

Anti-Corruption and Anti-Bribery Policy

1. Policy statement

- 1.1 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to fraud, bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We have implemented and enforce effective systems to prevent and identify bribery and corruption within our organisation.
- 1.2 We will uphold all laws relevant to countering fraud, bribery and corruption. However, we remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.3 This Anti-Corruption and Anti-Bribery Policy is on behalf of B. Braun Medical Limited and its subsidiaries (B. Braun Sterilog Limited, B. Braun Sterilog (Yorkshire) Limited and B. Braun Sterilog (Birmingham) Limited and its sister company in the UK, B. Braun Avitum UK Limited ("B. Braun").

2. About this policy

- 2.1 The purpose of this policy is to:
 - (a) set out our responsibilities, and of those working for and on our behalf, in observing and upholding our position on fraud, bribery and corruption; and
 - (b) provide information and guidance to those working for and on our behalf on how to recognise and deal with fraud, bribery and corruption issues.
- 2.2 It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine. As an employer if we fail to prevent bribery we can face an unlimited fine, exclusion from tendering for public contracts, and damage to our reputation. We therefore take our legal responsibilities very seriously.

2.3 In this policy, **third party** means any individual or organisation we come into contact with during the course of our work, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

2.4 This policy does not form part of any employee's contract of employment and we may amend it at any time.

3. Who must comply with this policy?

3.1 This policy applies to all persons working for us or any Group Company or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.

4. Who is responsible for the policy?

4.1 The UK Group Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it, in all UK B. Braun businesses.

4.2 The Compliance Officer has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.

4.3 Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it.

4.4 All employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Compliance Officer.

5. What are bribery and corruption?

5.1 **Bribery** is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

5.2 An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

5.3 A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

5.4 **Corruption** is the abuse of entrusted power or position for private gain.

Examples:

Offering a bribe: You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe: A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official: You arrange for the business to pay an additional "facilitation" payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.

The offence of bribing a foreign public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

6. What you must not do

It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- (c) accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return;

- (d) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
- (e) offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of your manager or the Compliance Officer;
- (f) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (g) engage in any other activity that might lead to a breach of this policy.

7. Facilitation payments and kickbacks

7.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.

7.2 Facilitation payments, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). They are not common in the UK, but are common in some other jurisdictions.

7.3 Kickbacks are typically payments made in return for a business favour or advantage.

7.4 You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted.

7.5 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Compliance Officer.

8. Gifts, hospitality and expenses

8.1 Hospitality is only permitted in accordance with our Healthcare Professional Funding Policy, Healthcare Compliance Strategy and Healthcare Compliance Procedure.

8.2 In the event that you accept a gift from or give a gift to a third party which has a value, either above, or together with other things, in excess of £6.00, for example a box of chocolates, and a bunch of flowers each worth £5, you must complete the Gift Log and submit this to the HR Department.

- 8.3 Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable provided they do not exceed a value of £6.00.
- 8.4 Any business expenses incurred by you can only be claimed in accordance with our Employee Expenses Policy.
- 8.5 Reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) must be compliant with our Third Party Expenses Policy.

9. Donations

- 9.1 We do not make contributions to political parties.
- 9.2 We only make charitable donations that are legal and ethical under local laws and practices. All such donations offered or made must be as part of our Corporate Social Responsibility Programme and approved by the Head of Corporate Social Responsibility.

10. Record-keeping

- 10.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2 You must declare in the Gift Log all hospitality or gifts given or received, which will be subject to review.
- 10.3 You must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our Third Party Expenses Policy and record the reason for expenditure.
- 10.4 All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

11. Conflicts of Interest

- 11.1 You have an obligation to conduct business without actual or potential conflicts of interest. An actual or potential conflict of interest occurs when an individual is in a position to influence a business decision and that decision may result in personal gain for the individual, a family member, relative or close friend.

- 11.2 We have a detailed Conflict of Interest Policy and associated procedures to remain compliant with the requirements of the Global Code of Conduct.

12. Fraud

- 12.1 Fraud is the intentional use of deception to gain a financial advantage or to deprive, disadvantage or cause loss to another person or party. This can include the misuse of funds or other resources, or more complicated crimes such as false accounting and the supply of false information.

- 12.2 The Fraud Act 2006 sets out three principal fraud offences;

12.2.1 Fraud by false representation e.g. overstating qualifications on a CV to obtain employment;

12.2.2 Fraud by failing to disclose e.g. not declaring an unspent criminal conviction in order to obtain employment;

12.2.3 Fraud by abuse of position e.g. a finance employee uses their position to siphon off fund.

12.3 The focus is on the dishonest behaviour of the subject and their intent to make a financial gain or cause a financial loss. The gain or loss does not have to succeed as long as the intent is there. Successful prosecutions under the Fraud Act 2006 may result in an unlimited fine and/or a potential custodial sentence of up to 10 years.

13. Tax Evasion

- 13.1 The Criminal Finance Act 2017 introduced two new criminal offences; one relating to UK tax evasion, one relating to foreign tax evasion. The new offences, which came into force on 30 September 2017, are designed to help the Government counter circumstances where a body's employees facilitate tax evasion by their customers or suppliers. Under this legislation there is a strict liability for failing to prevent the facilitation of tax evasion by one of its associates, such as an employee or contractor. This could arise, for example, if an employee conspired with a supplier to falsify the amount paid on an invoice so that the supplier evaded paying income or corporate taxes.

- 13.2 There are three tests that must be passed before an offence is committed:

13.2.1 Criminal tax evasion by a taxpayer (either an individual or a legal entity);

13.2.2 Criminal facilitation of the offence by a person associated with the body, by taking steps with a view to; being knowingly concerned in; or aiding, abetting, counselling, or procuring the tax evasion by the taxpayer; and

13.2.3 The body not preventing a person associated with it from committing the criminal facilitation.

- 13.3 Similar to the Bribery Act 2010, there is a statutory defence of having "reasonable prevention procedures" in place. HMRC has issued guidance on this setting out six risk principles that all organisations are expected to consider when reviewing whether they have proportionate and reasonable risk protocols in place. We have undertaken significant work to ensure risks are identified and implemented procedures proportionate to those risks.

14. Confidential and Proprietary Information

- 14.1 You must maintain and keep confidential information we entrust to you, or that otherwise comes into your possession, during the course of your service with us or whilst carrying out your duties and responsibilities, except in cases where disclosure is authorised by us, in writing in advance of disclosure, or legally mandated.
- 14.2 This obligation continues even after you are no longer associated with B. Braun. For the purposes of this Policy, confidential information encompasses all non-public information that may be of use to competitors, or may otherwise be harmful to B. Braun if it were disclosed. Financial information is of special sensitivity and should under all circumstances be considered confidential, unless disclosure is authorised by us.
- 14.3 Our confidential and proprietary information should only be used for company purposes and not for personal benefit or the benefit of third parties and should be used only in compliance with our procedures and any applicable confidentiality agreements. Examples of information subject to these confidentiality and limited use restrictions include; intellectual property, business and marketing plans and employee information.

15. Your responsibilities

- 15.1 You must ensure that you read, understand and comply with this policy.
- 15.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

- 15.3 You must notify your manager or the Compliance Officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in clause 20.

16. How to raise a concern

- 16.1 You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
- 16.2 If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must notify your manager or report it in accordance with our Whistleblowing Policy as soon as possible.
- 16.3 If you are unsure about whether a particular act constitutes bribery or corruption, raise it with your manager or the Compliance Officer.

17. Protection

- 17.1 Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 17.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Compliance Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Policy and Procedure, which can be found on BKC.

18. Training and communication

- 18.1 Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

- 18.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

19. Breaches of this policy

- 19.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 19.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

20. Potential risk scenarios: "red flags"

- 20.1 The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.
- 20.2 If you encounter any of these red flags while working for us, you must report them promptly to your manager or to the Compliance Officer or using the procedure set out in the Whistleblowing Policy:
- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
 - (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
 - (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
 - (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
 - (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
 - (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
 - (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
 - (h) a third party requests that a payment is made to "overlook" potential legal violations;

- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party;
- (o) a third party requests that you make a payment to a charity or charitable organisation or event, in order to secure a deal, or as part of that deal.



Michael Parden

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B. Braun Medical Limited



Donna Gold

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& Compliance Officer

Associated Documents

Grievance Policy and Procedure
SA-GB02-G-4-3-02-005-0-A-EN
SA-GB02-G-4-3-02-004-0-A-EN
SA-GB02-G-4-3-04-002-0-A-EN
SA-GB02-G-4-3-04-003-0-A-EN
SA-GB02-G-4-3-04-004-0-A-EN
SA-GB02-G-4-3-02-005-02-A-EN
SA-GB02-G-4-3-05-002-01-A-EN

Employee Expenses Policy
Third Party Expenses Policy
Healthcare Compliance Strategy
Healthcare Compliance Procedure
Healthcare Compliance Policy
Employee and Third Party Gift Log
Conflict of Interest Policy