

ANTI-CORRUPTION POLICY OF THE GALENICA GROUP

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1. Introduction	3
2. Applicability & Responsibility	3
3. Consequences in case of non-compliance	3
4. Bribes & Anti-bribery	3
4.1 Summary	
4.2 Prohibited conduct	
4.3 Examples	
4.4 Do's and Don'ts	
5. Donations (charitable & political) & sponsorships	4
5.1 Summary	
5.2 Prohibited conduct	
5.3 Examples	
5.4 Do's and Don'ts	
6. Facilitations payments / Improper payments	5
6.1 Summary	
6.2 Prohibited conduct	
6.3 Examples	
6.4 Do's and Don'ts	
7. Gifts, hospitality and entertainment	6
7.1 Summary	
7.2 Prohibited conduct	
7.3 Examples	
7.4 Do's and Don'ts	
8. Recording and Disclosure of Payments	8
9. Use of Third Party Representatives	8
10. How to raise a concern	9
11. Effective Date	9

1. Introduction

- This Anti-corruption Policy (hereinafter "Policy") sets forth the anti-corruption principles and rules and how they are to be implemented by Galenica Group employees and business partners. This Policy is a supplement to the Code of Conduct of the Galenica Group and the Code of Conduct for Suppliers and should be read together with them as well as other policies of the Galenica Group.
- There is legislation in many countries, including Switzerland (Swiss Criminal Code), the United States (the Foreign Corrupt Practices Act and the Anti-Kickback Statute) and the United Kingdom (the Bribery Act 2010), and in the European Union (Penal Law Convention of the Council of Europe) that prohibit bribery and corruption and are enforced with vigour by their respective enforcement authorities. Acts of bribery and corruption committed overseas may well result in a prosecution at home and in other jurisdictions. In some countries, applicable law holds companies liable for failing to prevent acts of bribery by those working for or on their behalves. Therefore, it is very important that Galenica Group employees are compliant with such regulations.

2. Applicability & responsibility

- This Policy applies to all employees of the Galenica Group. Each employee must participate in the regular anti-bribery-trainings and e-learnings.
- Each direct superior is responsible for implementing this Policy within the conduct of its employees. The Galenica Group expects its managers to be familiar with the laws, regulations, and the Galenica Group's policies applicable to the activities they manage or supervise.
- Each superior shall ensure their employees have appropriate training on compliance requirements to perform their job functions (for example via yearly team workshops) and supervise them with respect to compliance with this Policy.

3. Consequences in case of non-compliance

- Any contravention against this Policy will have severe consequences for the Galenica Group, in particular reputational damage (with respect to investors and business partners), financial damage (indemnity and other claims) and criminal penalties. Furthermore, there is a risk that business partners would quit their collaboration with the Galenica Group which would have severe negative consequences for the business. Hence, it is crucial to always comply with this Policy in order to prevent the Galenica Group from severe financial or reputational damage.
- In case of a breach of the rules of conduct of this Policy, the responsible employee, and if necessary their superior, will have to bear employment law measures and disciplinary actions (such as formal warning, denial of bonus, termination of employment and others) and, where appropriate, an indemnity claim or a criminal complaint with the competent prosecution authorities.

4. Bribes / Anti-bribery

4.1 Summary

- The Galenica Group prohibits all forms of corrupt conduct or bribery to public officials and to private individuals whether they take place directly or through third parties.

- The Galenica Group also prohibits its employees from soliciting, arranging or accepting bribes intended for the employee's benefit or that of the employee's family, friends or associates.
- For the purposes of this Policy, a "public official" could be a government official, whether foreign or domestic, a political candidate or party official, a representative of a government-owned/majority-controlled organization or a representative carrying out public services, e.g. healthcare services, an employee of a public international organisation (e.g. World Bank), or a healthcare professional working for a government or other public health institution.

4.2 Prohibited conduct

- The Swiss Penal Code prohibits any form of bribery to public officials (neither Swiss nor foreign public officials) as well as to private persons. It is prohibited to offer any undue advantage to a third party as well as to accept any such undue advantage.
- An advantage is undue if it is granted in order to cause the public official or the private individual to carry out or to fail to carry out an act in connection with his official activity which is contrary to his duty or dependent on his discretion, i.e. to deviate from his/her/its official duties or obligations to serve interests of the Galenica Group.

4.3 Examples

- Some examples of "anything of value" are:
 - o Cash or any payment or reimbursement in the form of, among others, a promotional fee, sponsorship fee, R&D fee, consulting fee, or commission fee;
 - o Non-cash items such as gifts, hospitality, entertainment, favors and favorable treatment, loans and loan guarantees, investment or business opportunities, use of property or equipment, transfers, grants of equity, or the payment or reimbursement of debts;
 - o Discounts or free services;
 - o Contributions to a political party or charity.
- Always remember that what may be considered of minimal or no value to the Galenica Group may have value to the intended recipient.

4.4 Do's and Don'ts

- Always ask yourself before offering, promising, giving or receiving anything of value to or from any person if what you are considering complies with the Policy and could be viewed as having an improper purpose. Use sound judgment and if the answer is yes, you must not proceed.
- Remember: An offer, promise or agreement can violate anti-corruption laws, regardless of whether the payment is ever made or the thing of value is ever given, and regardless of whether the recipient takes any action in response to an offer, promise, or payment.

5. Donations (Charitable & Political) & Sponsorships

5.1 Summary

- For the purposes of this Policy donation shall mean any valuable freely given to someone else who accepts it. Sponsorship shall mean, for the purposes of this Policy, supporting or funding any activities, usually for advertising purposes, or in consideration of a benefit of similar purpose. For the purpose of this Policy, activities suitable for achieving and granting

sponsorship are non-core, non-operational activities like festivals, cultural events, sports competitions, etc.

- Donations or sponsorships shall always be provided pursuant to the terms of the applicable laws, and they shall never be associated, either directly or indirectly, with any unlawful act or undue advantage for the Galenica Group.

5.2 Prohibited conduct

- The Galenica Group does not respond to:
 - o Illegal or unethical proposals;
 - o Projects with clear political or religious background or purpose;
 - o Requests from or to benefit single individuals;
 - o Mass mailings, unsigned requests or broadcast requests;
 - o Requests with indication of corruption or improper advantages.
- The Galenica Group does not support projects with the following characteristics:
 - o Projects managed or supported by a healthcare professional (for example doctors and pharmacists), except approved in advance by the legal department of the Galenica Group; (i.e. Christmas party, sports event or cultural event organized by a healthcare professional, etc.);
 - o Projects that are not in line with the politics and practice of the local authorities (except approved in advance by the legal department of the Galenica Group);
 - o Indirect support of aid or service programs through fundraising events and/or charity conduits, except approved in advance by the legal department of the Galenica Group;
 - o Replacement of public funding and public or government responsibility.

5.3 Examples

- Contributions and sponsorships shall not be used as a subterfuge for bribery.
- Direct or indirect contributions to political parties, organizations or individuals engaged in politics, shall not be made as a way of obtaining advantage in business transactions.

5.4 Do's and Don'ts

- In any case, any sponsorship must be agreed in a written contract.
- Always ask yourself if the project for which a contribution is sought is suitable for achieving and granting donation or sponsorship, and if not, decline it respectfully.
- In cases of doubt whether you are giving or accepting a donation or sponsorship, contact the legal Department of the Galenica Group and/or your superior.

6. Facilitation payments / Improper payments

6.1 Summary

- Galenica considers facilitation payments as bribes which must be identified and eliminated.
- Galenica employees and business partners are prohibited from giving anything of value to any individual or entity, to expedite or to secure the performance of a routine, non-discretionary governmental action, such as processing required governmental paperwork, even if the payment is allowed under local law. Payments based on standard, published rates for expedited services are permitted.
- Engagement of business partners, including healthcare professionals, must never be used to improperly influence a person or entity to take or not to take any action that benefits the Galenica Group's business.

6.2 Prohibited conduct

- A facilitating payment is a payment made to an official that acts as an incentive for the official to complete some action or process expeditiously, to the benefit of the party making the payment.
- The Galenica Group employees are prohibited from such facilitation payments, even if the payment is allowed under local law. Determining whether a payment is a facilitating one may be difficult and depend on the circumstances. The value of the payment is not directly relevant, however the greater the value, the higher the risks. Small unofficial payments are customary and even legal in some countries, nevertheless they may present a risk of liability according to the laws of the host country. There also exists a danger of evolving into dubious payments and reputational damage.
- United Nations Convention against Corruption (UNCAC) prohibits facilitation payments.

6.3 Examples

- A payment to an official that is meant to allow for the smooth processing of a service that the payer is legally entitled to.
- For example, a company may make a facilitating payment to an official who can help expedite the licensing or permitting process. The company is entitled to the license or permit because it has met all the requirements, but wants to speed up the process. In many countries, this payment would be acceptable as long as it does not involve a payment made to a foreign entity. In other countries, this would still be considered a bribe (and thus illegal). The Galenica Group consequently prohibits such payments.

6.4 Do's and Don'ts

- As a general rule, it is the Galenica Group's policy that facilitation payments must not be made. In the event that an employee of the Galenica Group encounters a request for, or a perceived need for a facilitation payment, the employee must notify the legal department of the Galenica Group, which may provide further guidance or direction.
- If an employee of the Galenica Group is unsure whether a certain payment is considered a facilitation payment, please contact the legal department of the Galenica Group.

7. Gifts, hospitality and entertainment

7.1 Summary

- Gifts, entertainment and hospitality can foster business relationships and celebrate joint achievements, but improper use of these business courtesies can damage our reputation and violate the law.
- Employees of the Galenica Group may only offer and accept gifts, entertainment and hospitality when it is appropriate in its amount and frequency as a customary courtesy, does not violate any law or policy and does not affect or be perceived to affect the outcome of business transactions which are not reasonable and bona fide.
- Gifts may only be offered or accepted if they are required to fulfill an ethical and legitimate business purpose and are secondary to achieving that purpose and not just for employee personal well-being or use.
- If the person with whom the Galenica Group does business is a healthcare professional, there are often specific laws and industry codes which would further restrict activities that

may be considered acceptable if the person was not a healthcare professional. Such further restrictions must always be adhered to.

7.2 Prohibited conduct

- Are never permissible gifts:
 - o That involve a benefit or advantage offered for something in return (“quid pro quo”);
 - o That may affect your judgment, actions or a business decision – or even appear to do so;
 - o In the form of cash/or cash equivalent vouchers as gift cards;
 - o Gifts or entertainment of a sexual or similarly inappropriate nature.
- Employees should not offer or provide any gifts to, or receive them from, public officials and anyone in a position to exercise influence over public officials’ decision making, such as public officials’ family members, as well as other individuals and entities. With the prior approval of the legal department of the Galenica Group, rare exceptions may be permitted, for example when a gift is an important local/cultural custom, and any such gift is permitted under applicable law and is of modest value.

7.3 Examples

- For business partners that **ARE NOT** healthcare professionals, you can usually offer or accept:
 - o Modest (<CHF 100.-/person including drinks) and occasional (up to 3x/year) meals when associated with a legitimate business discussion;
 - o A holiday fruit basket or a modest bottle of wine;
 - o Tickets to a local sports, theatre and other cultural events, where the ticket cost is reasonable and the business partner will also attend the event;
 - o Gifts of modest value, such as pens, or small/low value promotional items.
- For business partners that **ARE** healthcare professionals, you can usually offer or accept:
 - o Modest (<CHF 100.-/person including drinks) and occasional (up to 3x/year) meals when associated with a legitimate business discussion;
 - o Gifts other than meals of a yearly value under CHF 300.- and provided that the gift is related to the practice of medicine or pharmacy (i.e. water dispenser for clients or medical literature, but no wine and no invitations for cultural events).
- Items that you may never offer or accept (whether related to healthcare professionals or not):
 - o An expensive bottle of wine;
 - o Small but frequent gifts that, taken together, are more than modest in value;
- Items that you may only offer or accept with prior approval of the supervisor and legal department of the Galenica Group:
 - o A prepaid trip to attend a conference in a distant city or land (sponsored travel).

7.4 Do’s and Don’ts

- Any gift or invitation that does not meet the requirements of the Policy must be respectfully declined.
- Never accept gifts, entertainment or hospitality that may affect your judgment, actions or a business decision – or even appear to do so.
- Always take a step back and ask yourself the following before offering, promising, giving or receiving any gift, entertainment or hospitality:
 - o Is giving or receiving necessary to build the relationship?
 - o Is the gift consistent with generally acceptable business practices?

- What is the intent? Is it to build a relationship or is it something that could be misunderstood or seen as a bribe?
- How would this look if these details were reported on the front of a newspaper? Use sound judgment and if the answer is critical, you must not proceed.
- In cases of doubt whether you are giving or accepting a gift or hospitality, contact the legal department of the Galenica Group and/or your superior.

8. Recording and Disclosure of Payments

- The Galenica Group must only engage business partners if all of the following requirements are met:
 - there is a legitimate need for the services or goods that they provide;
 - the services or goods are priced at fair market value;
 - there is a written contract or other document (i.e. a purchase order or other contract that complies with contracting policy of the Galenica Group);
 - the third party is suitable from an anti-bribery perspective after assessment in a robust due diligence process.
- Anti-corruption and anti-bribery laws require the Galenica Group to accurately reflect all transactions and disposition of company assets in its books, records, and accounts.
- All payments must be accurately recorded in the books of the Galenica Group and records, regardless of whether the payment was or was not permitted by this or any other policy of the Galenica Group.
- Prohibited accounting practices include, but are not limited to:
 - Making false or artificial entries in the books and records or permitting the falsification of information in the books and records;
 - Creating or using an off-the-book account;
 - Establishing or maintaining bank accounts that hold the Galenica Group's funds in the names of individuals;
 - Use of personal funds to do what is prohibited with company funds;
 - Third-party contractors submitting false or inaccurate expenses reports;
 - Payment to a person which is described in an accounting entry as a "miscellaneous fee"
 - Description of a payment as an "overhead expense" instead of as "commission".

9. Use of Third Party Representatives

- For the purposes of this Code, the term "third-party" includes anyone who is not a Galenica Group employee or official of the Galenica Group (e.g. board member). As such, a "third-party" includes agents, distributors, consultants and joint venture partners.
- Risk can be identified where a third-party conducts business activities on behalf of the Galenica Group or distributes Galenica companies' products, so that the result of their actions can be seen as benefiting the Galenica Group. Third-parties who act on behalf of the Galenica Group or distribute Galenica companies' products must operate at all times in accordance with this Policy. The respective Galenica Group contracting party is responsible for the evaluation of each third-party relationship and for the assessment of any risk involved. Where potential risk regarding a third-party arrangement has been identified, responsible management must:
 - Evaluate the background, experience, and reputation of the third-party;
 - Understand the services to be provided, methods of compensation and payment;

- Evaluate the business rationale for engaging the third-party;
- Take reasonable steps to monitor the transactions of the third-party;
- Ensure there is a written agreement in place which acknowledges the third-party's understanding of and compliance with this Policy;
- Establish a process to conduct regular reviews of the third-party's ongoing understanding and compliance with this Policy.
- The Galenica Group is ultimately responsible for ensuring that third-parties who pose significant risks are compliant with this Policy as well as any local laws. Ignorance is not an excuse.

10. How to raise a concern

- All employees of the Galenica Group have a responsibility to help detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with the Galenica Group's business. The Galenica Group is absolutely committed to ensuring that all employees of the Galenica Group have a safe, reliable, and confidential way of reporting any suspicious activity.
- Employees and business partners are required to promptly report suspected or known violations of this Policy to the legal department of the Galenica Group. Employees of the Galenica Group may additionally report the issue/concern to their superior or their human resource department.
- Employees and business partners have the opportunity to make anonymous reporting via the Whistleblower Reporting Service from Galenica (further information may be found on the Galenica homepage).
- Upon receipt of a report of a suspected violation, the Galenica Group will launch a prompt and thorough investigation.
- Failure to report a violation or suspected violation of this Policy may result in disciplinary action by the Galenica Group, including termination of employment or business relationships. The Galenica Group prohibits retaliation against any employee who makes a good faith report of a suspected violation of law or company policy.

11. Effective Date

- The Policy has been approved by the Board of Directors of Galenica Ltd. and is effective as from March 15th, 2021.