



Anti-Corruption Policy

Look what I've just been given!



Be careful, inappropriate gifts aren't allowed.



**Maximise business.
Minimise risk.**

Why do we need an Anti-Corruption Policy?

Grünenthal business is legal, ethical and honest.

Integrity in business means: Avoiding corruption in any form and complying with the anti-corruption laws of every country in which we operate. Grünenthal is committed to conducting business in a legal, ethical and honest manner. We do not tolerate any corrupt activities. A breach of anti-corruption laws can result in severe consequences for both the company and the individual involved.

This Policy has to be applied in conformity with national laws and regulations. If national laws and regulation are stricter than the rules set out in this Policy they have priority. If national law provides the basis for explicit exceptions from the rules set out in this Policy make sure with Local Compliance that your actions are covered by these exceptions. Please check with Local Compliance if there are national supplements to this Policy that you have to take into account too.



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Who is concerned?

This Policy applies to all Grünenthal employees no matter where he or she is located. Corruption is prohibited in any business interaction no matter if we are dealing with people in the public or private sector. Specific guidance when dealing with public officials is set out below.

Healthcare interactions such as educational events or advisory boards are not covered by this Policy. Interactions with healthcare professionals, healthcare organisations or other healthcare stakeholders are set out in the ● Healthcare Interactions Policy, the ● Research & Development Policy and the ● Promotion & Marketing Policy.

Interactions with patients and patient organisations are stipulated in the ● Patients Interactions Policy.

What is concerned?

The rules outlined in this Policy help to give you an overview of if and how you can provide and receive benefits in a legitimate manner.

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You often encounter corruption in very competitive or highly regulated areas when high-volume transactions are at stake.



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What is corruption?

Corruption has many faces. It may appear in any business interaction. You often encounter corruption in very competitive or highly regulated areas when high-volume transactions are at stake. However, corruption may begin on a very low level (small gifts) and progress to high level corruption over time (expensive gifts).

Corruption has an **active/giving side**:

- Someone who offers, gives or promises an advantage (material or immaterial benefit) to someone else in return for the use or abuse of his/her entrusted power.

Corruption has a **passive/taking side**:

- Someone who requests, agrees to receive or accepts an advantage (material or immaterial benefit) in return for the use or abuse of his/her entrusted power.

It does not make a difference whether we offer or take bribes. Both are unacceptable and prohibited.

It does not matter whether a bribe is:

- offered directly to the person that shall act improperly; or indirectly through a third party (such as someone acting on Grünenthal's behalf, e.g. an agent, consultant, distributor or other intermediary).
- beneficial for the recipient himself or some other individual/institution (e.g. relatives, friends, society, association, charity or a booster club).

Please note that even promising to give a bribe or agreeing to receive one is prohibited.

Bribes ("advantages that shall improperly influence the beneficiary") can take many forms, for example:

- cash.
- expensive gifts, entertainment or hospitality.
- kickbacks.
- illegitimate loans, rewards, donations.
- unjustified services, sponsoring or other favours.
- inadequate rebates or excessive commissions (e.g. to sales or marketing agents).
- "facilitation" payments, i.e. payments made to perform a standard activity more quickly and/or prioritise a particular customer.
- remuneration that is clearly above fair market level without proper reason.

1. How to avoid corruption

“If you want to make an individual exception from the rules in this Policy, you require written approval by the General Counsel or the Global Compliance Officer.”

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Please use the following rules as a compass for your interactions with third parties. Make sure that you do not offer, grant or accept any advantage that:

- is suitable to improperly influence a business decision, such as choosing a contractor (i.e. expensive gifts, high remuneration without an adequate service in return).
- is above fair market value (not justified by quality of service, level of expertise or time needed to perform etc.).
- is not based on a legitimate business interest of Grünenthal.
- is not covered by internal and/or external approval (i.e. by the beneficiary's employer).

- is not documented in the respective tool.
- is part of a series of advantages granted or received within a short time.
- does not fit to the status and lifestyle of the beneficiary (e.g. invitation of a public official in an haute cuisine restaurant).
- you would not want to explain to the public or cannot explain easily to an auditor.

If you want to make an individual exception from any of the rules laid out in this Policy, you require prior written approval by the General Counsel or the Global Compliance Officer.

Note:

All interactions covered by this Policy need to be approved. Approval flows and value thresholds are defined by local management in cooperation with Local Compliance. Approval may only be given if the interaction does not create the impression of improperly influencing the business decision of a third party.

2. Interactions with public officials

Dealing with public officials exposes Grünenthal to a particularly high-risk in relation to corruption, as in most countries anti-corruption laws are much stricter once the public sector is involved. Therefore, you need to thoroughly assess and apply special care when dealing with public officials. In interactions with public officials it is vital to prevent even the impression of improper influence.

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A public official is:

- any person holding a legislative, administrative, or judicial office of a country/state, whether appointed or elected.
- any person exercising a public function for a country including a public agency or a public enterprise regardless of its legal form (private companies under dominant influence of community or a state are covered by this definition).
- any official or agent of a public international organisation.

Public officials are:

- ministers.
- civil servants.
- head of public insurance fund.
- police officers.
- tax examiners.
- judges.
- regulatory authorities.
- customs authorities.

Examples of interactions with public officials:

- application for marketing authorisation.
- plant visits by local authorities.
- invitation to the inauguration of a new production plant.
- application for a construction permit.
- interactions on occasion of meetings or educational and networking events organised by (trade) organisations, e.g. DIA, EFPIA, vfa.
- invited collaboration with public officials e.g. in developing guidelines or in official pricing committees.

Do's and Don'ts for interactions with public officials:

- ✔ If you have any doubt, ask your counterpart and Global Compliance whether your counterpart is a public official.
- ✘ Public officials must never receive any gift or pecuniary advantage in cash.
- ✔ Facilitation payments (i.e. any payments given to a public official to increase the speed at which he/she does his/her job or to motivate him/her to perform his/her job at all) are strictly prohibited. Any request for a facilitation payment shall be promptly reported to your supervisor.
- ✔ Do not forget: Always collect the prior written approval of the public official's supervisor/institution that he or she is allowed to accept the invitation for the training/event/dinner or the like.
- ✔ Always send the planned agenda for an event in advance in writing so that the public official can ask for permission from his/her supervisor/institution and examine our invitation as to whether it complies with the applicable laws and internal guidelines of his/her institution.
- ✘ In general, we do not reimburse travel and hotel costs to public officials.
- ✘ Hospitality shall be limited to low cost refreshments in the course of business meetings, e.g. a cup of coffee during an inspection.
- ✔ You must ensure full transparency by accurate documentation consisting of at least a short and accurate description of the meeting (need, purpose, other relevant details).

3. Gifts and hospitality



The exchange of moderate gifts and offering or accepting hospitality (meals, invitations) can be part of a friendly business relationship with non-public officials.

Do's and Don'ts with regard to gifts and hospitality:

- ✔ Must be socially adequate by taking into account the beneficiary's position, the occasion and the relationship to the beneficiary.
- ✘ Must not be improper in nature (such as drugs or invitations to the red light district or other inappropriate places such as a gentlemen's club). Expensive wines and delicacies must be avoided.
- ✔ Must be reasonable and appropriate according to local standards; Gifts or invitations with entertainment character which are above the local benchmark (e.g. Germany €50) must be approved by Local Compliance.
- ✘ Must not be used as an inducement to privilege Grünenthal in business.

- ✘ Gifts must not be exchanged and hospitality must not be provided between the same individuals in an unreasonable frequency.
- ✘ Gifts and invitations must not be sent to or received at the private address.

Additional rules regarding gifts:

- Must be exchanged in a transparent way and given at an appropriate time.
- Must not be in cash or any cash equivalent (e.g. a voucher or gift certificate).
- Must be given in the name of Grünenthal, not in an individual's name.

Additional rules regarding hospitality:

- Spouses, friends and family must not be invited.

4. Travel and lodging costs

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From time to time it may be necessary to pay the travel and lodging expenses of third parties – i.e. to attend multi day business meetings. Likewise, the payment of travel and lodging costs might be offered to us by third parties. Grüenthal may reimburse travel and lodging expenses as well as accept the payment by third parties if and to the extent appropriate.

Do's and Don'ts with regard to travel costs:

- ⊗ Payment and acceptance of appropriate local travel costs do not require any additional approval. Local travel is defined as all travel within a distance of 300km between the place of work/living and the final destination. Appropriate costs include those for travelling by train (2nd Class), bus, private car or taxi (distance between bus or train station and final business destination).
- ✔ Payment and acceptance of non-local travel and lodging requires pre-approval in writing by your responsible supervisor. In cases of non-local travelling and lodging make sure that:
 - the invitation is directly related to the performance of a valid contract or other business activities.
 - the distance of travel and duration of stay is justifiable by good faith business reasons such as the location of a plant, gathering of all relevant experts at a trade fair, availability of flights, etc.
- the business purpose could not be accomplished more cost-effectively without traveling or by traveling to a closer location.
- appropriate costs include those for travelling by train (2nd Class), bus, private car, airplane (Economy Class), taxi (distance between bus, train station, airport, hotel and final business destination).
- appropriate costs include lodging costs (appropriate business hotels).
- ✔ Pre-approval is not required when – based on a valid contract – Grüenthal is obliged to bear adequate travel and lodging expenses for meetings associated with the performance of this contract.
- ✔ If travel plans are not in line with the provisions of this Policy, exceptions may be granted by your responsible supervisor in the light of our *Travel Expenses Policy*.

5. Sponsoring

“Sponsoring is the act of supporting an event, activity, individual or organisation financially or through the provision of products or services.”

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Sponsoring is the act of supporting an event, activity, individual or organisation financially or through the provision of products or services. In return, the sponsored party provides the sponsor with the opportunity to promote its business targets. Sponsoring activities take place in the area of sports, arts and culture, education and science. It can deliver increased awareness, brand building with selected target groups and propensity to purchase.

Example: Financial support of a cultural event where Grünenthal has the opportunity to promote its business targets

Do's and Don'ts with regard to sponsoring:

- ✔ Requires a written application by the sponsored party.
- ✔ Shall have a local connection to Grünenthal's places of work.
- ✔ The sponsored party must have a positive image in conformity with Grünenthal's standards.
- ✔ The sponsored event must be able to reach Grünenthal's target groups.
- ✘ Shall not be related to commercial, political or religious events.
- ✘ Shall not be related to professional or semi-professional sports events. In case this is intended prior written approval by the Global Compliance Officer is mandatory.
- ✘ Shall not be a substitute for public funding.
- ✘ Shall not constitute an inducement to privilege Grünenthal in business.
- ✔ Must be based on a written (not verbal) contract; detailing, inter alia, the purpose of the sponsoring, the benefits provided by the sponsor, the promotional opportunities granted to the sponsor and the identity of the beneficiary. The contract must ensure that Grünenthal will be visible as a sponsor for the participants of the event.
- ✔ Benefits granted by Grünenthal as a sponsor and the promotion opportunities Grünenthal receives in return must be proportional. In this context, we evaluate e.g. how many people can be reached by our marketing efforts, how much space for advertising we have and how long the sponsored event will take place.
- ✔ All relevant documents detailing the sponsorship need to be centrally archived to ensure proof of our compliant promotion activities.

6. Donations

Grünenthal may provide charitable contributions and donations to support public interest activities. This includes funding, services and the provision of equipment and free products.

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Donations are not intended to make profit. The purpose of donations is usually to improve the quality and availability of healthcare, to educate individuals and families about sound health practices, to provide low income people with basic standards of living, to serve people who are most at risk of health problems or to advance knowledge in medicine, healthcare and allied sciences. Alongside this, donations improve our reputation and strengthen our social responsibility.

Example: Financial support of non-governmental organisations (“NGOs”) after humanitarian catastrophes such as earthquakes, floods etc.

Contributions to industry associations, fees for memberships in organisations that serve business interests and sponsorships where Grünenthal gets advertising in return are not charitable donations and should be treated as sponsorships instead.

Do's and Don'ts with regard to donations:

- ✔ Require a written application by the potential beneficiary.
- ✔ Must only be granted if there is an objective need.
- ✔ Beneficiaries are charitable, non-governmental organisations only.
- ✘ Must not be granted to support any political parties or candidates, religious groups or commercial enterprises.

- ✘ Must not constitute an inducement to privilege Grünenthal in business.
- ✘ Must be transparent and can only be made for an accurate donation receipt.
- ✔ Must be well documented in:

(name and position of the initiator, recipient's data, donation amount, concrete purpose such as disaster relief for earthquake victims). The official request, signed approval letter and the receipt of donation must be recorded according to Grünenthal's retention SOP.

- ✘ Money transfers to private accounts or in cash are strictly prohibited.



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Any questions?

If you have any questions or doubts, please don't hesitate to contact your supervisor or the Compliance Organisation.

We are here to help, advise and support you.

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