



# **ANTI-CORRUPTION GUIDELINES of the IBSA Group**

Approved by the Board of Directors on 18 December 2017

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## **1. INTRODUCTION**

### **1.1. FOREWORD**

The Global Competitiveness Report prepared by the World Economic Forum identifies corruption as a major barrier to doing business, which exposes organisations to the risk of failing to achieve their operational, reporting and compliance objectives and poses a significant threat to sustainable growth, stability and free market competition.

In recent years, problems relating to corruption have played an increasingly important role at international level, with a steady increase in the penalties associated with violations of the key legislation. Persons (individuals, legal entities and de facto entities) that violate Anti-Corruption Laws may be subject to fines, disqualifications and imprisonment depending on the persons involved, seriously damaging the Company's reputation.

In line with the actions taken by governments, which have established a regulatory framework designed to discourage corrupt practices, both at local level and through international agreements, organisations must, in turn, seek to actively contribute to combatting corruption.

In this respect, the IBSA Group Companies (below also the "Group Companies", the "IBSA Group" or the "Group") are committed to operating in all geographic areas with honesty, integrity, and ethics, and in compliance with the highest anti-corruption standards.

In this context, and in view of the increasingly important role played by the Group at international level, also through partnerships with local entities and the establishment of representative offices and foreign branches, it is considered appropriate to adopt these "Anti-Corruption Guidelines" (below also the "Guidelines"), in addition to the governance tools and guidelines already formalised. The aim of these Guidelines is to establish a systematic framework for combating corruption and to disseminate the principles and rules within the Group, and among those who work for or on behalf of the Group Companies, that must be followed to prevent corrupt conduct of any kind, either direct or indirect, in the form of incitement, and, more generally, to ensure compliance with the provisions of the applicable Anti-Corruption regulations.

### **1.2. SCOPE/RECIPIENTS**

These Guidelines apply to Group employees and all those who work for or on behalf of the Group Companies (below the "Recipients"), within the scope of their activities and within the limits of their responsibilities.

All Group companies are required to adopt the Guidelines by resolution passed by their respective Boards of Directors (or by the corresponding body/role if the governance of the specific company does not envisage such a body).

From the date of adoption of this document, the commitment to comply with the Anti-Corruption rules and the main principles contained therein, by third parties operating on behalf of or for Group Companies will be established by specific contractual clauses that are accepted by the third party.

Lastly, if the provisions of local regulations in one of the countries in which the Group operates are stricter than these Guidelines, the IBSA Group undertakes to comply with them.

## **2. APPLICABLE REGULATIONS AND RESPONSIBILITIES**

### **2.1. THE REGULATORY ENVIRONMENT**

The number of countries that have adopted regulations prohibiting and punishing corrupt practices (against their own Public Officials, against Public Officials of other countries, at international level and between private individuals) is steadily increasing.

As a result of its presence in different countries and jurisdictions around the world, the IBSA Group is subject to compliance with the regulations of Switzerland, Italy and the countries where it operates or may operate in the future (below "Anti-Corruption Laws"), including the ratification of international conventions, such as but not limited to:

- The Convention of the Organisation for Economic Cooperation and Development on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on 17 December 1997;
- the United Nations Convention against Corruption, adopted by the General Assembly on 31 October 2003 and ratified in Italy by Law No 116 of 2009;
- the Swiss Criminal Code (Article 102);
- Italian Legislative Decree 231/2001 "Rules governing the corporate liability of companies and entities";
- Italian Law 190/2012 ("Regulations for the prevention and punishment of corruption and unlawful conduct in government agencies")
- the Foreign Corrupt Practices Act (FCPA) enacted in the United States in 1977.

The Anti-Corruption Laws, in brief:

- prohibit payments made either directly or indirectly – including payments made to anyone in the knowledge that such payment will be shared with a Public Official or private individual – as well as offers or promises of payment or other benefits to Public Officials or private individuals for the purposes of corruption;
- require companies to prepare and keep books, records and accounting documents that, in reasonable detail, accurately and fairly reflect transactions, expenses (even if not 'significant' in accounting terms), acquisitions and disposals of assets.

## **2.2. ROLES AND RESPONSIBILITIES**

Violation of the Anti-Corruption regulations can severely damage the Group's reputation and cause serious damage to its business activities, such as financial penalties, disqualification from contracting with public bodies, confiscation of the profit from the crime, and claims for damages. Natural persons may also be sentenced to imprisonment.

All recipients of this document are responsible for compliance with its content, each to the extent of their responsibility. In addition, the persons tasked with supervision and coordination are responsible for monitoring compliance with the Guidelines by their staff and must promptly report any violations through the dedicated channels.

All recipients are required to read, understand and fully comply with these Guidelines, which are available on the Group's website at [www.ibsagroup.com](http://www.ibsagroup.com).

If clarification is needed with respect to the content of the Guidelines, including regarding specific implementation procedures and/or applicable anti-corruption regulations, the recipients can contact the Legal Affairs department.

### 3. GENERAL PRINCIPLES

In line with the Group's Code of Ethics, IBSA prohibits bribery without exception. Specifically, it is prohibited to:

- offer, promise, give, pay, solicit, or authorise someone to give or pay an economic benefit or other benefit to a Public Official or a private individual (Active Bribe), either directly or indirectly, including through a third party;
- accept the request from, or solicitation from, or authorise/solicit someone to accept an economic benefit or other benefit from any counterparty (Passive Bribe), either directly or indirectly, including through a third party;

when the intention is to:

- a. induce or reward a Public Official to improperly perform any function of a public nature;
- b. influence an official act (or omission) by a Public Official or any decision in breach of a duty of office;
- c. induce any private counterparty to omit or perform an act in violation of the obligations pertaining to his or her office or the obligations of loyalty, or reward him or her for the performance of said act;
- d. obtain or secure an improper benefit in relation to company activities;
- e. violate applicable laws.

Prohibited conduct includes the offering or receipt, by employees of the IBSA Group (direct bribery) or by anyone acting on behalf of Group Companies (indirect bribery), of an economic benefit or other benefit in relation to business activities, including involving conduct of mere incitement that does not result in the completion of the act of bribery.

This prohibition is not solely limited to payments, but also includes the following:

- gifts, sponsorships and donations;
- entertainment and hospitality expenses with respect to third parties;
- supplies, professional engagements, employment or investment opportunities;
- more favourable business conditions;
- other advantages or benefits,

if they are intended for the purposes of an act of bribery.

The IBSA Group prohibits “facilitation payments”, i.e. payments, benefits or other advantages in favour of Public Officials, persons providing a public service and/or government agency officials aimed at facilitating, speeding up or ensuring the taking of decisions and the performance of activities pertaining to the position held by them, such as, by way of example but not limited to:

- obtaining authorisations, eligibility, certifications, permits, other official documents or other types of authorisations necessary for operations;
- the award of public contracts, grants and/or public funds, and the cancellation of negative measures and penalties.

These payments are prohibited regardless of whether they are permitted under the local laws of any of the countries in which the IBSA Group companies operate.

In addition to compliance with the Code of Ethics and the above, the Group Companies undertake to comply with the general principles set out below, in order to ensure a suitable internal control and risk management system:

- **Segregation of duties:** the performance of company activities must be based on the principle of the separation of functions, where the authorisation of a transaction must be under the responsibility of a different person from the person who executes it operationally and from the person who controls it.
- **Granting of powers:** the powers to authorise and sign must be: i) consistent with the organisational and management responsibilities assigned; ii) clearly defined and known within the entity concerned; the corporate roles that are assigned the power to engage the Company in specific transactions must be defined, specifying their limits and nature.
- **Transparency and traceability of processes:** all activities must be verifiable, documented, consistent, appropriate and properly archived.
- **Adequacy of internal rules:** the set of company rules must be consistent with the operations carried out and the level of organisational complexity, so that they ensure the controls needed to prevent the commission of bribery offences.
- **Personnel training:** specific personnel training plans must be established in relation to the anti-corruption measures adopted by the Group, particularly with regard to those who work in the sensitive areas listed below.



## 4. SENSITIVE AREAS

The paragraphs below identify a series of Group activities that, even if only theoretically, may facilitate corrupt practices (referred to as “sensitive areas”), establishing the rules that personnel and anyone acting on behalf of Group Companies must comply with in these areas.

### 4.1. *GIFTS, HOSPITALITY AND ENTERTAINMENT*

The Group Companies undertake to make or receive any gift, financial advantage or other benefit (including hospitality and representation expenses) only if this is part of acts of normal commercial courtesy and does not compromise the integrity and reputation of either of the parties and does not influence the independent judgement of the recipient.

Any gift, advantage or other benefit **provided** by Group employees, either directly or indirectly, must have the following characteristics:

- it must not be motivated by an attempt to exert an unlawful influence (e.g. as a form of gift to third parties, either public or private, which may influence the independence of judgement of the recipient or induce him or her to provide any undue benefit) or the expectation of reciprocity;
- must be reasonable and carried out in good faith;
- must be carried out in relation to legitimate business purposes and be of modest value;
- must not consist of a sum of money (cash, cheques, transfers, etc.);
- must comply with anti-corruption laws, local laws and applicable regulations;
- must comply with local laws and regulations applicable to the Public Official or private individual, including, where applicable, codes of conduct for the organisations or entities they belong to;
- must be recorded accurately and transparently and supported by appropriate documentation;
- must always be authorised by the position defined within the applicable company rules.

A gift, economic benefit or other benefit, including hospitality is reasonable and in good faith when it is directly related to:

- i. the promotion, demonstration or illustration of products or services;
- ii. the performance or fulfilment of a contract;
- iii. participation in training seminars or workshops;
- iv. the development and maintenance of cordial business relations.

Any gift, advantage or other benefit **received** by Group employees, either directly or indirectly (e.g. also through family members), must comply with the following principles:

- it must be within the limits of the normal conditions of courtesy and of modest value;
- it must not be required, requested or accepted to perform or omit any act relating to the performance of their duties.

If the Group's personnel receive offers of gifts, economic benefits or other benefits that cannot be considered acts of commercial courtesy of modest value, they must refuse them and report them in the manner set out in paragraph 6 of these Guidelines.

See the related internal procedures for the financial limits and the type of gifts, hospitality and entertainment expenses and the related reporting methods.

## **4.2. GRANTS AND OTHER CHARITABLE CONTRIBUTIONS**

The IBSA Group Companies undertake to provide grants and other forms of donations (in cash and/or through the supply of goods or services or the free supply of their own medicines to support projects of a social, welfare, scientific, health, research or training nature) in compliance with the existing company procedures and the applicable national and local legislation, regulations and guidelines.

Grants and donations must only be made upon written request by an external body (University Institutions, Hospitals and Nursing Homes, Foundations, Associations with scientific or socio-sanitary purposes that are non-profit-making) that states: the reasons for the request, the methods of use of the grant and the planned expenses.

The Company personnel involved in the management of grants and donations must refrain from accepting requests for disbursements in exchange for favours or benefits of any kind promised to the Company, to the employee or to third parties. Likewise, it is forbidden to provides grants or

make donations in exchange for favours of any kind in the interest or to the benefit of the Company, the employee or third parties. Under no circumstances may grants provided by Group personnel be aimed at encouraging the use of products marketed by the company or at inducing the prescription of its products, or, in any case, be linked to objectives and/or commercial results. Therefore, the disbursement must never be aimed at facilitating access, refundability, prescription, consent and/or purchase of pharmaceutical products of Group Companies, or at unduly influencing the prescriptive and decision-making freedom in general of the medical and healthcare community (also with regard to market access assesses, insertion in forms and handbooks, etc.).

Specifically:

- it is forbidden to provide a grant or make a donation to a natural person and/or to bodies that do not have a national or international scientific standing, whose mission is not known, with particular regard to groups of doctors;
- grants should only be provided to trustworthy entities, assessed through due diligence, with an excellent reputation for honesty and fair business practices, in line with the applicable law;
- donations, loans for use and gifts involving equipment strictly related to the medical profession may only be made to Universities, Hospitals and Care Homes, in compliance with the administrative procedures of the entity. Outside the scope of clinical trials, it is not permitted to provide the abovementioned facilities donations or loans for use of exchangeable goods that have different or alternative uses to diagnostic or therapeutic uses – such as smartphones, tablets or similar devices – intended to be given to doctors for personal use outside the facilities or to patients;
- the request for a financial contribution by an entity must be unsolicited and Group employees are forbidden from independently submitting a proposal for a financial contribution to an entity;
- repeated disbursements to the same beneficiaries should be avoided, unless there is a demonstrated need.

In addition, for each disbursement of grants and donations:

- compliance with the approved budget must be ensured;
- the approval process must be regulated with an appropriate description of the nature and purpose of the individual initiative;

- a verification must be made of potential conflicts of interest with respect to the initiative to be supported;
- the grant, if disbursed in cash, must be made through authorised banks/financial intermediaries to guarantee its traceability;
- the amount paid must be properly, accurately and transparently recorded in the books and records;
- the documentation relating to the requests received from the institutions and their management, the disbursement of payments and the delivery of goods/services must be suitably filed.

### **4.3. SPONSORSHIPS**

Sponsorships take the form of contributions to an activity or event aimed at promoting the image of the IBSA Group, as well as the Group's business activities. Sponsorships must relate exclusively to events of high scientific and cultural value.

The Group Companies are committed to providing sponsorships in compliance with the applicable company procedures, and with the principles of cost-effectiveness, efficiency, impartiality, equal treatment, transparency and proportionality.

It is forbidden to offer or provide sponsorships if they can be interpreted as aimed at influencing independent judgement or obtaining favourable treatment or undue benefits.

Sponsorships must meet the needs of the IBSA Group and be managed in a manner that is fully consistent and compatible with its image.

To prevent them from being considered a disguised form of conferring a benefit to a third party to obtain an advantage for the Group, they must comply with the following principles:

- they must be carried out in accordance with the approved budget and be authorised in compliance with the powers and authorisations assigned within the Group Companies;
- the partners in sponsorship agreements must be well-known and trustworthy entities or individuals;
- the approval process for sponsorships must be regulated and for this approval there must be a suitable description of the nature and purpose of the individual initiative, an analysis of the potential partner of the sponsorship contract and the verification of the legitimacy of the initiative in accordance with the applicable laws;

- a check must be carried out on potential conflicts of interest, either personal or corporate, with respect to the initiative to be sponsored;
- the sponsorship agreement must be in writing and must contain:
  - a commitment by the other party to use the agreed sum exclusively for the purposes of the initiative;
  - an adequate description of the nature and purpose of the individual initiative, the consideration, and the terms and conditions of payment;
  - a clause for the counterparty to comply with the applicable regulations;
  - the right of the Group Company to terminate the contract, stop payments and receive compensation for damages if the counterparty breaches the obligations and statements above, or if the anti-corruption commitments under the agreement are breached;
- the amount paid in accordance with the sponsorship agreement must be recorded in books and records in a correct and transparent manner;
- payments should only be made as indicated in the sponsorship agreement, after verification that the service has been provided;
- the documentation relating to each sponsorship provided must be archived, ensuring its traceability over time.

#### **4.4. POLITICAL CONTRIBUTIONS**

Political contributions may constitute a bribery offence because they may be used as an improper means of maintaining or obtaining a business advantage such as, for example, the award of a contract or the obtainment of a loan, permit or licence.

In relation to these risks, the Group does not apply any direct or indirect pressure on political or trade union representatives, through its managers, employees or consultants, and undertakes not to make contributions of any kind, either directly or indirectly, to political parties, movements, committees and political or trade union organisations, or to their representatives or candidates, except for contributions due under specific regulations.

#### **4.5. RELATIONS WITH GOVERNMENT AGENCIES**

The Group Companies undertake to conduct their relations with representatives of Government Agencies, Public Officials or persons providing a public service based on the principles of correctness, loyalty and maximum transparency, as well as compliance with the applicable legal provisions.

In dealings with Government Agencies, Public Officials or persons providing a public service, it is not permitted to seek or establish favourable relations, influence or interference with the objective of directly or indirectly affecting their actions.

It is forbidden to promise or offer representatives of Government Agencies money or goods or to give them economic benefits or benefits of any kind, in order to influence their actions in the performance of their duties.

The relationships in question must be managed solely by persons designated and authorised for the purpose, within the limits of the powers granted to them by formal power of attorney or within the scope and limits of their roles and responsibilities.

The traceability of all dealings with Government Agencies, Public Officials or persons providing a public service must be ensured by preparing minutes/reports/explanatory notes and correctly archiving and storing them. The minutes/reports/explanatory notes prepared must contain information designed to provide a complete and exhaustive representation of the event, including:

- date and place of the meeting/contact;
- the subject matter and reason for the meeting;
- names and roles of all the participants in the meeting;
- positions expressed on the topic discussed and conclusions.

Any interactions with Bodies or Representatives of Government Agencies concerned, including:

- *relations with Regulatory Authorities* (e.g. AIFA, FDA U.S.A., etc.);
- *relations with Public Officials* as part of customs formalities and the related verification activities;
- *request for administrative measures* necessary for the commencement of construction, renovation and maintenance work on buildings;
- *relations with Patent Offices* for the registration, management, consultation and renewal of trademarks and patents;

- *relations with the bodies responsible for tax, fiscal and corporate matters, also during audits, inspections, searches and assessments;*
- *relations with public financing bodies for the purpose of obtaining loans;*
- *negotiation, signing and management of contracts with Public Entities;*
- *relations with the competent Bodies in the management of training and promotional events (e.g. during the event approval procedure or during the event reporting phase).*

## **4.6. RELATIONS WITH THIRD PARTIES**

### **4.6.1 RELATIONS WITH BUSINESS PARTNERS**

IBSA Group Companies may be held liable for acts of corruption committed by their business partners, i.e. third parties carrying out activities on behalf of or in the interest of the Group (e.g., intermediaries, consultants, distributors, agents, brokers, etc.).

The choice of business partners must be based on assessments that enable the use of counterparties of proven honesty, integrity and reliability. In particular:

- the selection process must be transparent and follow a specific approval process;
- due diligence checks, proportionate to the activity to be performed, must be carried out on potential business partners to verify their identity and the existence of any investigations or proceedings in progress for illegal actions or acts of corruption committed, even if only potentially;
- all agreements must be in writing and provide for the commitment of the parties to comply with the provisions of these Guidelines;
- the consideration paid to the business partners must be in line with market prices and/or in any case justifiable in view of the services rendered and the specific expertise required; this consideration must correspond to that indicated in the written agreement;
- it is not permitted to pay sums of money before having verified that the service received corresponds to what has been agreed, unless the written agreement states that an advance payment is necessary.

#### **4.6.2 RELATIONS WITH SUPPLIERS**

The IBSA Group Companies prohibit the giving or promising of money or other forms of benefit to an employee or representative of a counterparty with whom a Group Company wishes to agree a supply of goods or services, to obtain an undue benefit (for example, an unjustified discount).

Similarly, any request for or acceptance of money or other benefits by an employee or representative of a counterparty to obtain an undue benefit in the provision of a supply is prohibited<sup>1</sup>.

The choice of suppliers for the purchase of goods and services must be based on assessments that enable the use of suppliers of proven honesty, integrity, reliability and cost-effectiveness. In particular:

- the selection process must be transparent and, within the limits established by company procedures, must provide for competitive negotiation between several counterparties;
- the choices made must be traced and the documents proving compliance with internal procedures and the purposes of the purchase must be duly filed;
- the award of contracts must be fair and transparent and the roles and responsibilities of the main actors involved in this activity must be clearly identified;
- agreements with suppliers must be entered into in writing and state the commitment to comply with these Guidelines;
- the stipulation or continuation of any relationship must be interrupted if there are acts or suspicions of corrupt conduct.

For each purchase transaction, the following must be verified and traced through appropriate documentation:

- that the goods/services provided by the supplier correspond to those requested and/or agreed;
- that the price paid to the supplier is in line with market prices and/or justifiable in view of the service provided and the specific expertise required.

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<sup>1</sup> With regard to the receipt of gifts or hospitality by third parties, within courtesy relationships, see the principles set out in the paragraph below 4.1.



It is not permitted to pay sums of money before checking that the good/service received from the supplier corresponds to what has been agreed, unless the written agreement states that the service requires advance payment.

The purchase of goods and services must be carried out by persons authorised by virtue of the spending powers defined by the system of delegated powers and by the specific amount limits set therein.

It is forbidden to make payments to suppliers that are not adequately justified within the context of the contractual relationship in place with them.

### ***4.6.3 RELATIONS WITH HEALTHCARE PROFESSIONALS***

The IBSA Group makes use of scientific, medical-clinical and healthcare consultancy engagements and interacts generally with health and non-health care system operators (“HCPs”), to increase its wealth of knowledge, information and experience, to carry out its research and development programmes for new products, to improve product documentation for market access, and to increase the effectiveness and efficiency of the scientific information.

It is forbidden to grant, offer or promise, either directly or indirectly, prizes, financial benefits or advantages in kind, even of modest value (by way of example but not limited to: Music CDs, DVDs, tickets for sporting and other events), subject to the applicable travel refunds and corporate information and promotional materials approved and in compliance with the applicable laws, regulations, guidelines and procedures.

The Group guarantees that each engagement assigned to HCPs satisfies a necessary need and proven utility for the Group Companies and that any conflicts of interest, or any influence on regulatory decisions or the purchase of the Group's products, are duly identified.

The company personnel and third parties involved in the assignment and management of engagements for the provision of services by public or private HCPs, after having identified the need for the assignment of an engagement, must formalise the essential elements of the request by detailing the following:

- type of activity (consultancy, training, participation as moderator in the Advisory Board, etc.);
- underlying business needs;

- expected period/time span;
- implementation time;
- quantification in terms of fee estimates.

The selection phase is carried out among the potential HCP candidates based on objective and predefined criteria such as:

- specialist relevance to the purpose of the engagement/reason for the assignment;
- possession of specific skills and knowledge required for its execution, also documented through updated curriculum vitae;
- rotation, at the same conditions during the calendar year;
- other appropriate criteria for the engagement concerned and any other assessment criteria (e.g. lack of reputational red flags or conflicts of interest within the scope of the engagement).

The checks on the skills and qualifications of the counterparties, as well as the selection process adopted, must be properly traced and documented.

Each engagement to an HCP must be formalised in writing by preparing a suitable contract or letter of commitment.

Company personnel and third parties involved in the assignment and management of provisions of services by public or private HCPs, as process managers, must keep the documentation attesting the performance of the service rendered and make it available for any audits.

Particular attention must be paid if the consultant is a public employee, such as a university lecturer, if that scientific consultant is also a public decision-maker or has been the recipient – indirectly – of donations (because the facility where the doctor works has benefited from donations in a period of time reasonably close to the time when the advice was given).

#### ***4.6.4 RELATIONS WITH CUSTOMERS***

The IBSA Group Companies prohibit the giving or promising of money in other forms of benefit to customers (subcontractors, wholesalers and intermediate distributors, clinics and pharmacy cooperatives) with the intention of making a sale at particularly favourable conditions.

It is also forbidden to give or promise money or other forms of benefit to persons in charge of audits or inspection visits by customers with the intention of influencing the outcome of the inspection in the event of irregularities found in production methods or failure to comply with contractual agreements.

Likewise, any request or acceptance of money or other benefits for the purpose of applying conditions, not justified by the contractual relationship, to the benefit of certain customers is prohibited.

#### **4.7. KEEPING OF ACCOUNTS AND MANAGEMENT OF CASH FLOWS**

All the recipients, employees or other persons acting in the name or on behalf of the Group Companies, to the extent of their responsibility and in relation to the tasks assigned to them, are required to provide maximum cooperation to ensure that operating events are represented correctly and promptly in the company accounts and to keep all supporting documentation, so that it can readily be accessed and consulted by the persons authorised to audit it.

The Group ensures that all operations/transactions are authorised, verifiable, legitimate, consistent, congruous and are correctly and promptly recorded/registered in the company accounting system according to the criteria indicated by the law and on the basis of the applicable accounting standards.

All employees of the IBSA Group must comply with the laws, regulations and procedures relating to company accounting and must maintain detailed and complete accounting records for each business transaction. It is forbidden to engage in conduct that could prejudice the transparency and traceability of the information contained in the financial statements.

All costs and charges, revenues and receipts, proceeds, payments and commitments must be promptly, fully and accurately included in the financial information and have suitable supporting documents.

A system of internal controls in relation to financial information must be established to provide reasonable assurance that the risk of occurrence or delayed identification of misstatements in the amounts, caused by error or fraud, is reduced to a materially low level.

The Group Companies, with regard to both incoming and outgoing cash flows, shall ensure compliance with the following principles:

- making payments within the limits of an authorised budget based on internally defined powers;
- only using authorised operators that certify that they have manual and computer and/or electronic equipment designed to prevent illegal acts of corruption and money-laundering;
- implementing suitable tools for the planning of income and expenditure as well as periodic reports to verify the consistency between what is planned and what has been achieved;
- carrying out checks on the counterparties to which the payments are addressed to verify that the name of the supplier/customer fully matches the name of the account the payment is to be sent to/accepted from;
- ensuring that financial transactions are always authorised by persons with appropriate powers and support each financial transaction with appropriate supporting documentation;
- ensuring that operations that involve the use or employment of economic resources (acquisition, management, transfer of money and valuables) or financial resources are always marked with an express reason, documented and recorded in compliance with the principles of correct management and accounting;
- ensuring that cash on hand is kept at the level set and that outgoings are supported by suitable documents;
- providing for periodic checks on cash in hand so that the movements that have taken place can be traced and reconstructed.

These Guidelines also prohibit the:

- carrying out of transactions with unregistered counterparties or on the basis of incompletely recorded information (e.g. lack of identification data);
- acquiring incoming payments for which there is a lack of adequate supporting documentation (e.g. no sales invoice);
- accepting collections from persons that are not identifiable (name/company name, address and bank account number);
- using payment methods that are not consistent with the nature of the transactions or splitting payments in a manner that does not comply with contractual requirements;

- making payments in countries other than the country in which the supplier has established its registered office or operating and commercial branch;
- making payments to third parties that are not adequately justified in the context of the contractual relationship established with them;
- using cash to a greater extent than is permitted by the applicable laws or other bearer financial instruments, as well as anonymous or fictitiously titled current accounts or savings accounts.

#### **4.8. HUMAN RESOURCES**

The Group Companies regulate the process of hiring and managing personnel in order to ensure that operations are carried out in compliance with the principles of professionalism, transparency and fairness, in compliance with the applicable laws and regulations.

The process of hiring personnel is managed according to the following principles:

- the need for recruitment must be demonstrated by specific plans or contingent requirements authorised by the persons with the relevant powers;
- candidates must be assessed by a number of different persons and the results of the entire assessment process must be duly documented;
- checks must be carried out to ensure that the qualifications proposed are consistent with the position to be filled;
- checks must be carried out on candidates' references and previous professional experience, including, during the selection phase, questions concerning any personal or financial relations with representatives of the institutions, which must be assessed internally where present;
- compliance with the laws of the country where the recruitment takes place must be ensured (e.g. regarding compulsory hiring, presence and validity of residence permits, etc.).

The Group prohibits the hiring of employees and consultants that are specifically recommended by third parties, in exchange for favours, fees or other benefits for itself and/or the Group.

Personnel travel expenses must be summarised in an expense report, with a reimbursement breakdown, approved by the head of the competent function, and reimbursed after having verified

their validity and consistency with the types of expenses and the limits set by the applicable company procedures.

## **5. TRAINING AND EDUCATION**

The IBSA Group is committed to promoting the communication of these Anti-Corruption Guidelines, in the most appropriate manner, to all the recipients, and to implementing specific training programmes, to ensure knowledge of the guidelines.

Newly hired employees are provided with a copy of the Guidelines and are required to sign a declaration of commitment to comply with the principles they contain.

In order to disseminate adequate knowledge of the contents of this document and the importance of complying with it and with existing Anti-Corruption Laws, the IBSA Group Companies require all their employees to carry out an obligatory anti-corruption training programme with different levels of detail established based on the position of the recipients and the different level of their involvement in sensitive activities, in order to disseminate the principles, commitments and methods for implementing the Anti-Corruption Guidelines.

This document is also brought to the attention of all those who have contractual relations with Group Companies and is available to all stakeholders on the Group's website at [www.ibsagroup.com](http://www.ibsagroup.com).

## 6. WHISTLEBLOWING

All recipients are required to report attempted, suspected or actual acts of bribery that they become aware and any other violations of the Anti-Corruption Guidelines by Group employees, contractors or third parties working for or on behalf of Group Companies.

A dedicated e-mail address, [compliance@ibsa.ch](mailto:compliance@ibsa.ch), has been set up to facilitate the receipt of the reports.

Failure by an employee to report a known or suspected wrongdoing of which he or she has become aware will, in itself, make the employee liable to possible disciplinary action.

The confidentiality of the identity of the whistleblower is ensured in all cases, subject to legal obligations and the protection of the rights of the Company or of the persons accused, in cases of wilful misconduct or gross negligence.

The Group guarantees the protection of whistleblowers against any form of direct or indirect retaliation, discrimination or penalisation (application of penalty measures, demotion, dismissal, transfer or other organisational change having direct or indirect negative effects on working conditions) for reasons directly or indirectly linked to the report.

## 7. PENALTY SYSTEM

The Group Companies undertake to make every reasonable effort to prevent any conduct that violates the Anti-Corruption Regulations and/or these Guidelines and to interrupt and punish any contrary conduct by any employee or third party that in general operates on behalf of the Group.

Any such person, as well as any person who unreasonably fails to detect or report any violations or who threatens or retaliates against others who report any violations, shall be subject to disciplinary action commensurate with the seriousness of the violation committed (including penalties under the collective labour agreement or other applicable national laws, including potential termination of employment) or alternatively, in relation to third parties, termination of the existing contract, assignment or relationship and, where appropriate, a claim for damages or other measures deemed appropriate.

No recipient will be discriminated against or in any way dismissed, demoted, suspended, threatened, harassed or discriminated against in any way in the employment process, on the

grounds that he or she has lawfully engaged in whistleblowing in good faith in relation to compliance with the Anti-Corruption Guidelines and/or Regulations.