

Anti-bribery and Corruption

Karo Pharma (Karo) values robust and transparent business processes. We are open and honest in the way we do business. Therefore, we do not accept or tolerate bribes in any form whether directly or indirectly or through agents or other third parties.

Our position on Anti-bribery and Corruption encompasses:

- Bribery and Facilitation Payments
 - ⇒ We do not offer, promise, give, or demand a bribe, unlawful facilitation payment or other undue advantage to obtain or retain business or any other improper advantage neither as an employee nor as a business.
- Money Laundering
 - ⇒ We do not involve in financial transactions derived from or to be used for criminal activities.
- Protection Money
 - ⇒ We do not pay protection money in any form.
- Gifts
 - ⇒ We believe that gifts (given or received) should always be reasonable. Gifts are only acceptable to the extent that they do not improperly affect a specific business transaction.
- Hospitality
 - ⇒ We believe that hospitality and expenses always should be reasonable and be done openly and with a specific business purpose.
 - ⇒ For interaction with Healthcare Professionals (HCP) we follow industry rules applicable to gifts and hospitality according to [EFPIA HCP CODE](#) or corresponding national guidelines.
- Political and Charitable Contributions
 - ⇒ We do not make financial contributions to political parties or political causes. We do allow charitable donations subject to established procedures.

Scope

The principles apply to all employees, directors and managers in Karo as well as agents/distributors, intermediaries, joint ventures and outsourcing agreements.

Explanation of statements:

Direct or Indirect Bribery

- Karo does not only prohibit bribery (or attempts to bribe) within its operations in direct contact with third parties, we also do not accept bribery carried out through intermediaries either. Bribery is an offer or receipt of any gift, loan, reward, or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, while conducting the company's business.

Facilitation Payment

- They are small payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement. Such small payments are also called “speed” or “grease” payments.

Money Laundering

- All business relationships involving financial transactions shall be documented. Accurate books and records, which document all financial transactions, must be maintained.

Gifts

- Gifts can be money, goods, services or loans given as a mark of friendship or appreciation. A gift is given or received without expectation of consideration or value in return and may express common purpose and the hope of future business success. Gifts can be used as marking or enhancing relations or promoting the company (items with logos etc.). Gifts should never be given or received prior or in relation to an ongoing deal. Local policies should always be followed and value amounts above 300€ should be approved.

Hospitality

- Includes meals, receptions, tickets to entertainment, social or sporting events, participation in sporting events, such activities being given or received to initiate or develop a relationship between Karo and customers. The distinction to gifts may be blurred, especially where the provider of the entertainment does not attend and act as host. Entertainment (given or received) prior or in relation to an ongoing deal should be avoided. Industry rules (EFPIA or corresponding national guidelines) for Gifts and Hospitality to Healthcare Professionals should always be followed.

Political Contributions

- Include any contribution, made in cash or in kind, to support a political cause.

Charitable contributions

- Donations to charitable events include any contribution in cash or in kind to support a charitable cause if the donation is not used as a vehicle to conceal payments to corruptly influence foreign officials. Proper risk-analysis needs to be made upfront, and the donation must be approved by a member of the Corporate Management Team.
- All donations must be properly recorded in the books and records of the relevant local affiliate.

Internal Audit and Controls

- Regular internal audits shall be performed with the purpose of ensuring effectiveness of the Anti-Corruption program.

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Valid from:	2020-06-15
Version:	1.0