

## Annex C – Global Distributor Code of Conduct



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Coloplast's success is based on quality, business integrity and responsible conduct that we expect from our employees and our contracted business partners.

This Global Distributor Code of Conduct sets forth Coloplast's expectations in relation to a distributor relationship. It includes the UN Global Compact's ten fundamental principles within areas of human rights, labour rights, environment and anti-corruption, which Coloplast endorses and works systematically to observe and promote.

This Global Distributor Code of Conduct applies to all distributors irrespective of country and territory, but if local laws, regulations or standards in the territory are stricter than the Global Distributor Code of Conduct, the distributor must always follow those stricter rules.

## Section I – Business Integrity

Coloplast wants to be known as a trustworthy company that upholds high standards of ethical conduct. We achieve our business goals based on the quality of our products, our professional skills, and by acting with integrity in everything that we do, and opposing and fighting corruption and bribery in any form.

### 1. Anti-corruption

Coloplast is committed to conducting its business free from extortion, bribery and all unlawful, unethical or fraudulent activity. A distributor must not offer, give, promise or authorise any bribe, gift, loan, fee, reward or other advantage to any government official or employee, any customer, any Coloplast employee or any other person to obtain any business advantage or improperly influence any action or decision. The distributor must comply with all applicable local and international anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. The distributor must ensure that it and its personnel and other persons working on its behalf are aware of and will take all necessary steps to comply with such laws and regulations.

### 2. Fair competition

Coloplast is committed to the principle of fair, open, undistorted and unrestricted competition. Competition laws enacted in certain countries are designed to ensure that competition remains vigorous and free from collusion. Even the perception of improper conduct must be avoided.

The distributor is required to comply with all applicable competition and antitrust laws and regulations. Robust fair competition practices will include to:

- Always bid for tenders independently from competitors and never discuss bidding practices.
- Never enter into agreements, coordinated practices, or understandings that could restrict competition, and never exchange information that is competitively sensitive.
- Never share with competitors pricing information or information that could affect pricing, including but not limited to information on costs, production, products and services, sales territories, distribution channels, customers or other non-public business information.
- Never place business partners at an unjustified disadvantage, in particular in countries where the distributor holds a dominant position.

- Only gather information about competitors using ethical means and lawful sources.

### **3. Fraud**

Coloplast has a zero tolerance to and prohibits fraud, which is the act or intent of cheating, tricking, stealing, deceiving, misrepresenting or lying for any personal or professional advantage. Fraud is dishonest and incompatible with Coloplast's values and culture. Allegations of fraud will be investigated and referred to law enforcement for criminal prosecution when warranted. The distributor must not engage in any fraudulent behaviour, including, but not limited to:

- The theft of Coloplast funds or property
- Misusing Coloplast resources for private purposes
- Making or submitting false expense claims
- Forging invoices or documentation
- Intentionally filing false financial records or statements.
- Stealing or misusing intellectual property
- Stealing or misusing proprietary or confidential business property or intelligence.

### **4. Confidentiality, insider trading and intellectual property**

Coloplast's business information is very valuable and must be protected. The distributor is expected to respect Coloplast's proprietary and confidential information, not to disclose it to any unauthorised third party, and only use it for Coloplast's legitimate business. In addition, information provided to Coloplast or the distributor in good faith by its customers and business partners must be treated with the same degree of confidentiality.

The distributor must ensure that non-public information obtained in the course of its business relationship with Coloplast is not used for the personal benefit of the distributor, its employees or other persons, and the distributor must never trade shares in any company based on inside information – whether the company is a competitor, a business partner, a supplier or any other party. The distributor must never pass on inside information or encourage anybody to take a decision on trading in shares based on inside information.

The distributor shall respect intellectual property rights and confidential information belonging to third parties and must not infringe upon the intellectual property of others.

### **5. Data protection**

The distributor must ensure respect of data privacy of both employees and customers. When obtaining and processing personal data, the distributor must observe any applicable laws and regulations on the processing of personal data and pay specific attention to compliance with applicable laws and regulations on the processing of sensitive personal data.

### **6. Conflicts of interest**

The distributor is required to identify and avoid situations where there is an actual conflict of interest or even the appearance of a conflict of interest. It is important that business decisions are not improperly influenced by personal interests or relationships. This applies also to the distributor's interactions with Coloplast employees.

## **7. Export control and trade restrictions**

The distributor must comply with all applicable laws and regulations which restrict trade with and export to certain countries, organisations and individuals.

## **8. Books and records**

It is an absolute requirement that all transactions and expenses incurred on behalf of Coloplast be accurately recorded and maintained in the distributor's books, records and accounts in a timely manner and in reasonable detail in accordance with generally accepted accounting principles. False, misleading, incomplete, duplicate, inaccurate or artificial entries in the distributor's books and records are strictly prohibited.

## **9. Change of original documents issued by Coloplast A/S**

The distributor must never change the original invoice issued by Coloplast to minimise cost of customs and/or taxes by reducing the original purchase prices and thereby the cost of goods. Such conduct is not permissible and is completely unacceptable.

## **Section II – Interaction with Government Officials and Healthcare Professionals**

When interacting with a government official or a healthcare professional, the distributor must always follow applicable laws, regulations, local ethical codes, lawful industry standards and this Global Distributor Code of Conduct. This requirement applies to all countries in which the distributor conducts business.

The distributor must never offer a government official or a healthcare professional anything that could be perceived as an attempt to inappropriately influence his/her decision to purchase, use or recommend Coloplast's products, or be perceived as an offer in exchange for any promise of influence or outcome.

## **10. Meetings and hospitality in connection with sales and promotional meetings**

Business courtesies provided to a healthcare professional or a government official in the context of a bona fide sales and promotional meeting of Coloplast products must be: (1) limited to meals, transportation and accommodation; (2) modest in amount and in accordance with local standards; and (3) directly related to performing a contract or to the promotion, demonstration or explanation of Coloplast products and or business practices and/or procedures.

## **11. Arrangements with consultants**

The distributor may compensate individuals, including physicians or other customers or potential customers, for bona fide consulting services in connection with Coloplast products, where the services are of value to the distributor, and the fees are reasonable and based on fair market value for the services actually provided. All such arrangements must be made in writing and there must be written notification to the hospital administration, the healthcare professional's superior or other locally-designated competent authority, disclosing the purpose and scope of the consultancy arrangement.

## **12. Gifts**

Gift giving to individual healthcare professionals and government officials is generally prohibited, except for: modest gifts given to individual healthcare professionals and government officials in good faith, without the intent to obtain or keep specific business or to obtain any improper advantage. This exception does not apply in countries where

receipt of gifts by individual healthcare professionals and/or government officials is prohibited by local laws or applicable industry standards. If the exception applies, gifts to health care professionals and government officials must be of modest value and in compliance with locally applicable laws and regulations where the healthcare professional is licensed or the government official holds office. No gifts of cash or cash equivalents may be made on Coloplast's behalf.

### **13. Charitable donations**

Grants and donations for charitable or other philanthropic purposes in connection with Coloplast business are permitted only to charitable organisations or other non-profit entities entitled to receive them under applicable laws and regulations.

Donations may be made to support the general activities of a bona fide organisation or may be made to support general fund raising drives for projects undertaken by such an organisation.

Charitable donations must not be granted to individuals but to organisations/institutions only and must not be tied in any way to past, present or potential future use or recommendation of Coloplast's products or services or to any promise of influence or outcome.

### **14. Events, sponsorship and educational support**

Educational support must only be provided in observance of local laws and regulations and must not be offered to improperly influence any decision. If permissible under national laws and regulations, the distributor may organize or sponsor events to inform healthcare professionals about Coloplast products, or to provide scientific or educational information relating to Coloplast care areas and products. It is essential to Coloplast that such educational support does not compromise the healthcare professionals' independence or their decisions on patient treatment.

Such events and educational support should occur at appropriate locations taking account of the convenience of the attendees and the nature of the training.

When organizing an event/educational support for or sponsoring healthcare professionals to attend an event/education, the distributor must pay only expenses relating to travel, meals, accommodation and registration fees and these expenses must be kept to a reasonable and modest level.

The distributor must ensure full compliance with national and local laws with regard to the disclosure or approval requirements associated with sponsorship and other educational support, and where no such requirements are prescribed, shall nevertheless maintain appropriate transparency, for example, by requiring that prior written notification of the sponsorship is made to the hospital administration, the healthcare professional's superior or other locally-designated competent authority.

### **15. Samples and free products**

The distributor must only provide free products and samples in accordance with local laws and regulations, and free samples must be properly recorded in the books and records. The provision of samples or free products should not result in personal benefit to any healthcare professional or government official.



### Section III – Human Rights, Labour Rights and Environmental Standards

As a signatory to the UN Global Compact, Coloplast is committed to embrace, support and enact, within Coloplast's sphere of influence, the UN Global Compact core values in the areas of human rights, labour standards, the environment and anti-corruption, and it is essential to Coloplast that its distributors treat their own employees in accordance with local labour and employment laws and regulations and that the distributors follow the principles set out in this section III.

#### **16. Health and safety**

The distributor will be committed to protect the health and safety of employees and must obey all applicable laws and regulations in relation to it. The distributor shall provide a safe and hygienic working environment, and employees shall have appropriate protective equipment and be sufficiently trained to perform their tasks.

#### **17. Forced labour and child labour**

Employment with the distributor should be an expression of free choice and there must be no forced or involuntary labour as well as no child labour under any circumstances.

#### **18. Freedom of association**

The distributor's employees must have the opportunity to join or refrain from joining worker associations, including a trade union.

#### **19. Reasonable terms and conditions of work**

As a minimum, the distributor shall afford its employees regular working hours that correspond with the statutory or collectively agreed minimum pay and industry standards.

The distributor shall provide pay and benefits that comply with all applicable local laws and regulations including those relating to minimum wages, overtime hours and other elements of compensation.

The distributor should only allow disciplinary measures which are necessary, legitimate and fully transparent and which are proportional to the offence committed. The distributor must not use nor condone the use of bodily punishment, physical or mental compulsion or verbal abuse and/or threats.

#### **20. Non-discrimination and equal opportunities**

The distributor must not engage in or support discrimination on the basis of race, colour, gender, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics.

#### **21. Environmental Standards**

The distributor shall comply with all applicable environmental laws and regulations related to its business' impact on the environment.

## Section IV – Procedures

### **22. Failure to Comply**

Failure to observe this Global Distributor Code of Conduct will be reported to the distributor's management for their attention and if necessary for corrective action. Non-compliance will always be considered a material breach of the Distribution Agreement and may lead to termination of the Distribution Agreement with immediate effect or other actions including damages, in relation to which Coloplast reserves all of its rights.

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