mission ensures that its botanical solutions provide the same reliability and clinical relevance as traditional pharmaceutical products. However, the Regulatory Framework (Food Safety vs. Pharmacopeia) are different. Pharmaceuticals are regulated under medicinal laws requiring clinical phases (I, II, III) for pathology treatment, and Nektium products are classified as Food Ingredients. The safety standards are based on Self-Affirmed Generally

Recognized as Safe (GRAS) and food-grade Good Manufacturing Practices (GMP), ensuring they are safe for daily consumption as part of a diet, not as a prescription medicine.

- **Ingredient Development:** Driven by science, Nektium develops botanical solutions that satisfy the evolving needs of the nutraceutical industry through rigorous research and innovation.
- **Supply Chain:** The company's purpose involves a commitment to carefully selecting natural ingredients of plant origin, ensuring traceability and environmental preservation throughout the sourcing process.
- **Manufacturing:** Nektium operates under a framework of "Continuous Improvement," utilizing advanced manufacturing processes to ensure the production of standardized, high-quality extracts.
- **Quality Management & Substandard Risk:** Its core value of "Responsibility" promotes integrity and ethical behavior, which manifests in strict quality controls to identify and eliminate non-conformities or substandard materials before they reach the market.

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

Nektium maintains a strict ethical framework centered on transparency and scientific integrity. As a nutraceutical ingredient manufacturer and not a traditional pharmaceutical company, the company's approach to ethics is tailored to its specific operational model:

- **Code of Ethics and Anti-Corruption:** The company has a formal Code of Ethics applicable to all employees and critical third parties. This code explicitly prohibits any form of bribery or corruption. Since Nektium does not sell prescription drugs, its interactions with healthcare professionals are strictly limited to scientific research and clinical data exchange.
- **Non-Lobbying Position:** Nektium does not engage in direct lobbying or policy advocacy activities. The company confirms that it does not make political contributions or seek to influence legislation to the detriment of consumer safety or fair competition. Nektium's 'advocacy' is strictly limited to participating in technical committees within industry associations to promote higher quality standards for botanical extracts.
- **Whistleblowing and Enforcement:** The company has established a confidential whistleblowing channel accessible to internal and external stakeholders to report any

breach of our ethical standards. Please see the information published at Nektium website.

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

Nektium maintains a policy of political neutrality and transparency regarding government affairs. As a nutraceutical company, our approach is defined by the following practices:

- **Lobbying and Advocacy:** Nektium does not engage in any form of political lobbying or policy advocacy, nor does it employ external lobbyists.
- **Trade Associations:** While the company participates in industry associations for technical and scientific exchange, it does not use these memberships for lobbying or to influence legislation.
- **Political Contributions:** Nektium makes zero financial or in-kind contributions to political entities. Because the companu fundamentally reject this practice, it does not require formal tracking systems for political spending.
- **Revolving Door Policy:** Nektium doesn't maintain a standalone "revolving door" policy because the company strictly prohibits hiring for political access or undue regulatory influence. All hiring is based solely on scientific and operational merit.
- **Oversight and Controls:** The company's executive management directly enforces this absolute political neutrality. Instead of complex political compliance audits, the leadership ensures all company resources remain strictly focused on scientific innovation.

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

Nektium's R&D strategy focuses on evidence-based botanical innovations for the nutraceutical sector. The company currently maintains seven active projects in various stages of maturity. While the majority of these focus on new product development, Nektium also actively invests in process technology to improve the efficiency and sustainability of its extractions.

Its intellectual property strategy balances protecting proprietary innovations—through patents and trademarks—with a strong commitment to scientific transparency. The company regularly

publishes its efficacy and safety studies in peer-reviewed journals to share its findings with the global scientific community and elevate industry standards.

To drive this continuous innovation, Nektium invested approximately €500,000 in R&D during the last fiscal year. These resources fund direct internal R&D expenses, excluding specialized scientific personnel. Crucially, between 50% and 60% of this budget is allocated to external, independent Clinical Research Organizations (CROs) to conduct clinical studies, ensuring absolute third-party objectivity in its results.

Importantly, its R&D operations are deeply tied to social and environmental responsibility. For example, one of the current development projects involved signing the Nagoya Protocol with the South African government. This agreement ensures fair and equitable economic benefit-sharing with the local tribes in the botanical's cultivation regions, guaranteeing that scientific innovation directly supports and uplifts the communities of origin.

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

Not applicable. Nektium operates exclusively as a Business-to-Business (B2B) supplier of botanical extracts for the nutraceutical and food industries. The company does not manufacture therapeutic drugs, essential medicines, or treatments for priority diseases identified by the Access to Medicine Index (ATMI). Furthermore, because it supplies ingredients to other manufacturers and does not control final consumer retail prices, public health pricing instruments (such as internal/external reference pricing) and direct patient-access strategies for LMICs are not applicable to Nektium's operational model.

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

Nektium is committed to a fair and transparent B2B pricing strategy that reflects rigorous scientific validation, safety, and sustainable manufacturing. Crucially, this pricing structure allows the company to ensure fair compensation and ethical benefit-sharing throughout its entire supply chain, directly supporting the local agricultural communities where the company sources

botanicals. Ultimately, the company's vision is to empower its partners to bring these finished products to market at affordable prices, ensuring that the health-promoting properties of its botanical ingredients are accessible to people worldwide.

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

Nektium operates exclusively as a B2B supplier of botanical ingredients for the nutraceutical and food industries. Its clients are manufacturers who procure raw materials based on strict production forecasts and precise formulation requirements. Because of this technical, demand-driven process, the risk of "overselling"—which this criterion aims to prevent in retail or pharmaceutical models—does not exist in the company's operations. A manufacturer will not purchase excess botanical extracts they cannot process.

Therefore, this metric is not applicable to Nektium's business model. The company does not require financial structures that decouple sales bonuses from volume. Instead, its commercial approach is inherently consultative, focused on providing scientific support and building long-term
partnerships. This B2B dynamic naturally ensures responsible sales practices without the need for the complex incentive policies required in high-risk consumer industries.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through B Lab's Public Complaint Process. Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the certification process, or
2. Breach of the core values articulated in our Declaration of Interdependence within the B Corp Community.