



# ABSTRACT FROM THE ANTI-CORRUPTION CODE

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## INTRODUCTION

1. In the following Abstract from the Anti-Corruption Code (respectively: the Abstract; the Code) we inform you, as our contractor or counterparty, on our internal rules regarding:
  - counteracting and reacting to corruption and bribery; and
  - your obligations resulting from cooperation with us.
2. You and your contractors and counterparties who work with us should read the Abstract carefully and bear in mind its provisions while performing obligations related to us.
3. Some of the provisions of the Code described in this Abstract may not be applicable to you, due to the nature of the activities that you perform for us or on our behalf.

### 1. Purpose and subject

4. The purpose of the Anti-Corruption Code is to:

- ✓ **create** safe working environment and spread anti-bribery and anti-corruption awareness and knowledge among our employees and associates, as well as our contractors and counterparties (to the extent that they act for us or on our behalf)
- ✓ **prevent** violation of law and ensure compliance with market standards, particularly ISO 37001.
- ✓ **minimalize** the risk of your or our participation in corruption or bribery activities
- ✓ **ensure** safe handling of the conflict of interest
- ✓ **define** and **ensure** uniform rules for our relations with HCPs, other contractors and counterparties,

5. In the Abstract you will find definitions of corruption and conflict of interests, our rules on how to prevent and handle them and your obligations, that arise from both legal provisions and the Anti-Corruption Code.
6. You have to apply these rules in all situations, when you act for us or on our behalf.
7. If you have any doubts regarding the rules, you should contact us.

## 2. Applicability

As our contractor or counterparty you must comply with the Anti-Corruption Code rules described in this Abstract as set out in an agreement we sign with you.

Your obligation includes:

1. confirm in the agreement that you have read the abstract from the Anti-Corruption Code
2. to comply with the provisions of this Abstract and applicable laws,
3. prevent corruption
4. avoid conflict of interest in connection with the performance of official duties on our behalf, and to undertake to disclose information that may affect its occurrence,
5. cooperation with the person conducting the inspection of compliance with anti-corruption rules.

## 3. About the Anti-Corruption Code

8. We developed and implemented our Anti-corruption Code in accordance with:

- our Polpharma Code of Ethics and other procedures under the Compliance System of the Polpharma Group,
- applicable and planned legal requirements in Poland and EU,
- principles of good practice, intended to counter corrupt behaviours,
- ISO 37001 (Anti-Corruption Management System) standard.

9. The Anti-Corruption Code is crucial because:

- our employees and associates, as well as
- contractors and counterparties, especially our wholesalers, distributors and pharmacies we cooperate with, acting for us and on our behalf

must always act transparently and in compliance with law, especially while contacting public officials and HCPs.



Your failure to comply with the provisions of the Anti-Corruption Code indicated in the Abstract may:

- be treated as a serious breach of your obligations as a contractor or counterparty;
- lead to termination of our cooperation with you.

## RULES

### 4. General anti-bribery and anti-corruption principles



We do **NOT tolerate corruption** or any conduct that may be taken or understood as corrupt.

#### 10. What does corruption mean?



Corruption (or bribery) happens whenever one:

- accepts, demands; or
- promises, offers or hands (directly or indirectly) to another person

any undue Benefit in return for a specific action or omission in performance of their duties.

Corruption may occur towards:

- public official (public corruption)

in the course of business activity towards persons representing company, e.g. counterparty (private corruption).

#### 11. What should you do?

When you apply our internal anti-bribery and anti-corruption rules you should undertake specific measures, that we describe in the Abstract. Those measures aim to prevent committing offences, taking actions contrary to our internal procedures and accepted good practices.

You should, in particular:



**obey** the provisions of the law, always and without exceptions



**obey** the provisions of the Code described in the Abstract

**report** to us:



- all law violations, in particular corrupt behaviour (performed, suggested or planned)
- conflicts of interest that you know of

#### 12. What should you not do?

We do **not tolerate** bribery, corruption nor any actions which could be understood as ones. In order to avoid them, you must:

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**✗** **not give** or **receive** benefits, or induce other employees, associates, contractors and counterparties to do so

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**✗** **not undertake** actions suggesting that corruption is used or tolerated by us

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**✗** **not offer** or **give** gifts or other benefits in order to gain favourable treatment nor to achieve an increase in the sales of our products

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**✗** **not offer** or **give** cash and cash equivalents (applies also to cash transferred by a bank transfer)

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**✗** **not accumulate assets** for the purpose of committing Corruption Crimes and transferring Benefits, or to conceal their existence by creating false documentation or not recording them in accounting records (records of business operations),

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**✗** **not create** nor **use** documentation intended to conceal or misrepresent the real objective of a business operation, including concealing corrupt behaviour

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**✗** **not accept** gifts in connection with the activities performed for us that could be harmful to our public image and that could influence your business decisions or decisions of other employees, associates, contractors and counterparties

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**not advertise** our products to HCPs by:

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- ✗**
- giving, offering or promising any kind of benefits (especially gifts, facilitations, rewards, tours)
  - organising and/or financing promotional meetings during which hospitality exceeds the main purpose of the meeting
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Our business operations are documented in a **transparent** manner that makes it possible to present and prove their real character in specific situations (e.g. inspections). Business transactions are included in the accounting records, described and recorded in appropriate accounts.



In agreements concluded with employees, associates, contractors, counterparties and any other parties, we include anti-corruption clauses adequate to the corruption risk level.


We avoid **conflicts of interest** both internally and in relations with external entities.


## 5. Detailed anti-bribery and anti-corruption principles

As our counterparty or contractor you must follow the rules below when performing activities for us or on our behalf. These rules are also respected by our employees and associates.

### 13. Public officials


#### GIFTS

 **do not offer** any gifts or other objects of value, especially undue benefits, to public officials


 **do not make** facilitation payments (i.e., illegal or unofficial payments for services to which the payer is legally entitled without making them) to public officials


### 14. Healthcare Professionals (HCPs)

#### GIFTS


 **give** only such promotional gifts that:


- are properly marked
- meet legal requirements

 **pay attention** that offered gifts are not perceived as attempt to exert inappropriate influence

 **take** care that the nature or type of a gift does not pose a threat to our image

 **do not conceal** the fact of giving a gift


 **do not give** gifts in a manner suggesting that we want to hide the fact of it being given


 **do not offer** HCP promotional gifts that can be used for private purposes - all promotional gifts should be aimed at helping patients and providing medical services




You must not give gifts that could be deemed inappropriate.


#### MEETINGS


 **record** the date, place and purpose of the promotional meeting with an HCP


 **state** additionally the participants, the agenda of the meeting and information on the costs, in case of promotional meetings for the group of HCPs


 **do not exceed** standards of hospitality


#### CONFERENCES AND OTHER SCIENTIFIC EVENTS


 **sponsor** participation of an HCP in conference, congress or convention only if it is substantively related to the HCP's profession or their scientific work (i.e. medical or scientific activities of the HCP)

 **make sure** that times of arrival of an HCP to the location of the event and return transport are strictly related to the time of the event, provided that transport is sponsored

 **offer** only such hospitality that is suitable to the event's purpose

 **do not finance** trips of persons accompanying HCP such as partners, spouse or other family members

 **do not sponsor** any other benefits and events not related to the main substantive purpose of the scientific event


 **do not sponsor** conferences, other scientific events and participation in such events in order to increase the sales of our products

 **do not offer** excessive hospitality



The cost per participant should not deviate from the average prices of accommodation, meals and travel.

#### 15. Contractors and counterparties

 **make sure** that your contractors and counterparties that perform activities for us or on our behalf are acquainted with the provisions of the Code (the Abstract) and follow the rules set therein



You must not give any benefits to influence a specified action or omission. Accordingly, the nature and value of hospitality offered to you by your contractor or counterparty cannot influence your decisions regarding cooperation with us.

#### 16. Receiving of gifts

If you receive a gift that could cause a conflict of interest in connection with the provision of services to us, report it to us.

## 17. Donations



You must not make any donations on our behalf.

## 18. Public procurement

The following rules apply when selling our products:



Before submitting a tender or initiating a public procurement procedure, you must:

- **familiarize** yourself with the provisions on public procurement and an Abstract from the Anti-Corruption Code
- **comply** with the rules set out therein.



**do not offer** or give any benefits to persons who are responsible for carrying out the public procurement procedure

**do not participate** in:



- the preparation of the terms of reference (ToR),
- the preparation of the description of the subject of contract (DSC),
- any other activities at the stage of contract preparation

## 19. Purchasing processes and sales decisions

Any activities aimed at influencing our purchasing or selling decisions are prohibited.

## 20. Business expenses

All business expenses must be documented in a transparent manner.



You must not finance or settle benefits which are not compliant with the Code or the law, with business expenses.

## 21. Lobbying

All entities providing lobbying services to us must:

- act in accordance with the law, and
- know and understand the principles of the Anti-Corruption Code.





You must not give any benefits on our behalf while providing lobbying services or using services of other entities providing lobbying services.

## 22. Conflict of interest

Conflict of interest is a situation where an employee's or an associate's personal interests or relationships are in conflict with our interests, as in such a situation, the objectivity of the employee or the associate acting for and on our behalf may be impaired.

Conflicts of interest may arise, i.a.:



- due to your competitive activity in relation to us;
- due to our existing or potential business relationship with, if you are a close relative or a related entity of our employee or associate responsible for cooperation with you (personal, organisational or capital ties between the employee or associate and a related entity being a contractor or counterparty);
- in the area of our charitable or sponsorship activities, if you are a close relative or related entity of our employee or associate who makes decisions on our behalf about sponsoring or donating you.



**avoid** conflict of interest in connection with the performance of your official duties for us or on our behalf and any actions or situations that may lead to conflict of interest



**report** to us the conflict of interest that occurred and refrain from activities associated with the conflict of interest until the case is reviewed by us



When you are notifying us of conflict of interest, you must not provide us with personal data of your close relatives.

23. All reported conflicts of interest situations are thoroughly evaluated in terms the risks they pose to us.



24. All reported cases of **conflict\_of\_interest** are handled according to integrity, confidentiality and personal data protection rules.

## 6. Reporting violations of the Anti-Corruption Code and the law

You are obliged to:



- report:
  - a violation of the provisions of the Code described in the Abstract
  - know or suspect that someone prepares, attempts or commits a prohibited act related with Crime of Corruption,
  - observe irregularities in the organisation of operations which could lead to committing a prohibited Crime of Corruption,
  - notice a failure to meet obligations, abuse of powers, failure to exercise due diligence expected in the given circumstances



You submit the violation report through a dedicated channel provided on the Polpharma website [www.polpharma.pl](http://www.polpharma.pl).



All reported violations regardless of their type are:

- **thoroughly** and **objectively investigated** by us
- **protected** in terms of the **confidentiality** of their content
- **protected** in terms of the **confidentiality** of reporting person
- **protected** in terms of the **personal data** of the reporting person or personal data contained in them
- processed in **compliance with our law**.

## 7. Glossary

In the Code we use the following terms:

Associate	a person who performs activities for any Company from Polpharma Group on a basis other than an employment contract or on the basis of a decision of a competent authority or a contract, deals with property matters or manages business activities of Polpharma Group
Close relative	<ul style="list-style-type: none"> <li>- this means:                             <ul style="list-style-type: none"> <li>o spouse;</li> <li>o child;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ grandchildren and great-grandchildren;</li> <li>○ sibling</li> <li>○ children of sibling;</li> <li>○ parents' sibling</li> <li>○ child of parents' sibling (first cousins)</li> </ul> <p>- any person who is in a particularly close personal relationship with the above-mentioned persons (e.g. cohabitation, affinity) adoption relationship, particularly close social relations and the spouses of such persons.</p>
Competitive activity	<ul style="list-style-type: none"> <li>○ any activity conducted by an employee or associate within the scope of the main business activities of the ZF Polpharma Group Companies,</li> </ul>
Contractor	<p>- a natural person, a legal person or a person without legal personality, acting on the basis of a contract with Polpharma Group Companies, performing activities commissioned by Polpharma Group or acting on its behalf, in particular an entity participating in tender procedures or offering Polpharma Group Companies products or services</p>
Corrupt behaviour	<p>- Acts or omissions leading, even if potentially, to the commission of Corruption Offenses, such as offering, promising, giving, accepting Advantages, accepting the offer or promise of such Advantages, claiming influence or inducing the belief that influence exists in the handling of affairs, as well as unlawfully obstructing, thwarting or influencing the outcome of procurement proceedings, as well as acts or omissions that may thwart or significantly impede the detection or determination of the origin of funds derived from Corruption Offenses.</p>
Counterparty	<p>a legal or natural person carrying on a business, in particular a supplier or customer of Polpharma Group Companies, irrespective of the legal form of collaboration adopted</p>
Employee	<p>- a natural person employed on the basis of an employment contract with any of Polpharma Group Companies</p>
Benefit	<p>- an undue (unlawful) material gain (e.g., obtaining money or its equivalent), avoidance of material loss (e.g., reduction of debt, avoidance of expense), or personal gain (one that cannot be measured in money, e.g.: receiving an unpaid position in a foundation, obtaining an honorary title, receiving a decoration). A benefit can be obtained both for oneself and for someone else.</p>
Good practice	<p>generally accepted rules of conduct in the given environment and circumstances; such rules that are contrary to the law and our Code of Ethics are not good practice</p>
Healthcare professional or HCP	<p>- either:</p> <ul style="list-style-type: none"> <li>○ a physician, pharmacist, pharmacy technician, nurse, midwife, dentist, paramedic or another person, including a researcher, who:           <ul style="list-style-type: none"> <li>▪ can write prescriptions, prescribe, purchase, supply, recommend or administer medicinal products or trade in medicinal products - as part of professional duties;</li> </ul> </li> <li>or;</li> <li>○ a person who:           <ul style="list-style-type: none"> <li>▪ manufactures or markets medicines, foodstuffs intended for particular nutritional uses or medical devices - which are subject to reimbursement from public funds; and</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ may be subject to liability for corruption-related offences due to their characteristics</li> <li>- Such person ceases to be a HCP, if they are a public official or person performing a public function.</li> </ul>
Person performing a public function	<ul style="list-style-type: none"> <li>- a public official, a member of a local government body, a person employed in an organisational unit disposing of public funds (including an association and a foundation), unless they perform exclusively service activities, as well as any other person whose powers and duties in the field of public activity are defined or recognised by law or by an international agreement which binds the Republic of Poland. The enumeration of the categories of these persons can be found in Appendix 1. "Positions of Public Officials and Persons Performing Public Functions"</li> </ul>
Promotional gift	<ul style="list-style-type: none"> <li>- object that is:           <ul style="list-style-type: none"> <li>○ intended as an advertisement;</li> <li>○ offered in accordance with the rules set out in our internal procedures</li> </ul> </li> </ul>
Promotional meeting	<ul style="list-style-type: none"> <li>- a meeting organised with HCP/s for promotional and scientific purposes</li> </ul>
Public official	<ul style="list-style-type: none"> <li>○ – a person who the positions specifically enumerated in Article 115§1.13 of the Penal Code.</li> </ul>
Related entity	<ul style="list-style-type: none"> <li>- an entity which does not belong to us and in which the employee, associate or their close relative:           <ul style="list-style-type: none"> <li>○ performs work, for a fee or free of charge, under an employment contract or under any other legal relationship, or to which the employee, associate or close relative advises for a fee or free of charge;</li> <li>○ is a member of the management board or supervisory board;</li> <li>○ is a partner, member, shareholder, a so-called “silent partner” (i.e. a person who, in return for a capital contribution, participates in the company’s profits but is not disclosed in the relevant register) or otherwise influences the entity’s decisions;</li> </ul> </li> <li>- may exert influence, even if only potentially, on the activities of a given entity due to other circumstances.</li> </ul>
Violation	<ul style="list-style-type: none"> <li>- actions contrary to:           <ul style="list-style-type: none"> <li>○ the law;</li> <li>○ good practice;</li> <li>○ our Anti-Corruption Code;</li> <li>○ our Code of Ethics;</li> </ul> </li> <li>- our other internal regulations.</li> </ul>
Violation report	<ul style="list-style-type: none"> <li>○ providing authorized persons with information on the violation of the law, the Code, including irregularities concerning corruption, liability of collective entities and all other reports on irregularities in the activity of Polpharma Group, employees, associates and contractors</li> </ul>
We or Us	<ul style="list-style-type: none"> <li>○ Zakłady Farmaceutyczne Polpharma S.A. (Company) or another subsidiary of the Company in which the Code has been adopted</li> </ul>