

Global Policy Anti-Bribery

Smith+Nephew

1 April 2021



Principles

We show that we care for our customers and patients in the way we conduct business.

We don't give anything of value in order to gain, retain or reward business (known as “**Improper Payments**”), either directly or through third parties.

We don't accept or request Improper Payments.

We don't use our interactions with **Healthcare Professionals (HCPs)** and **Government Officials (GOs)** to reward product use, recommendation or purchase.

We do not make **Facilitation Payments**.

We consider not just the intent of our actions, but the way our actions could be perceived by others.



Scope and Responsibilities

This policy applies to all Smith+Nephew employees. Our employees are responsible for ensuring that the applicable elements of this policy are cascaded to the third parties with whom we do business including without limitation distributors, consultants, logistics providers, subcontractors, sub-dealers, sales representatives, agents and service providers.

Our **Code of Conduct and Business Principles** provides the legal and ethical framework to guide what we do every day and this policy provides the respective principles and rules. If we fail to follow our Code, we face fines, penalties, blacklisting, reduction in business and reputational damage. In addition, our employees face disciplinary action and potentially termination of employment.

Company management are responsible for ensuring that appropriate processes, procedures and documentation within their organisations are created and maintained to demonstrate compliance with this policy.

Additional tools, information and support on implementation of this policy are available on the internal **Global Compliance Programme website**. Each employee should contact their Compliance Officer or S+N Legal if they require further guidance or support on the implementation of this policy.

Where local law is stricter or conflicts with this policy, local law takes priority.

Requirements

A. Interactions with customers, potential customers and Government Officials

A.1 Consulting Services

We engage individuals and institutions to provide consulting services in response to genuine needs that are aligned to our strategy.

We select consultants based on their qualifications and experience and not based on past or potential future purchase, prescription, recommendation or endorsement of our products or services.

We allow sales personnel to recommend potential consultants based on the individual's skills and expertise or the institution's suitability, but we do not permit sales personnel to control or improperly influence the decision to select a particular consultant to provide a service.

We do not appoint as consultants HCPs who have been sanctioned by any government or medical licencing authority.

We require that consulting services performed by HCPs or GOs are approved in advance by **Designated Approvers**.

We document all services in a fully executed written agreement in advance of services being provided, including detail of services to be provided and the rate to be paid. We apply the same standard whether or not a fee is being paid for the service.

We pay a fair market value for services.

We pay consulting fees to HCPs and GOs when required work has been completed, and we retain evidence to demonstrate that the work was completed.

Requirements

A.2 Attendance at Product Training and Educational Meetings (PTE Meetings)

The purpose of **PTE Meetings** is to promote the safe and effective use of our products.

We invite individuals to attend PTE Meetings based on their training and education needs.

We may support the cost for travel and accommodation for individuals attending PTE Meetings, but we do not pay fees to anyone for merely attending a PTE Meeting.

We organise PTE Meetings so that most of the time is spent in the educational activities.

We do not facilitate or pay for entertainment activities (including sporting or cultural events, city tours etc.), and we do not accompany HCPs to such activities.

A.3 External Sponsorships

We support **External Sponsorships** only where all aspects of the event (including meeting type, venue, agenda and location) comply with requirements of the applicable local/regional industry code and only where direct sponsorship is allowed under the applicable local/regional industry code.

We do not facilitate or pay for entertainment activities, including sporting or cultural events, city tours, musical performances, etc.

In those markets where External Sponsorships are allowed, we may pay the full registration fee and reasonable transportation, accommodation and meals for approved individuals who attend a third-party event. We do not compensate anyone for the time spent attending an event.

Individuals selected for an external sponsorship must be actively engaged in the practice of medicine that is the focus of the event.

Requirements

A.4 Grants and Donations (including Fellowships)

We may provide **Grants** and **Donations** (including Fellowships) to non-profit and/or charitable organisations, medical institutions, accredited educational programme vendors, medical foundations or professional societies that are entitled to receive Grants and Donations (including Fellowships) under local laws.

We conduct appropriate due diligence before making a Grant or Donation (including Fellowships) to ensure that the recipient organisation is legitimate.

We do not provide Grants or Donations (including Fellowships) as a price concession, reward to favoured customers or inducement to recommend, prescribe or purchase Company products or services.

We do not link Grants or Donations (including Fellowships) to past, present or future use of Company products or services.

We do not provide Grants or Donations (including Fellowships) to individuals.

We require that Grants and Donations (including Fellowships) relating to medical and government organisations, medical training and education, fellowships or in any other way related to HCPs are approved in advance by the applicable Designated Approvers.



Requirements

A.5 Gifts, meals, entertainment, travel and accommodation for HCPs and GOs

We can provide **Gifts** to HCPs provided they are modest in value, infrequent and related to the medical profession, benefit patients or serve a genuine educational function.

We do not provide Gifts to non-HCP Government Officials.

We never give cash or cash equivalents, such as gift cards, as Gifts.

We may provide meals to HCPs or GOs if they are modest in value, infrequent and part of a legitimate business interaction.

We only provide meals when they are subordinate to the business purpose of the interaction and conducted in a venue conducive to the business purpose of the interaction.

We only provide meals to individuals who have a genuine professional involvement in the business purpose of the meeting.

We do not provide entertainment for HCPs.

We do not facilitate or pay for any costs for accompanying persons.

We do not facilitate or pay for extended stays by HCPs.

We allow business class travel for flight time over five hours duration (one way) in total and where allowed under applicable local laws or codes.

We do not transport any HCP or GO on a personal aircraft or private charter aircraft unless written approval is provided by an executive in consultation with the relevant compliance officer.

We do not use hotels which are lavish, extravagant or known principally for their entertainment facilities.

Requirements

A.6 Transparency

We ensure transparency in our interactions with HCPs.

We obtain advance employer approval or provide advance employer notification of consulting services and/or payment of travel/accommodation for HCPs where required by applicable law/industry code.

We provide advance notification to the employers of government employed HCPs before they provide consulting services to us.

We report detail of interactions with HCPs and Healthcare Organisations as required in accordance with applicable Transparency laws.



Requirements

B. Due diligence and oversight of third parties

We work with third parties who adhere to business principles consistent with our own. We conduct risk-based due diligence and oversight of third parties before we work with them.

We conduct risk-based assessments of third parties to monitor their compliance with contractual requirements.

B.1 Third Party Sellers (TPS)

We conduct risk-based due diligence and Anti-Bribery and Corruption (ABAC) training before appointing a new **TPS**, and regularly review and refresh due diligence during the period of our relationship with them.

Our contracts with TPS include compliance terms and define the nature of permitted interactions between the TPS and HCPs.

We provide materials to TPS to help them understand our expectations and to help them build their own compliance programs.

We conduct regular screening of TPS against global watchlists and do not engage with any TPS that has been disbarred.

B.2 Non-seller Third Parties (NSTP)

We categorise our **NSTP** according to our assessment of the ABAC risk associated with the service that they provide to us. NSTP that interact with HCPs or GOs on our behalf are considered the highest risk and require additional due diligence and training.

Requirements

C. Gifts or hospitality given to S+N employees

We never solicit gifts or hospitality from a third party.

We do not accept business hospitality or gifts under circumstances that would induce improper conduct or that could create the appearance of impropriety.

We can accept bona fide hospitality or gifts which are reasonable, unsolicited, occasional, modest, and appropriate for a business relationship.



Reporting Violations

We know that we shall report any breach of this policy that we discover. Failure to report is a violation of the Code of Conduct. By having the courage to raise awareness of potential issues, we help protect our reputation, our employees and our customers. Reports can be made by contacting:



- A **Compliance Officer**;
- The Legal department;
- The HR department;
- A line manager; or
- **Integrity Line**

We will make sure no action is taken against anyone who reports, in good faith, actual or suspected misconduct.

Definitions

Designated Approvers mean individuals who approve HCP Consulting Services, External Sponsorships, educational Grants and Donations and PTE meeting attendees. Designated Approvers will generally include either a manager in Medical Education or both the relevant Compliance Officer and a representative from senior management.

Donations mean any gift, whether in cash or in kind (including our products), given to a non-profit organisation and/or for charitable purposes.

External Sponsorship means funding the Company may provide to support the attendance of individual HCPs at third-party educational conferences or events.

Gift means, unless otherwise defined by applicable local laws or industry codes, anything of value given without payment. Includes journal subscriptions, educational items and textbooks. Product samples are not generally considered gifts.

Grants mean any payment made with respect to: (a) HCP educational programmes such as Fellowship programs, continuing medical educational activities (including speaker expenses, facility expenses and modest meals for attendees); (b) patient education and advocacy groups, disease state screening or consumer health fairs; or (c) funding for medical students, residents or fellows to attend educational conferences; or (d) independent medical research with scientific merit.

Definitions

Government Official means:

- Any individual who holds a legislative, administrative or judicial position of any kind, whether appointed or elected, for a country or territory;
- Any person acting in an official capacity on behalf of a government or any department, agency or instrumentality of a government;
- Any officer, employee or agent of a public international organisation such as the World Health Organisation or the United Nations;
- Any officer, employee or agent of a political party or any person acting in an official capacity on behalf of a political party, and/or;
- Any candidate for political office.

An employee or consultant of a government-owned hospital or institution, including HCPs, may be considered a Government Official under some laws.



Healthcare Professional or Healthcare Provider or HCP means those individuals or entities that are in a position to purchase, lease, recommend, use, arrange for the purchase or lease of or prescribe the Company's products or services.

Examples include, but are not limited to, physicians, physician assistants, nurses, pharmacists, medical directors, investigators, researchers, account representatives employed by a customer, professional educators, hospitals, ambulatory surgical centres, group purchasing organisations, managed care organisations, insurers, employers, wholesalers and any individual employed by such entities with responsibility or authority to purchase, prescribe, recommend, influence or arrange for the purchase or sale of a Company product or service. Third Party Representatives are not included in this definition of HCPs.

Definitions

Improper Payment means any financial payment or benefit improperly offered or made for the purpose of obtaining or retaining business or to gain any improper advantage for the person or entity making the payment for us. Improper Payments may include anything of value, provided overtly or covertly, in cash or in kind, including bribes, kickbacks, gifts, donations, grants, hospitality, commissions or any sales arrangement, discount, rebate or equipment loan which is not made in accordance with the Code of Conduct or the policies adopted under the Code. You should assume that a financial or other benefit to a Government Official is improper unless it is permitted or required by the applicable written law.

Facilitation Payment means payments of small amounts to ensure or speed up the proper performance of a Government Official's routine duties.

Non-seller Third Parties (NSTP) means any third party that has not been engaged, employed, contracted or used by Smith+Nephew to market, sell, distribute, deliver or otherwise bring to end-users the Company's products or services. Examples include vendors, suppliers, consultants, etc.

Product Training and Education Meetings (PTE Meetings) mean peer-to-peer educational activities that are arranged by the Company and provide training on the safe and effective use of Company products.

Third Party Seller (TPS) means any distributor, agent, sales representative or other third party that is engaged to promote, market, or sell our products to customers, or otherwise creates demand for Company products through their interaction with HCPs and Government Officials on our behalf.

Smith+Nephew

Life Unlimited

For a current version of this document, please refer to the Company intranet.

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