



B Lab Statement on AQIA - B Corp Requirements for Pharmaceutical Companies

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

“B Lab and its independent Standards Advisory Council have determined that companies with clients on or within the 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...”

AQIA 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 Industry [here](#).

About AQIA

AQIA is a chemical industry that researches, develops and manufactures ingredients for the cosmetics, food, veterinary and pharmaceutical industries. Located in Brazil, the company has over 39 years of experience, with more than 350 employees and a commercial presence in 20 countries.

The Group has 2 facilities in Guarulhos, one of them is specialized in producing cosmetic ingredients through processes of transesterification, esterification, etherification, amidation, betainization, quaternization, emulsification, crystallization, among others; and the other one is authorized to produce pharmaceutical grade excipients and cosmetic specialties, mainly by the extraction and concentration of plant extracts and the operation of fractionating ingredients.

Approximately 3% of AQIA's revenues come from customers in the pharmaceutical industry and 17% from customers in the magistral industry.

AQIA'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 endangers 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.*

AQIA 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 if it is meeting the above requirements regarding prohibited industry practices. The company’s approach to managing these material topics in the industry is further detailed below.

AQIA’s Disclosure on Required Best Practices

In order to be eligible, pharmaceutical companies must be able to demonstrate that they have the following practices in place and disclose them on their B Corp Profile:

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.*

AQIA's products are produced in accordance with European and international laws, regulations and standards (e.g. Brazilian ANVISA, EU Good Manufacturing Practices, US FDA), in sites authorized by the relevant national and international regulatory bodies. AQIA's plants are constantly subject to inspections and assessments to verify compliance with current legislation and internal regulations.

Both facilities are certified by ISO 9001 (Quality Management System- QMS), and ISO 22716 (Good Manufacturing Practices), and AQIA also has qualifications from Anfarmag and ABIHPEC. More information regarding their certifications and licenses can be found [here](#).

Regarding AQIA’s supply chain, the company has formal supply chain approval and monitoring systems for suppliers of raw materials, packaging materials, and critical services. Its processes include reviewing supplier documentation, conducting risk analysis, testing samples, and conducting audits for critical product categories ([Qualification Standard Questionnaire](#)).



- 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.*

AQIA has a [Code of Ethics](#) which sets up the main principles and values that govern its daily activity and that is applicable to all employees, directors and management covering topics such as anti-corruption, discrimination, confidentiality, and labor conditions. Regular training and engagement on the Code is conducted across the organization (at least once a year). The legal/compliance department is responsible for overseeing these policies.

AQIA has also a Supplier Code of Conduct that expresses the Company's commitment to operating not only in accordance with the laws and regulations currently in place but also with certain principles and rules of conduct of ethical nature. The purpose of the Code is to provide a set of ethical principles each supplier shall comply with within the following main fields: integrity, sustainability, workforce, health and safety and environment. Contractual clauses are foreseen to adhere to the Code.

AQIA has an [Ethics and Compliance Central](#) available for employees and third parties, which aims to ensure that any misalignment with its Ethics and Compliance Program or attitudes that may affect its commitment to good anti-corruption market practices are dully reported. This assures that rights of the involved parties (such as confidentiality, anonymity, proportionality, presumption of innocence) and ethical standards of the process (such as security measures and data protection) are preserved.

Currently, AQIA is not involved in lobbying or advocacy activities related to the pharmaceutical industry and also does not interact with healthcare professionals or organizations. The company is also not involved in marketing activities with healthcare professionals/organizations.

- 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.*



AQIA is guided by the principle of zero tolerance for corruption, rejecting any related practice. AQIA's position on lobbying activities is conservative, and currently, the company is not performing direct lobbying activities related to the pharmaceutical business.

All relationships with public bodies must follow the rules set forth in the Brazilian Anti-Corruption Law (12.846/13). Therefore, when interacting with a management public body, AQIA, all its employees and partners are committed to maintaining absolute transparency in all information exchanged and discussed, to record internally any interaction in a clear and precise manner, and formalize all the documentation delivered.

Additionally, AQIA is associated to the with ABC (Associação Brasileira de Cosmetologia), ABIHPEC (Associação Brasileira da Indústria de Higiene Pessoal, Perfumaria e Cosméticos), SINDUSFARMA (Sindicato da Indústria de Produtos Farmacêuticos no Estado de São Paulo), ABIA (Associação Brasileira da Indústria de Alimentos) and ABIAD (Associação Brasileiras da Indústria de Alimentos para Fins Especiais e Congêneres), which supports the monitoring of regulatory changes in the national and international scenario, ensuring full compliance with the relevant regulations in this matter.

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.

In 2020, AQIA created its Research and Technology Center - CPT. The CPT integrates the following laboratories: classic chemistry, instrumentation analysis, biotechnology, human & animal nutrition, health & efficiency and sensorial analysis.

AQIA's Research & Development structure is focused on studies on the green chemistry field, using renewable materials, and exploring biotechnological routes. Less water consumption and waste reduction are also objectives of their studies and developments. Recently, they have implemented a new Project Management framework, aiming to improve exploratory, development and implementation phases in their innovation projects. AQIA is continuously working to add rigor and robustness to their research and development processes to ensure that no patents are infringed and to protect AQIA's scientific knowledge.

In the last fiscal year, AQIA invested approximately 1.7% of its revenue in research and development activities.

Further details are publicly disclosed on the Company's [website](#).



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).*

AQIA is not currently involved in research & development for priority diseases, conditions, and pathogens identified in the Access To Medicine Index. The Company is focused on producing excipients for the Pharmaceutical industry in accordance with USP (United States Pharmacopeia), EP (European Pharmacopeia) and Brazilian Pharmacopeia. More information on topics researched and products produced can be found in their [catalog](#).

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 LMICs¹, 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.*

As AQIA does not produce any kind of active principles for the pharmaceutical industry (only excipient bases), no particular pricing instrument used by public health agencies is adopted. Its pricing is determined by adding a market-based margin to the company's raw materials and manufacturing costs.

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).*

Bonuses and incentives at AQIA are provided to all employees using the same calculation basis (usually the bonuses are a 14th salary, independently of the worker's team) and there is also an additional bonus that is paid to all workers that complete 5, 10, 15, 20 and 25 anniversaries working for AQIA.

Specifically to the sales team, there is a R\$ 1500 reward per quarter for workers that meet their goals – a symbolic value as AQIA aims to recognize all workers across the company. AQIA also has a committee responsible for controlling sales weekly, to ensure a good forecast of production and sales volume, based on market needs.

¹ Defined as the 106 countries included in the geographic scope of the [Access to Medicine Index](#).