



**CODE OF CONDUCT**  
of the company  
**SALUS, Ljubljana, d. d.**  
and  
**SALUS GROUP**

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The company SALUS promet s farmacevtskimi, 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 Salus Group companies internal rules hereby adopt the following

## CODE OF CONDUCT

### Introduction

Salus Group has a continuing vision of being first choice for distribution of pharmaceutical products and services in Southeast Europe and a mission to act as a vital link in the supply of medicines, 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, which are Salus Group values that it consistently follows.

The Code is designed to preserve the long tradition of integrity and credibility of Salus, Ljubljana, d.d. and companies within the Salus Group.

The Code defines basic principles of acceptable conduct and behaviour of individuals and represents the fundamental and binding guidelines for individuals on all hierarchical and organizational level of Salus Group, as well as establishes the zero tolerance policy in respect to actions of individuals which may negatively affect Salus Group reputation or are unacceptable from a legal, moral or ethical point of view.

The Code defines values, principles, and tenets that Salus Group believes in and follows; these values reflect corporate culture and the environment from which it originates. Furthermore, the Code is a governance tool and a part of broader vision of Salus Group responsibility towards society and environment.

The Code encourages and improves a culture of ethical conduct within the Salus Group and is binding for the Salus Group as a whole, each company that forms part of Salus Group in accordance with the interpretation of this Code, all of their employees, and service providers.

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<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.

## Vision and Mission

### Vision

The first choice for the distribution of pharmaceutical products and services in the Southeast Europe region.

### Mission

Being the vital link in the supply of medicines, medical devices, and high-quality and innovative services, which provide health and well-being of people.

### Slogan

Our slogan is: *“The welfare of people is our supreme law”*; *Salus populi est suprema lex.*

## 1. Interpretation

### 1.1. The terms, used in this Code

**State 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 direct or indirect users of state budget or the budget of local self-government.

**Service provider** means third party that provides the services and is in direct contact with Salus Group clients or acts in the name and/or on behalf of any of the Salus Group companies.

**Government official** means a person who enters into employment in 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 direct or indirect users of 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.

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

**The Committee** is the Compliance Committee, a body within the Salus Group whose role is to monitor the implementation of the Code and its periodical review, amendment and/or updating, if necessary. The Committee receives concerns and reports of alleged violations

of business compliance and examines them properly. Its role is also to advise on the compliant business conduct of 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 can benefit from the breach, due directly or indirectly promised, offered or given or requested, accepted or expected benefit for himself or for another<sup>2</sup>. Corruption has various forms of appearance, from bribery, extortion, to fraud, embezzlement, nepotism<sup>3</sup> and clientelism<sup>4</sup>.

**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.

**Intellectual Property Rights** means all Salus Group intellectual property rights, including but not limited to, all copyrights, trademarks, service marks, brand names, marketing image, trade secrets, software licenses, patents, domains, websites, and use of the above.

**Relevant market** means a market defined by the relevant product or 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 consist 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 pharm d.o.o., Ljubljana, as an affiliated company of the parent company, registered number: 2190265000,
- CARSO pharm d.o.o., Zagreb, 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,

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<sup>2</sup> Item 1 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 family 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>).

<sup>4</sup> Unequal system of exchange of services and favours that is based on exploitative relationship between wealthier and/or more powerful »patron« and less wealthy and weaker »client« (<https://www.transparency.si/klientelizem>).

- CARSO pharm d.o.o., Beograd, as an affiliated company of the parent company, registered number: 20768827,
- MediSal d.o.o., as an affiliated company of the parent company, registered number: 8797374000,
- 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 and
- future affiliated companies and future affiliated companies of affiliated companies.

**Employees** is a common denomination for all employees of Salus Group, regardless of whether permanent full-time, part-time, fixed term contract, permanent half-time or otherwise.

## 1.2. Rules of interpretation

Unless otherwise indicated in the context, the terms used in this Code apply as:

- references to employees include also service providers, except in the article 3.4.;
- references to Salus Group include the parent company as well as affiliated companies of the parent company and affiliated companies of affiliated companies;
- words used in the singular also refer to the plural and vice versa;
- references to any pronoun includes the corresponding masculine and feminine forms;
- concept of a “person” includes individuals, legal person or entity, entrepreneurs, society, community and association including their successors;
- concepts of “covers”, “scope” and “inclusive” are deemed to be used in connection with the phrase “without limitations”;
- reference to laws, regulations, rules, decrees, directives, instructions or other binding decisions of government authority means reference as updated, extended, consolidated version or amended form and includes all subordinated documents adopted on the basis of this document;
- reference to agreements, acts or documents means reference to each time valid agreements, acts, or documents.

## 2. Applicability and implementation

Strict adherence of the Code has a fundamental meaning for Salus Group undisturbed performance of activities and reputation. This is the commitment of all employees and service providers. Each employee must confirm either through a documentary system or by signing a statement, that he has read and understood the Code and that he abides by it.

Consistent implementation of this Code is the responsibility of each employee, service provider and all Salus Group companies.

Salus Group informs its business partners that it respects this Code as well as expect from them to do business in accordance with similar principles and standards.

The role of the Committee is to monitor the implementation of this Code and its periodical review, amendment and/or updating, if necessary. The Committee receives concerns and reports of alleged violations of business compliance and examines them properly. It also has an advisory role regarding Salus Group business compliance.

All efforts are made that the Code is compliant with valid legislation of the relevant market. In case of conflict between the Code and valid legislation, the latter shall prevail.

In case of conflict between the Code and internal rules of Salus Group, the Code shall prevail.

## 3. Relations with employees and service providers

### 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, humane and respectful communication, payment for work performed in line with the labour law standards and amicable settlement of disagreements.

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

In the working environment of employee in the Salus Group, there is no tolerance for harassment, inappropriate comments and behaviour, actions or practices that can slander another's personality or show any hostility towards employee and/or co-worker. Any treatment that is creating frightening, hostile or offensive interference in the working environment of any employee is strictly prohibited.

Salus Group strives to apply principles of fairness, equality, and positive approach in cases of assessment, rewarding, motivating and employees' careers development.

### 3.2. Leading by example

While all employees shall respect the Code, while all board members, executives, and senior managers have the increased responsibility of leading by example. Each of the latter must represent a positive role model and inspire others to embrace the provisions of the Code based on fairness, encouraging ethical decision-making, and other actions of impeccable leadership standards.

### 3.3. Safeguarding of Salus Group resources

Employees must protect Salus Group resources and use them in a responsible manner. Resources include physical property, such as infrastructure, supplies, equipment, machinery, vehicles, spare parts, raw materials, and finished products, financial assets and other movable property and real estates. Resources also include intangible assets, such as confidential and sensitive information, records, information, ideas, intellectual property, and information systems. Resources from this paragraph refer to the resources owned by or in a possession of any of the Salus Group companies.

Protection of intellectual property has a fundamental meaning for preserving our competitive advantage, therefore we protect and maintain the intellectual property rights and use the latter in responsible and safe manner.

Employees must use Salus Group resources only for legitimate business purposes and protect them from theft, loss, damage, misuse, or destruction.

Employees have to devote special attention to protection of resources, when using equipment, sensitive data and records, information or information systems outside of business premises of Salus Group companies.

### 3.4. Conflict of interests

Employees must conduct business in Salus Group best interest, without interference from their potential personal interests, therefore it is the obligation of each employee to avoid situations that represents potential or detected conflict of interests between personal interests and Salus Group interests.

Conflict of interests arises when an individual participates in a decision-making process or gives a vote to a decision, in which the impartiality and objectivity of his contribution is endangered because of his direct or indirect personal, financial, political or other interest in the matter, the interest of his family members or other connections with third parties in relation to the matter or other use of the Salus Group business opportunities in the employee's personal interest.



It is the duty of every employee to always take due care in the event of a conflict of interest. When such matter arises, the employee shall notify his superior and formally disclose the interest and refrain from attempting to persuade or influence other individuals participating in the decision.

### **3.5. Confidentiality**

During the performance of business processes employees obtain certain information about the Salus Group, its business conduct, customers, suppliers, business partners or other third parties, that are confidential or sensitive from competitive aspect, personal data protection aspect or any other aspect and/or are protected.

Employees must therefore assume that all information are confidential or competitively sensitive and must be protected as business secret, unless Salus Group clearly indicates that it has publicly released the information.

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

- properly authorized and
- in connection with clearly defined and legitimate business need or
- subject to a written confidentiality agreement.

Even within Salus Group, employees should disclose confidential information only when legitimate business need for disclosure exists.

### **3.6. Compliance with internal rules**

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

### **3.7. Open door policy**

The foundation of Salus Group efforts is openness, accessibility, and possibility that every employee can express its opinion, presents its ideas, asks questions, and presents its findings and concerns, warn about irregularities, and reports alleged violations.

All employees on leadership positions are responsible for supporting of open door policy by being reachable to their employees who turn to them, to actively listen, encourage dialog and constructive and effective communication and accept criticism.

Salus Group strives for employees to openly discuss with their superiors and/or superior of their superiors.

### **3.8. Equal opportunities**

Salus Group companies wish to maintain and continue the reputation of good and respectable employer, therefore we guarantee equal employment opportunities, equal and equivalent treatment of jobseekers and employees, with no regards to their personal characteristics, such as race, religion, gender, sexual orientation, age, nationality, marital status, disability etc.

## **4. Relations with business partners**

### **4.1. Transparency of information**

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

### **4.2. Ethics**

Salus Group always conducts business honestly and respectfully and expects the same from its customers, suppliers, and other business partners. Its business operations are always completed with the consideration to the ethical aspects and highest standards of personal and business integrity of its customers, suppliers, and other business partners.

### **4.3. Fair competition**

Salus Group is committed to respecting fair competition and does not engage unfair and deceptive business practice.

Distribution and marketing of products as well as services provided should reflect Salus Group highest ethical standards and should be fair, understandable and in compliance with the valid legislation. When performing their tasks, including, but not limited to advertising, employees should never give deceptive or untruthful statements, products information, their ingredients or health effects without adequate justification and approval, and overestimate or misrepresent products' characteristics.

Salus Group treats all its customer ethically, fairly and in compliance with valid legislation. All employees must always present services and products to customers fairly and honestly, we must not implement misleading and unfair practices, we must clearly present sales programs and deliver our promises.

Communication with competition should always be done with utmost care and caution. All communication should be in tone appropriate to business dealings and the manner of expression should not be done in a way that could be interpreted or understood as anti-competitive behaviour.

Employees must not enter into any agreement, 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 trade show, customer event or business meeting.

## 5. Relations with Healthcare Professionals, Government Officials and Public Authority Holders

### 5.1. Anti-corruption policy

Salus Group follows to the highest standards of business ethics, works fairly and transparently and conducts its zero tolerance policy when it comes to any form of corruption.

No employee should ever offer, directly or indirectly, any form of gift, entertainment, or anything of value to any healthcare professional, government official, public authority holder or their representatives with intention to:

- obtain or retain business,
- influence business decision or
- secure an unfair advantage.

If any employee is requested, it receives an offer or a promise for a bribe, or if it is addressed or encouraged to do so, it must promptly inform its superior and the Committee about this.

Salus Group adheres to the following regulations and its subsequent amendments:

- Act on Integrity and Prevention of Corruption Act (Official Gazette of the Republic of Slovenia, no. 69/11 – official consolidated text), or other applicable law on this matter in the country of registration of any affiliated company,
- 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 official consolidated text), or other applicable law on this matter in the country of registration of any affiliated company,
- the UK Bribery Act Guidance 2010 (<https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>),

- FCPA (Foreign Corrupt Practices Act), (<http://www.justice.gov/sites/default/files/criminal-fraud/legacy/2012/11/14/fcpa-english.pdf>)
- 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)),
- MedTech Europe Code (Code of Ethical Business Practice) (<http://www.medtecheurope.org/>)
- GIRP - Code of Conduct for the European Association of Pharmaceutical Full-line Wholesalers 2012,
- FIRDP - 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%20kodeks%2022.3.2019.pdf>), or other applicable law on this matter in the country of registration of any affiliated company,
- The rules on Advertising of Medicinal Products (Official Gazette of the Republic of Slovenia, no. 105/08, 98/09 – ZmedPri, 105/10 and 17/14 – ZZdr-2),
- The Treaty of the Functioning of the European Union (Official Journal of the European Union no. C 326/01, 26.10.2012 – consolidated version), meaningful.

## 6. Bookkeeping and record keeping

Thorough bookkeeping and record keeping are of quintessential meaning for successful leadership of Salus Group companies and for maintaining trust of investors, shareholders, business partners, other stakeholders, as well as social community. Business books and records represent Salus Group business transactions fully and accurately. Exact business records help Salus Group fulfil its obligations and ensure complete, fair, timely and definite financial and other disclosures.

Salus Group has procedures of data storage and destruction that guarantee managing, storing and destructing business books and business documentation in accordance with the Salus Group needs, applicable law, and regulative, environmental, tax, labour law related and other applicable regulations.

Good collaboration with auditors and open communication with them is expected from employees.

## 7. Responsibility to Shareholders

Since company SALUS, Ljubljana, d.d. is a publicly listed company, whose shares are traded on the Ljubljana Stock Exchange, is particularly important to maintain highest standards of business conduct and transparent 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 complete, fair, accurate, timely and understandable.

## 8. Communication with the media

Only authorized persons can communicate with the media.

When working, employees constantly acquire and exchange with each other confidential and sensitive information, ideas and reports that they are using in their work, therefore we should never disclose or provide any information if any media representative, investor or market analyst makes contact and wants to discuss Salus Group business.

Employees must explain to such person, that we are not authorized to give information and direct him to the management board of company SALUS, Ljubljana, d.d..

## 9. Relations with environment and animals

Salus Group strives to develop, produce, and offer products and services with optimal contribution to sustainable community development.

Salus Group follows environmental regulations and continuously improves the environmental performance of offered and/or marketed products and services and strives to continuously reduce the negative impact of its operations and take a precautionary approach to environmental challenges.

Salus Group is committed to achieving the highest standards when it comes to animal welfare. Therefore, Salus Group companies have to assure compliance with all local laws and regulations regarding animal welfare, when relevant to their business operations.

## 10. Political activity

Salus Group does not oppose political belonging of its employees, however, employees should not spread their political beliefs, persuade or encourage others to accept their political beliefs or in any other way be politically active or have political influence on others when they are on Salus Group business premises and/or when they are in their professional environment, nor should they use Salus Group resources for such purposes.

Salus Group does not give, promise, or donate any form of political contributions.

## 11. Speak-up Policy and reporting alleged violations

Salus Group encourages all employees to follow this Code and internal regulations of Salus Group companies and in accordance with them, report any concerns about the Code, other regulations, acts, documents, inappropriate practices, non-compliant behaviour or their suspicions of alleged violations and particularly but not limited to:

- bribery, corruption, or illegal payments,
- inaccuracy of financial records,
- auditing irregularities,
- safety and environmental hazards,
- conflict of interests,
- violations of confidentiality principles,
- violations of fair competition principles,
- illicit political activity,
- unauthorized communication with the media,
- potential retaliation as a consequence of well-intended reporting on alleged violations,
- discrimination, harassment, and slander,
- violence in the workplace,
- other violations of business ethics and
- other forms of alleged violations regarding the business compliance.

Salus Group ensures all employees in all situations, complete protection (including anonymity) and confirms that it will accordingly investigate each report of an alleged violation.