



B Lab Statement on Nártex Laboratorios Homeopáticos 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..."

Nártex Laboratorios Homeopáticos 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

Nartex Labs develops, manufactures, and commercializes naturally-derived medicines, supplements, and personal care products. With over four decades in operations, Nartex Labs' portfolio includes over 80 medicines, supplements, and personal care products. The company is based in Mexico and has indirect sales in the US.

All products produced by Nartex Labs are branded, approximately 1.5% corresponds to prescription medicine and 98.5% to over-the-counter products. The company invests mainly in the following therapeutic areas: anxiety, stress, allergy, fatigue, muscle pain, diabetes, and cough.

Nártex Laboratorios Homeopáticos' 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.

Nártex Laboratorios Homeopáticos 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.

Nártex Laboratorios Homeopáticos' 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.*

Their diverse lineup has a registered National Drug Code (NDC) with the Federal Drug Administration (FDA), the Federal Commission for the Protection against Sanitary Risk (COFEPRIS) and Secretariat of Health in Mexico, the Ministry of Health in Costa Rica and the Ministry of Health in the Dominican Republic.

Nártex Labs maintain strict adherence to all production and administrative standards set by the following regulatory bodies: the Food and Drug Administration's (FDA) Current Good Manufacturing Practice (CGMP) regulations, COFEPRIS NOM-059 Best Manufacturing Practices and the Workplace Safety and Health Self-Management Program by the Secretariat of Labor and Social Welfare of Mexico. These include, but are not limited to, the Official Mexican Standard NOM-059-SSA1-2015, Good Manufacturing Practices for Medicines; Official Mexican Standard NOM-072-SSA1-2012, Labeling of medicines and herbal remedies; Official Mexican Standard NOM-073-SSA1-2015, Stability of drugs and medicines, as well as herbal remedies.

For the approval and release of finished products, there are standard operating procedures where tests, analyzes and compliance with the specifications established for each product are carried out. After the product is released, additional validation of the process for each individual product is conducted to demonstrate that products are consistent with Nártex Labs standards and are complying with quality standards. In addition to that, a last batch release step is carried out where it is ensured that each batch meets the established quality standards.



To avoid counterfeit medicines, Nártex Labs has a standard operating procedure to prevent counterfeit medicines from entering the supply chain, and training is carried out for all the personnel involved.

In case of suspicion of a counterfeit product, it must be placed on hold until the end of the investigation which determines the disposition of the lot as well as the actions to follow. If the complaint is received from the client, the logistics department requests the return of the suspect product. The complaint is verified and the entire product is placed on hold until the end of the investigation. In any case, samples are sent to the Quality Control laboratory of Nártex Laboratorios Homeopáticos, S.A. for analysis. If it is concluded that it is falsified, the company proceeds with the withdrawal of the product (when applicable), and Quality Assurance in conjunction with Quality Control and Logistics evaluates the impact and actions to mitigate the risk through Risk Management.

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.*

Nártex Labs 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 managers covering topics such as anti-corruption and bribery, legality, resolution of conflict of interest, and political activities. The company carries out training on the Code of Ethics when a new employee joins the company, and annually.

As for minimum expectations applicable to their marketing activities, the company declares to follow all regulations applicable to them by the [Reglamento de la Ley General de Salud](#) and they also have an internal ethical marketing policy to guide their activities. The company also has a policy for interactions with professionals and other organizations, which describes the circumstances in which these interactions are allowed to occur and what is acceptable or not.

A whistleblower channel is in place to allow their personnel or other stakeholders to report possible violations of their policies and Ethical Code. Anonymous complaints are accepted via mailbox located on the production floor, as well as email.

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.

Nártex Labs' position on lobbying activities is conservative. Currently, the company is not performing direct lobbying activities related to the pharma business. They have their code of ethics in which they position themselves against any form of bribery to individuals, companies and authorities and political parties.

The company is a member of the ANIFHOM (National Association of the Homeopathic Pharmaceutical Industry) as an associate and of the ANADIM (National Association of Drug Distributors) under the associate supplier category. The objective of these associations is to strengthen the knowledge of homeopathic treatments and products in the community and to strengthen the development ties of this medical branch in the country between manufacturers, distributors, and educational institutions. As such, it does not carry out a lobbying function with authority, although, if required, they participate in meetings and events with authorities to evaluate and review situations that may affect the industry.

The company also confirms they have not engaged in any lobbying activities with government authorities/officials.

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.*

Nártex Labs is not currently involved in R&D activities.

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).*

Nártex Labs is not currently involved in R&D for priority diseases, conditions, and pathogens identified in the Access To Medicine Index.

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.

Nártex establishes its prices by taking into consideration the affordability of the products developed to mid, mid-low and low socioeconomic conditions in the countries where they have operations. Their approach to determining prices is value-based pricing. The company claims that its portfolio has the essence of being a viable option for the general population.

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).*

Nártex has incentive policies for their commercial team that are subject to the achievement of their individual and group results. These incentives are linked to a sales policy that establishes a budget for bonuses, which balances the risk of overselling. Also, the periodic business review evaluations that are done with clients force the sales team to break down the level of inventories to make transparent compliance with a healthy inventory policy depending on the nature of the channel and the specific client.

The sales policy does not allow selling days of inventory that exceed the clients' payment period. Inventory days are relative and are calculated using as basis the daily sales averages of the last 3 months of each client. The company provides specific training to sales teams to ensure they are compliant with these policies and to qualify them for sales bonuses.

Sales goal and budgets for bonuses are overseen and regulated by three different boards, being them the general, the administrative and the operations boards. They are responsible for evaluating and determining the sale incentives offered, the sales volume expected from each product per type of customer and sales channel.