

# CODE OF CONDUCT & SUPPLIERS COMPLIANCE

**2023**

## **HEALTH, BEAUTY AND WELL-BEING**

### **WE DEVELOPED THE SCIENCE OF WELL-BEING FOR SOCIETY**

We are a 100% Brazilian chemical industry that creates, develops and manufactures ingredients for the Cosmetics, Food, Veterinary, Pharmaceutical and Compounding Pharmacy industries, with a broad portfolio since 1984.

### **WE ARE PRESENT IN OVER 20 COUNTRIES**



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## Introduction

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AQIA not only offers high quality products, but also strives to conduct its business in full compliance with current legislation, guided by integrity and honesty. Therefore, we expect all third parties we work with, especially our suppliers, to adopt similar behavior.

This Supplier Code of Conduct (Supplier Code or just "Code") specifies and helps in the ongoing implementation of the Corporate Business Principles by establishing certain minimum non-negotiable standards listed below, for which we request respect and adoption by our Suppliers, their employees, agents and subcontracted (collectively referred to in this Code only as the "Suppliers") during the conduct of business with AQIA. It is the responsibility of Suppliers to instruct, in an appropriate manner, their employees, agents and subcontracted.

By accepting this Code, Suppliers acknowledge that all existing and future agreements, contracts and business relationships with AQIA will be subject to the provisions contained herein.

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Employees / AQIA Suppliers / AQIA Purchasing

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Steering Committee

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## Integrity

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Suppliers must comply with the applicable laws, rules and regulations in force in Brazil, if they have operations in the Brazilian territory, as well as compliance with the laws and regulations in their origin countries. This includes, but is not limited to, respect for health, safety, human rights, labor, the environment, local legislation, including fiscal, tax and anti-corruption.

Failure to know the laws, rules and regulations in general, is not a defense to justify a violation of them. We expect all suppliers to make the best efforts to familiarize themselves with the laws, rules and regulations that affect their activities and to fully comply with them. Do not negotiate, offer, promise, receive, enable, pay, authorize, or provide bribes, including "facilitating payments."

We value our reputation for conducting business with honesty and integrity. It is essential to maintain this reputation as it builds trust in our business with customers, shareholders, investors, suppliers, competitors and others, which means being good for business.

We do not negotiate, offer, promise, receive, enable, pay or authorize bribes to improve or secure our activities, directly or indirectly, and no one is authorized to do so or authorize third parties to do so on behalf of AQIA or even in their own behalf. Facilitation payments will also be considered as bribery.

We do not adopt, encourage or allow the practice of any conduct that constitutes or results in acts harmful to the Public Administration, national or foreign, as provided by law.

In all their activities, the Suppliers may never, directly or through intermediaries, offer or promise any personal or improper advantage for the purpose of obtaining or maintaining a business or other benefit from third parties, whether public or private. Suppliers may not accept or offer (such as "gifts") any of these benefits in exchange for preferential treatment from third parties.

We must prevent the use of our operations for the purposes of money laundering or any activity that facilitates money laundering, terrorist financing or other criminal activities.

Certain jurisdictions may publish lists of individuals and organizations in respect to which the Company is prohibited from receiving or distributing resources under anti-money laundering laws, as well as lists relating to companies involved in corruption or even prohibited from contracting with the Public Administration for acts of corruption. Suppliers should exercise reasonable caution to ensure that they do not engage with third parties who are controlled by or acting on behalf of such entities and organizations subject to the restrictions imposed by certain jurisdictions. This includes requesting such third parties to submit statements that they comply with anti-corruption and anti-money laundering practices and are not subject to the restrictions in the documents to be entered into with the Company.

## Relationship

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Our Suppliers directly influence the quality of our products and services. Therefore, we value the partnership relationship, taking into account what is good for all parties involved and in accordance with the precepts of this Code.

AQIA practices free competition, transparency and fairness in the contracting process of its Suppliers, as well as the fulfillment of contracts.

AQIA encourages its Suppliers to:

- a)** Comply with and monitor their value chains to prevent and combat forced or compulsory labor, discrimination, moral and/or sexual harassment, tax evasion, corruption and money laundering;
- b)** Have internal policies and/or social inclusion programs, code of ethical conduct, corporate responsibility;
- c)** Manage their supply chain, identify critical suppliers from an ESG point of view and set improvement targets with this supplier group;

Manage economic, social, labor, tax and environmental risks in their supply chain for business continuity;

- e)** Comply with and recommend to their suppliers: the timely and correct payment of their obligations to their Employees, practices that aim to guarantee salaries that meet the minimum standards of the category of the region, are sufficient to meet the basic needs and guarantee them health and safety conditions provided by law to their Employees and outsourced workers.

**f)** Our suppliers must respect the rights of communities and indigenous peoples while maintaining traditional access to land and resources. AQIA advises Suppliers to collaborate with local communities in order to implement improvements in their production activities. Our suppliers must have a responsibility to the local communities in which they operate, and to conduct business in such a way as to establish good relations. AQIA hires suppliers whose management practices are adherent to the precepts of this Code, and has as its permanent objective the expansion of the supply base, without restrictions to suppliers by size, size or location, provided that they are able to offer their product or service in accordance with the needs and specifications disclosed and that they are able to supply from an administrative point of view.

## Competition

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At AQIA, we value fair and free competition among our suppliers. We do not tolerate practices such as:

- a)** Offer better prices, the result of non-compliance with legislation (labor, tax, etc.);
- b)** Agree with the formation of trusts and cartels;
- c)** Carry out or benefit from any type of fraud and/or corporate espionage;
- d)** Carry out or contribute to coercive business practices and abuse of economic power;
- e)** Offering or making bribes, extortion or facilitation payments to speed up an action that concerns them.

## Conflict of Interest

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It is essential that personal interests do not conflict with the interests of AQIA, the supplier or others. Examples of a conflict of interest situation:

- a) Activities, professional or not, performed by AQIA's Employees for Suppliers;
- b) Private relationships of AQIA's Employees with Suppliers that compromise business impartiality;
- c) The existence of kinship, up to 4<sup>th</sup> degree, with AQIA's Employees and/or with their spouses, especially in areas involved in the process of technical or commercial analysis of the conflicting supplier. The possible existence of kinship must be formally communicated through a confidential channel, in order to analyze the conflict of interest, before the signing of any commercial agreement.

## Gifts, giveaways, hospitality, and entertainment

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Under no circumstances will gifts, hospitality or entertainment offered or received by persons who have a business relationship with AQIA be permitted. If such a situation occurs, the guidance is that it be refused immediately in accordance with the Compliance guidelines, since situations like this can compromise the isonomy of the AQIA.

The act of receiving and granting gifts is exclusively authorized, provided that it is always guided by the principle of honesty, without the intention of obtaining undue advantages, and that the exchange occurs in an open and transparent manner.

For a better understanding, here are some concepts:



**Gifts:** objects or services, for personal use or consumption, that have commercial value and that do not fit the definition of Giveaways.

**Giveaways:** These are items that have no commercial value or whose market value is less than BRL 100.00 (one hundred reais). These gifts are offered or received as a courtesy, for advertising purposes, brand awareness, or in celebration of events. They are of a general nature, i.e. they are not intended to benefit a single person, and usually feature the logo of AQIA or the supplier that grants the giveaways to our employees. Examples: diaries, calendars, notebooks, notepads, key chains, and pens.

**Hospitality:** includes travel (air, sea and/or land, etc.), lodging, food and reception, whether or not related to business activities. Hospitality of an exclusive tourism or leisure nature is considered a gift.

**Entertainment:** activities or events whose main purpose is to provide leisure to its participants, such as parties, concerts, sporting events, meals, among others.

In case of doubts about the possibility of accepting or offering some type of giveaway, gift, hospitality or entertainment, assistance should be requested from the Compliance Department.

## Sustainability and Environment

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AQIA is committed to supporting and promoting operational and productive practices that are sustainable. Our activities are guided by strict compliance with environmental legislation and standards, with the aim of optimizing the use of natural resources, promoting sustainable development and preserving nature and biodiversity. These concepts play a critical role in our supply and supplier development strategies. We expect our suppliers to continuously seek to improve the efficiency and sustainability of their operations by implementing recycling programs and preserving our planet's natural resources.

AQIA has an active participation in ESG values and in the protection of the ecosystems where its industrial units are located. Therefore, AQIA expects all its Suppliers:

- a) Respect and comply with all provisions of the current and applicable environmental legislation, being responsible before the environmental bodies and society, for any and all damage or harm that it may cause to the environment, as well as performing its services and/or activities respecting the legal, normative, administrative and related acts, emanating from the Federal, State and Municipal spheres, including, but not

limited to, compliance with the following legislation – if the Supplier has business in Brazilian territory – Federal Law No. 6.938/81 (National Environmental Policy), Law No. 9.605/98 (Environmental Crimes Law) and Law No. 12.305/10 National Solid Waste Policy. It is also expected that the Supplier will implement efforts in this way with their respective representatives and suppliers of products and services, in order to they also commit to join efforts to protect and preserve the environment, as well as to prevent practices harmful to it. The certification of environmental management systems is seen as good management practice and its recommended implementation;

**b)** Immediately report any accidents and/or incidents relating to the environment (e.g. leaks or emissions outside compliance standards), to enable the investigation of the causes and initiate corrective and preventive actions;

**c)** AQIA strictly prohibits any animal testing, so we encourage investment in science, innovation and technology by choosing alternative testing.

**d)** PKO (Palm Kernel Oil), one of our main raw materials, is sourced from renewable natural resources, and to ensure its sustainable consumption and production, AQIA has become a member of the RSPO (Roundtable on Sustainable Palm Oil). Therefore, our commitment to the obtaining of PKO and its derivatives are in accordance with the NDPE practices "No Deforestation, No Peat and No Exploitation". We seek to establish partnerships within our value chain in order to develop solutions that result in responsible supplying by establishing guidelines and requirements applicable to all our PKO suppliers.

**e)** AQIA is committed not to develop on high carbon stock (HCS) forests or high conservation value (HCV) areas, so we seek suppliers committed to the same value:

- ✓ Do not develop on peat areas, regardless of their depth;
- ✓ Do not carry out fires to prepare the planting or replanting of the soil;
- ✓ Any new development activity must use the principles and criteria of the RSPO (Roundtable on Sustainable Palm Oil);
- ✓ Apply RSPO good management practices to existing peat plantations;
- ✓ Work with experts and stakeholders to explore options for peat restoration;
- ✓ Increase the source of palm oil from chains that are fully committed to NDPE and HCS policies;
- ✓ Invest in the progressive reduction of pollution and emissions, including greenhouse gases associated with existing plantations.

## Human Rights

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AQIA is committed to respecting and promoting human rights in all its activities. We seek to establish cordial, trusting and respectful relationships, as well as dignified and honest conduct between our employees and the employees of our suppliers, regardless of hierarchy, position or function.

We expect our suppliers to be aware of possible situations and take appropriate measures. To do this, they must:

- a) Obey all laws, regulations and procedures on health and safety at work, on the labor relationship and Human Rights;
- b) Not adopt dangerous or illegal behaviors;
- c) Not allow its employees to carry, distribute or be under the influence of substances that may impact on their judgment and professionalism while on the premises of AQIA or conducting its business; and
- d) Not allow its employees to carry or use any type of weapon or any type of explosive and/or flammable material on the premises of AQIA, unless expressly authorized.
- e) Under no circumstances Suppliers should use or in any other way benefit from **forced or compulsory labor**. Likewise, the use of **slave labor**, as well as the use of physical punishment, confinement, threats of violence or other forms of harassment or abuse as a method of discipline or control, is expressly prohibited. Suppliers will not use factories or production units that use slave or unpaid labor; Suppliers will also not subcontract the manufacture of products and services to third parties that use the practices described above.
- f) The use of **child labor** by Suppliers is strictly prohibited. Child labor is defined as work that is dangerous or harmful to children in a mental, physical, social or moral way, or that interferes inappropriately with their educational needs.
- g) Suppliers must ensure that the work performed by their employees is in accordance with current legislation and mandatory industry standards regarding the number of hours and days worked. In the event of a conflict, the terms of national law will prevail.

- h) Employees of the Suppliers will receive salaries and benefits that are fully in accordance with applicable laws in force and under the terms of the respective collective agreements.
- i) Suppliers will implement a policy in accordance with applicable law that expressly prohibits **discrimination** in hiring and work conduct with respect to race, color, gender, religion, age, physical disabilities, or otherwise provided for by law.
- j) AQIA will not enter into commercial relations with Suppliers that use irregular and/or illegal practices of slave and child labor, sexual exploitation of children or other non-compliance with Human Rights and professional relations ratified by the UN, ILO and other international mechanisms.

## Labor Rights

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AQIA Suppliers will remunerate their Employees and provide all legally determined benefits. They will also take care to select business partners that operate in compliance with the labor legislation of the place of operation and ethical standards compatible with the premises defined herein.

The supplier must provide its Employees with a work environment with physical and psychological conditions appropriate to the development of their activities, and must also:

- a) Obey all internal laws and procedures on health and safety at work, national and international legislation and Human Rights principles;
- b) Refrain from dangerous or illegal behavior;
- c) To know and practice the Company's guidelines regarding health and safety, they are:
  - Communicate and treat any risk scenario as soon as identified;
  - Release the Work Permit at the service location, where applicable, and implement all necessary safeguards;
  - Perform any activity in safe conditions and refuse to perform the work if there is evidence of insecurity;
  - Perform all activities with Personal Protective Equipment ("PPE"), as well as Collective Protection Equipment ("CPE") and appropriate tools;
  - Allow the performance of critical activities only by qualified and able people;
  - Register, communicate and enable the investigation of 100% of accidents and all incidents considered to be of high potential for severity or that, even if not considered, is required by AQIA.

## Safety and Health

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### Work Environment

Suppliers will offer their employees safe and healthy working conditions. As minimum conditions, they must be guaranteed: drinking water, adequate sanitary facilities, emergency exits, essential safety equipment, access to emergency medical care, adequately illuminated and suitable workplace. In addition, its facilities must be built and have their maintenance carried out according to the standards defined in the codes and regulations in force.

### Product Quality and Safety

All products and services delivered by Suppliers must meet the quality and safety standards required by current legislation. When conducting business with or on behalf of AQIA, Suppliers must comply with the quality requirements required by AQIA, the specifications of which are previously agreed between the parties.

## Confidentiality

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AQIA expects all company matters, without exception, to be treated by its Suppliers with secrecy, confidentiality and protection of AQIA's intellectual property rights. Access to AQIA information will be limited to those persons who have a need to receive the information and only use it for the specific purpose of supplying or providing the service.

Suppliers will treat as confidential non-public information received by the Company compliant with data protection laws, by any means or in any form, including but not limited to personal or financial information, during the preparation of their proposals, and during the term of their contracts and/or proposals. Confidentiality extends indefinitely after the termination of their contracts or until this information eventually becomes public.

At AQIA, internal and external information is handled with extreme care. It is therefore necessary that all information received by the supplier is stored, conducted and processed in a secure environment and that all those involved share responsibility for security processes and ensure the

integrity, availability and confidentiality of information assets.

In the event of any improper disclosure of the company's confidential information, whether of an administrative, industrial or intellectual nature, violators will be subject to legal measures, including civil and criminal penalties, as well as the sanctions provided for in Law 9.279/96 – Industrial Property Law.

## **Audit and Termination of Supply Agreement**

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AQIA reserves the right at any time to verify if the Suppliers are complying with the provisions of this Code

In the event of becoming aware of any actions or conditions that violate this Code, AQIA may require the Suppliers to take corrective action or, alternatively, terminate the Supply Agreement by operation of law, if the irregularities are not remedied within a period of fifteen (15) days.

AQIA reserves the right to take appropriate legal and disciplinary action for violations of this Code. In more serious cases, the actions may result in the termination of the contracts established between the parties and, as the case may be, legal proceedings may be initiated against serious breaches by suppliers.

## **Customs Compliance**

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AEO operators must adhere to all appropriate laws, regulations and procedures. This encompasses the accurate and timely presentation of customs documents, the payment of taxes and fees due, as well as cooperation with customs authorities in audits and inspections.

**Security management:** Operators are responsible for adopting security measures to protect their facilities, goods and information. This can include the use of security technologies, access control, cargo monitoring, identity verification and the provision of appropriate training for employees.

**Transparency and collaboration:** It is necessary that the operators provide accurate and comprehensive information to the customs authorities

and cooperate fully during inspections and investigations. This cooperation involves disclosing relevant information about your activities, business partners, and compliance history.

**Integrity and ethics:** It is necessary for operators to adopt high standards of integrity and ethics in their business activities. This means avoiding fraudulent practices, bribery, corruption and any other illicit activity. In addition, it is critical that operators establish internal policies to prevent money laundering and terrorist financing.

**Monitoring and continuous improvement:** Operators certified as Authorized Economic Operators (AEO) must establish internal monitoring procedures to ensure continued compliance with program requirements. This may involve internal audits, performance evaluation and implementation of corrective measures, where necessary. In addition, it is essential that operators are committed to participating in continuous improvement initiatives and sharing best practices with other AEO-certified operators.

## Communication

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Complaints related to any and all violations of this code should be forwarded to the Whistleblowing Channel available on the AQIA website: <https://aqia.net/>

If you have any questions, please send an e-mail: [compliance@aqia.net](mailto:compliance@aqia.net)

## Term of Commitment

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**I declare that I have read and understood the AQIA Supplier Code of Conduct and undertake to comply with and respect it, ensuring its effective application.**



Position: \_\_\_\_\_





**AQIA QUIMICA INOVATIVA LTDA.**

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