



## CODE OF CONDUCT

of  
the company  
**SALUS, Ljubljana, d. d.**  
and  
**SALUS GROUP**

Document No.: PLN-7

Version: 2

Valid from: December 23th, 2019



## TABLE OF CONTENTS

INITIAL FINDINGS .....	3
1 INTERPRETATION.....	4
1.1 AS USED IN THIS CODE, THE FOLLOWING TERMS SHALL HAVE THE MEANING SET FORTH OR REFERENCED BELOW.....	4
1.2 RULES OF INTERPRETATION.....	6
2 APPLICABILITY AND IMPLEMENTATION.....	6
3 EMPLOYEE RELATIONS .....	7
3.1 FUNDAMENTAL ASPECTS.....	7
3.2 LEADING BY EXAMPLE.....	7
3.3 SAFEGUARDING SALUS GROUP'S RESOURCES.....	8
3.4 CONFLICT OF INTEREST.....	8
3.5 CONFIDENTIALITY.....	8
3.6 COMPLIANCE WITH INTERNAL RULES .....	9
4 DEALING WITH BUSINESS PARTNERS .....	9
4.1 TRANSPARENCY OF INFORMATION .....	9
4.2 ETHICS.....	9
4.3 FAIR COMPETITION .....	9
5 DEALING WITH HEALTH CARE PROFESSIONALS (HCPS), GOVERNMENT OFFICIALS AND PUBLIC AUTHORITY HOLDER .....	10
5.1 ANTI-BRIBERY POLICY .....	10
6 RESPONSIBILITY TO SHAREHOLDERS.....	11
7 DEALING WITH ENVIRONMENT.....	12
8 SPEAKING UP POLICY.....	12

The company SALUS promotes farmaceutskimi, medicinskimi in drugimi proizvodi, d. d., Ljubljana, register number: 5002796000, by adherence to the Slovenian legislation, the Slovenian Corporate Governance Code<sup>1</sup>, the Statute of the company SALUS, Ljubljana, d.d., the Corporate Governance Policy of the company SALUS, Ljubljana, d.d. and the Company's internal rules hereby adopts the following:

## CODE OF CONDUCT

Whereas

### Initial findings

- A. Salus Group has a continuing mission to act as a vital link in the supply of medicinal products, medical devices and high-quality and innovative services, which provide health and well-being of people; adhering to the highest ethical standards of good cooperation and responsibility towards society are Salus Group's values that it consistently follows;
- B. The Code is designed to allow Salus Group to preserve its long tradition of integrity and credibility with the public and within Salus Group;
- C. The Code defines the basic principles of acceptable conduct and behavior of individuals and represents the fundamental and binding guideline for individuals on all hierarchical and organizational levels of Salus Group as well as defines the zero tolerance policy as regards actions of individuals which may negatively influence Salus Group's reputation or are inadmissible from the legal, moral, or ethical point of view;
- D. The Code defines the values that Salus Group believes in and to which it commits, which reflect corporate culture and the environment from which it originates. At the same time, the Code is a management tool and a part of a broader vision of Salus Group's social and environmental responsibility;
- E. The Code promotes and develops a culture of ethical conduct within the Salus Group and applies to Salus Group as a whole, each company that forms part of

---

<sup>1</sup> The Slovenian Corporate Governance Code was adopted by the Ljubljana Stock Exchange (Ljubljanska borza, d.d., Ljubljana) and the Slovenian Directors' Association on October 27th, 2016.

Salus Group in accordance with the interpretation of this Code, all of its employees, and service providers.

Now, therefore, the Code shall read as follows:

## 1 Interpretation

### 1.1 As used in this Code, the following terms shall have the meaning set forth or referenced below.

**Code** means this Code of Conduct of the company SALUS, Ljubljana, d.d. and Salus Group;

**Corruption** means any violation of due conduct of the official and responsible persons in the public or private sector, as well as the conduct of persons who are the initiators of the offense or persons who are in breach can benefit, due directly or indirectly promised, offered or given or requested, accepted or expected benefit for himself or another<sup>2</sup>. Corruption has various forms of appearance, from bribery, extortion, to fraud, embezzlement and nepotism<sup>3</sup>;

**Employees** means collectively, all employees of Salus Group, whether permanent full-time, hourly, fixed term contract, permanent part-time or otherwise;

**Compliance Committee** means a body within Salus Group whose role is to monitor the implementation of the Code and to periodically review, amend and/or update it as necessary. The Compliance Committee receives reports of infringements or suspected infringements and examines them properly. Its role is also to advise on the compliant business conduct of Salus Group;

**Government Authority** means a state-owned or state-controlled body and for the purpose of its application in this Code also the administrations of local self-governments, public agencies, public funds, public institutes, public economic institutions and other entities of public law, that are indirect users of public funds or of funds of local self-government.

---

<sup>2</sup> 1. alineca of 1. paragraph of clause 4 of Integrity and Prevention of Corruption Act (Official Gazette of the Republic of Slovenia, No. 69/11)

<sup>3</sup> Form of favouritism based on acquaintances and familiar relationships whereby someone in an official position exploits his or her power and authority to provide a job or favour to a family member or friend, even though he or she may not be qualified or deserving (<https://www.transparency.org/glossary/term/nepotism>).

**Government official** means an employee of public sector, i.e. a person being employed either by state bodies, local self-government, public agencies, public funds, public institutes, public economic institutes, public law entities, that are indirect users of the state budget or the budget of local self-government, either in public companies and companies whose majority or dominant influence is the state or local self-government;

**Intellectual Property Rights** means all Salus Group's intellectual property rights, including but not limited to, all copyrights, trademarks, service marks, trade names, trade dress, trade secrets, software licenses, patents, domain names, websites, and applications for the above;

**Know-How** means all technical data, formulae, standards, technical information, specifications, processes, methods, code books, raw materials, as well as all information, knowledge, assistance, trade practices and secrets, and improvements thereto. It also includes expert knowledge on the operation, maintenance, use/application and sale of the object product as well as on its disposition;

**Public Authority Holder** means a legal entity of private or public law or a natural person who, based on law, acquires public authority to perform certain functions of the state administration;

**Relevant market** means a market defined by the relevant product/service market and the relevant geographic market where Salus Group operates;

**SALUS, Ljubljana, d. d.** means the company SALUS promet s farmacevtskimi, medicinskimi in drugimi proizvodi, d. d., Ljubljana, register number: 5002796000 which is a parent company of Salus Group;

**Salus Group** means a group of companies which consists of:

- SALUS, Ljubljana, d.d. as a parent company, registered number: 5002796000,
- SALUS, Veletrgovina, d. o. o., as an affiliated company of the parent company, registered number: 6398707000,
- CARSO d. o. o., as an affiliated company of the parent company, registered number: 2190265000,
- CARSO CRO d.o.o., as an affiliated company of the parent company, registered number: 081098234,
- CARSO Internacional, doel linden, as an affiliated company of the parent company, registered number: 7054963;
- SANOLABOR, d.d., as an affiliated company of the parent company, registered number: 5000823000;
- SANOL H d.o.o., as an affiliated company of the affiliated company SANOLABOR d.d., registered number: 080725258;

- SANOL S d.o.o., as an affiliated company of the affiliated company SANOLABOR d.d., registered number: 20264667;
- future affiliated companies and future affiliated companies of affiliated companies.

**Service provider** means any third party service provider in face-to face contact with Salus Group's clients or acts in the name and/or on behalf of any of the companies forming part of Salus Group.

## 1.2 Rules of Interpretation

As used in this Code unless otherwise indicated in the context:

- (i) references to employees include also service providers;
- (ii) words importing the singular will include the plural and vice versa;
- (iii) references to any pronoun includes the corresponding masculine and feminine forms;
- (iv) “person” includes individual, legal person or entity, entrepreneur, society, community and association including their successors;
- (v) the words “include”, “included” and “including” are deemed to be followed by the phrase “without limitation”;
- (vi) reference to a Law, a Regulation, a Rule, a Decree, a Directive, an Instruction or other binding decision of Government Authority means reference to suitable Act in up-to-date, extended, consolidated version or changed form and includes any subordinated Act adopted in law on its basis as of the date of this Code;
- (vii) reference to an agreement, an act or a document means reference to up-to-date or modified agreement, act or document as of the date of this Code.

## 2 Applicability and implementation

Strict observance of the Code is fundamental to Salus Group's activity and reputation. It is an obligation of all employees, in accordance with the above interpretation includes also service providers. Each employee is obliged to certify either through a documentary system or by signing a Declaration that he has read, understood and abides by this Code. Salus Group informs its business partners that it respects the Code and also expects its business partners to do business in accordance with similar principles and standards.

The implementation of the Code is the responsibility of each company forming part of Salus Group.

The role of the Compliance Committee is to monitor the implementation of the Code and to regularly review, amend and/or update it as necessary. The Compliance Committee receives reports of infringements or suspected infringements and examines them properly. Its role is also to advise on the compliant business conduct of Salus Group.

Every effort has been made that the Code complies with the valid legislation of the relevant market. In case of conflict between the Code and valid legislation, valid legislation shall prevail.

In case of discrepancy between the Code and the internal rules of Salus Group, the Code prevails.

## 3 Employee Relations

### 3.1 Fundamental aspects

Salus Group is arranging relationships with the employees in a manner that ensures the respect of personal rights, personality of employees, personal data protection, prohibition of all types of discrimination, payment for work performed in line with the labor law standards, humane communication and amicable resolution of disputes.

Salus Group strives to apply fairness, equality, and merit in the assessment, rewarding, motivating, and career development of employees.

Salus Group ensures safe working environment. Employees are not exposed to health related risks and hazards, unless they have been previously informed, qualified and properly protected against the consequences of such risks and hazards.

### 3.2 Leading by example

While all employees should respect the Code, each Board Member, Executive, and Senior Manager has the increased responsibility of leading by example. Each of the latter must serve as a positive role model and inspire others to embrace the Code by rewarding integrity, encouraging ethical decision-making, and otherwise live up to the impeccable leadership standards.

### 3.3 Safeguarding Salus Group's resources

Employees should protect Salus Group's resources and use them in a responsible manner. Resources include physical property, such as facilities, supplies, equipment, machinery, spare parts, raw materials, finished products, vehicles company funds, other movables and real estates. They also include intangible assets, such as confidential information, intellectual property and information systems. Resources from this paragraph refer to the resources owned by or in a possession of any of the companies forming part of Salus Group. Employees must use Salus Group's resources only for legitimate business purposes and protect them from theft, loss, damage, or misuse.

### 3.4 Conflict of interest

Employees must conduct business in Salus Group's best interest without interference from their potential personal interests.

Conflict of interest arises when an individual participates in a decision about a matter or cooperates on a matter where the impartiality and objectivity of his or her contribution is jeopardized due to his or her direct or indirect personal financial or other interest in the matter, the interest of his or her family members in it, or any other connection with a third party in relation to the matter.

It is the duty of every employee to adhere to the conflict of interest policy at all times. In the event that such a matter arises, the employee shall notify his superior and formally disclose the interest, refrain from attempting to persuade or influence other individuals participating in the decision, and shall not cast any vote on the matter.

### 3.5 Confidentiality

Employees may acquire certain information about Salus Group, its business conduct, its customers, suppliers or business partners or another third party that is confidential, competitively sensitive and/or proprietary. Therefore employees must assume that all information is confidential or competitively sensitive and must be protected as business secret, unless Salus Group clearly indicates that it has publically released the information.

Employees should take reasonable and necessary precautions to protect any confidential information and should not disclose any confidential business information to anyone outside Salus Group, unless the disclosure is:

- (i) properly authorized and
- (ii) in connection with a clearly defined, legitimate business need or
- (iii) subject to a written confidentiality agreement.



Even within Salus Group, employees must only share confidential information on a business need-to-know basis.

### 3.6 Compliance with Internal Rules

Salus Group ensures that business processes are determined with the internal regulations, which are frequently updated. It is an obligation of each employee to acquaint itself with internal rules and follow them as well as proactively report any potential deviation.

## 4 Dealing with Business Partners

### 4.1 Transparency of information

Salus Group operates according to the principles of transparency of information.

### 4.2 Ethics

Salus Group always conducts business honestly and honorably, and expects its clients and suppliers to do the same. Its business operations take proper account of ethical considerations, together with the protection and enhancement of the moral position of its clients and suppliers.

### 4.3 Fair competition

Salus Group is committed to support fair competition and avoids unfair and deceptive trade practice.

Product distribution and marketing as well as services provided should reflect Salus Group's high ethical standards, and be truthful, understandable and in compliance with applicable laws. Employees should never use misleading or untruthful statements in their business conduct including but not limited to the advertising, make claims about products, their ingredients, or health effects without adequate substantiation and legal clearance, and overstate or misrepresent the qualities of products.

Salus Group treats its customers ethically, fairly and in compliance with valid legislation. Every employee should always present services and products to customers in an honest and forthright manner, avoid deceptive and unfair trade practices, communicate sales programs clearly and deliver on his promises.

Utmost care is taken when communicating with competitors. All communication should be business appropriate in tone and refraining from language that could be construed or understood as encouraging anti-competitive behavior. Employees must not enter into any agreement, whether formal or informal, written or verbal, to set prices or other terms of sale, coordinate bids, allocate customers, sales territories, or product lines, or engage in any other activity that violates applicable antitrust or competition laws, discuss such topics with a competitor, even in an informal setting such as a trade show, customer event or business meeting.

## 5 Dealing with Health Care Professionals (HCPs), Government Officials and Public Authority Holder

### 5.1 Anti-Bribery Policy

Salus Group is committed to business ethics and has an absolute zero tolerance for corruption of any kind.

No employee should ever offer, directly or indirectly, any form of gift, entertainment or anything of value to any HCP, Government Official, Public Authority Holder or his representatives to:

- (i) obtain or retain business,
- (ii) influence business decisions or
- (iii) secure an unfair advantage.

If an employee receives a request, an offer or a promise for a bribe, or if he is encouraged so to do, he should promptly inform his superior and the Compliance Committee.

Salus Group strictly adheres to the following regulations and their subsequent changes:

- (i) Act on Integrity and Prevention of Corruption Act (Official Gazette of the Republic of Slovenia, no. 69/11 –official consolidated text),
- (ii) Act on Prevention of Restriction of Competition (Official Gazette of the Republic of Slovenia, no. 36/08, 40/09, 26/11, 87/11, 57/12, 39/13 – dec. of the Const. Court, 63/13 – ZS-K, 33/14, 76/15 and 23/17),
- (iii) the UK Bribery Act Guidance 2010 (<https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>),
- (iv) FCPA (<http://www.justice.gov/sites/default/files/criminal-fraud/legacy/2012/11/14/fcpa-english.pdf>),

- (v) European Code on the Promotion of prescription-only medicines to, and interactions with, healthcare professionals (EFPIA HCP Code) ([www.efpia.eu](http://www.efpia.eu)),
- (vi) Medtech Europe Code (Code of Ethical Business Practice) (<http://www.medtecheurope.org/>),
- (vii) GIRP - Code of Conduct for the European Association of Pharmaceutical Full-line Wholesalers 2012,
- (viii) FIRDPC - Code On The Informing And Communication Of Prescription-Only Medicines To, And Cooperation With, Healthcare Professionals (<https://www.farmaforum.si/sites/43/files/files/kodeksi/ENG/HCP%20ENG%20kodels%2022.3.2019.pdf>),
- (ix) Pravilnik o oglaševanju zdravil (Official Gazette of the Republic of Slovenia, no. 105/08, 98/09 – ZmedPri, 105/10 and 17/14 – ZZdr-2),
- (x) The Treaty of the Functioning of the European Union (Official Journal of the European Union no. C 326/01, 26.10.2012 – consolidated version).

## 6 Responsibility to shareholders

Since company SALUS, Ljubljana, d. d. is a publicly listed company, whose securities are traded on the Ljubljana Stock Exchange, it is particularly important to maintain highest standards of corporate behavior and transparency in conducting business operations.

Salus Group is obliged to report accurately on its business, earnings and financial condition. The disclosures it makes in its public communications, regulatory disclosures and reports submitted to governmental agencies must always be full, fair, accurate, timely and understandable.

The business records must be maintained, retained and destroyed in accordance with all legal and regulatory record keeping requirements.

Employees are expected to cooperate fully and communicate honestly with internal and external auditors.

Should an employee be contacted and asked to discuss Salus Group's business with any members of the press, investors or market analysts, he should not provide any information, but should advise the outside party that he is not authorized to discuss the subject, and refer them to the Management Board of SALUS, Ljubljana, d. d.

## 7 Dealing with Environment

Salus Group strives to develop, produce and offer products and services with excellent sustainability performance and contribute to the sustainable development of society. It continuously improves the environmental performance of its products and services and strives to continuously reduce the negative impact of its operations and take a precautionary approach to environmental challenges.

## 8 Speaking up Policy

Salus Group encourages all employees within Salus Group:

1. To report to the anonymous telephone number +386 (0)1 58 99 296 or
2. To notify the members of the Compliance Committee

whenever the concern or the suspicion arises regarding:

- (i) breach of the Code,
- (ii) bribery, corruption or illegal payments,
- (iii) criminal conduct and violations of legislation,
- (iv) inaccuracy of financial records,
- (v) accounting and auditing irregularities,
- (vi) discrimination and harassment,
- (vii) safety and environmental hazards,
- (viii) conflicts of interest,
- (ix) workplace violence,
- (x) fair competition violation or
- (xii) other violations of business ethics principals are raised.

The notification to the members of the Compliance Committee may be provided verbally or in writing by e-mail or by mail to the address of SALUS, Ljubljana, d.d., Litostrojska cesta 46 A, 1000 Ljubljana, Slovenia, to the attention of Compliance Committee as well as through a mailbox, located in the premises at the address of Litostrojska cesta 46 A, 1000 Ljubljana, Slovenia.

Salus Group guarantees full protection (including anonymity) to the latter and will properly investigate each alleged breach or violation.