



**Schwabe Group**  
From Nature. For Health.



CODE OF CONDUCT

**Our way  
to the top – together!**





*Olaf Schwabe,  
Chief Executive Officer*

When Dr. Willmar Schwabe founded our company in 1866, he placed a major priority on taking a good clean approach to work. In doing so, he set standards in pharmaceutical manufacturing and laid the cornerstone for the enduring success of his company.

Today, we perpetuate his heritage by offering our customers well-researched premium-quality pharmaceuticals which precisely meet their health needs. As a family-owned company, we have long since made our understanding of responsible and respectful interactions an integral part of our family charter.

Our Code of Conduct summarizes our principles. It creates the framework for how we interact with each other and how we behave in the market. It is binding for everyone in the Schwabe Group, both in Germany and around the world. At the same time, it is also binding for everyone who has any business of any kind with the Schwabe Group.

Why exactly do we need a Code of Conduct? After all, Schwabe employees see fairness, honesty and morally upright conduct as an obvious state of affairs.

That is how things are here, as we all know. Nevertheless, we want to continue to heighten people's awareness of the topics of integrity, fairness and honesty.

After all, these issues can be a delicate balance sometimes. For example, what if someone does you a favor and then wants a favor in return. Is this something minor? Or does it go too far?

**Trust your instinct – and if in doubt, it's better to double-check!**

In our Code of Conduct we have articulated the principles of our corporate culture and how we are to behave. If these principles are a matter of course for you, so much the better. We are not introducing any new rules here: instead, the Code of Conduct encompasses all of the experience and values that have defined our actions to date and led us to success.

The Schwabe Group's sustaining international success makes us proud. And our actions and conduct should also give us every reason to be proud.







Physicians and pharmacists appreciate the Schwabe Group as a dependable partner who offers top-quality health products and professional service. Our conduct in dealing with our customers is our calling card. And the objective is to maintain our excellent reputation as a premium partner and expert in quality.

*Dr. Anke Balzer,  
Chief Commercial Officer*

We offer our customers outstanding products and the utmost quality. And true quality does not tolerate compromises. Quality means clear and clean principles throughout the entire value chain, including purchasing and manufacturing, and in everything we do. This is what the Schwabe Group stands for.

*Dr. Rainer Oschmann,  
Chief Operating Officer*



As a global player, every day the Schwabe Group faces the challenge of conducting business on a legally impeccable basis in a wide range of different countries, all of which have varying legal environments. My greatest priority and particular concern is that we do so successfully.

*Joachim Thole,  
Chief Legal, Compliance & Human Resources Officer*

Our financial actions in the Schwabe Group have to be transparent and beyond reproach at all times. Each and every one of us is required to handle the company's money at least as judiciously as if it were our own, if not more so. The Code of Conduct clearly reminds us of what constitutes proper comportment.

*Patrick Krauth,  
Chief Financial Officer*

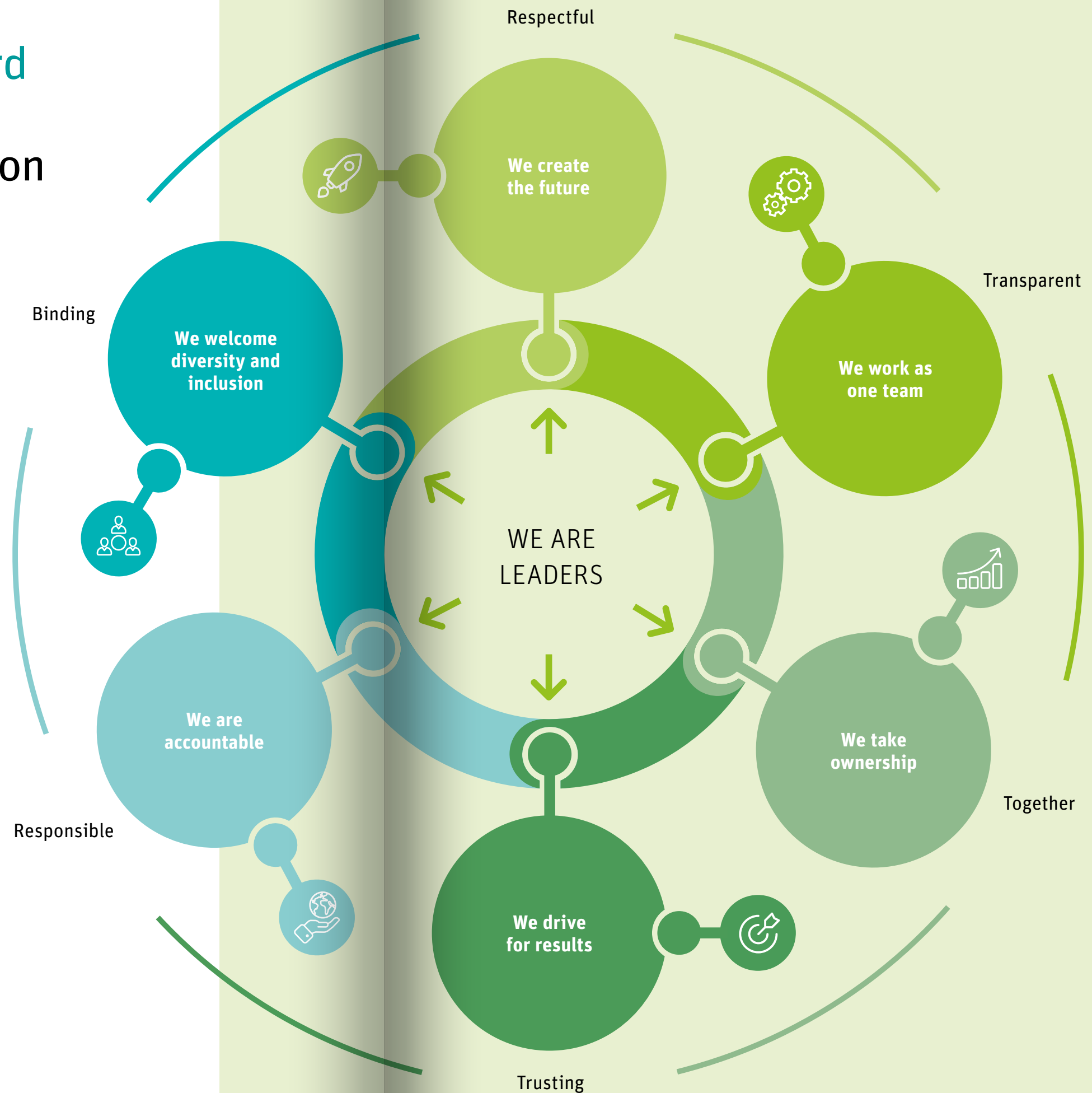




# Our ambition with regard to corporate culture

## Principles for Cooperation & Leadership

Our Principles for Cooperation & Leadership are binding for everyone in the Schwabe Group. They are the heart and soul of all of our activities. Together with our virtues, these principles serve as the guideline for our daily work. They are the foundation for the compliance system we live by within the Schwabe Group.





## Our Virtues

WE AT THE SCHWABE GROUP STRIVE TO LIVE UP TO THE FOLLOWING VIRTUES:

1. **Together:** We have a constructive, committed, creative and cooperative basic attitude. We work actively and collaboratively, both as a team and in teams, as well as in interdepartmental and cross-company projects and processes.
2. **Transparent:** Transparency is the foundation of trust. Transparency enables colleagues and supervisors to identify problems, provide feedback and initiate the necessary changes and improvements.
3. **Respectful:** We treat everyone with respect, and we interact in a polite and appropriate manner.
4. **Binding:** We do what we say, and we only promise what we can deliver. We honor agreements and follow rules and regulations. This commitment ensures that only realistic targets are set and that they can be achieved in a fair manner.
5. **Trusting:** We trust each other and can thus address conflicts openly and solve them in a constructive fashion.
6. **Responsible:** Each one of us is accountable for their individual actions and behavior and thus always acts in a responsible manner.





<b>1. Introduction</b>	<b>13</b>
Why we need a Code of Conduct	
Applicability of our Code of Conduct	
<b>2. We at the Schwabe Group</b>	<b>14</b>
Diversity and non-Discrimination	
Prohibiting harassment	
Our quality	
Environment, health and safety	
<b>3. In dealing with others</b>	<b>22</b>
Conflicts of interests	
Compliance with laws / gifts & favors	
Dealing with healthcare professionals	
Sponsorships and donations	
Fair competition	
Business partner interactions	
<b>4. We protect our company</b>	<b>34</b>
Assets and intellectual property	
Use of IT systems	
<b>5. Reporting and contacts</b>	<b>38</b>





# 1. Introduction

## WHY WE NEED A CODE OF CONDUCT

As an international pharmaceutical company, we at the Schwabe Group have always been committed to working properly and in compliance with regulations. This entails upholding our virtues and honoring the relevant laws, regardless of where we are doing business. Non-compliance can damage our reputation, result in severe fines for our company and have serious consequences for each of us.

Working on an international basis increases the complexity of our business. This Code of Conduct (“CoC”) will help us to do the right thing and uphold our ethical standards in the process. It will support each of us in our day-to-day tasks and provide practical guidance and advice.

The CoC provides examples and a framework; it does not offer answers to every situation that you may encounter. The Schwabe Group’s policies and training give you further guidance.

If there is a discrepancy between our CoC and local laws, we always follow the local legal requirements. If you encounter a situation that seems unclear or if you have any doubt about a specific matter, please contact your line manager, your Compliance Delegate or the Director Global Compliance.

## APPLICABILITY OF OUR CODE OF CONDUCT

Our CoC is binding for all employees of the Schwabe Group and its affiliated companies, including temporary staff, contractors, freelancers and trainees. We know that everybody makes mistakes. At Schwabe we foster a culture where we learn from our errors so we can deal with them in an open and transparent manner. This also means that we investigate possible violations of our CoC and do not look away when we identify a potential problem. Severe cases may result in disciplinary and/or other legal consequences.

Supervisors have a special responsibility to ensure that their teams are familiar with the CoC and live by its standards. Their behavior should be exemplary.

The Schwabe Group sometimes does business with third parties such as representatives, agents, intermediaries or others who are authorized to act for or on behalf of the Group, as well as joint ventures where the Schwabe Group does not have a controlling interest. We expect all such parties to respect and abide by rules and standards comparable to those set-out in our CoC.

We are committed to ensuring that everyone is enabled and encouraged to speak out and to raise concerns without the fear of any form of retaliation.



## 2. We at the Schwabe Group encourage diversity and inclusion and do not tolerate discrimination.

With the diversity of our employees comes unique ideas, viewpoints, talents and values that directly contribute to our success. We therefore encourage a diverse workforce which includes individuals of many different ethnic backgrounds, cultures, religions, ages, disabilities, races, sexes, sexual orientations and genders. We respect the personal dignity, privacy, and personal rights of every individual.

Consistent with our virtues, values and the labor laws of the countries in which we operate, we do not tolerate discrimination or any other offensive behavior against anyone on the basis of any of these characteristics. These principles extend to all employment decisions including recruiting, training, evaluation, promotion and compensation.



- Make sure that all perspectives are heard and appreciated.
- Promote a diverse workforce.



- Do not base your employment decisions on religion, race, gender, sex, sexual orientation or similar factors.
- Do not spread or tolerate the spreading of stereotypes, rumors or prejudice of any kind (including "blonde jokes" and the like), and do not allow yourself to hold stereotypes or biases.



## 2. We at the Schwabe Group do not accept any form of harassment.

We do not tolerate any inappropriate conduct or behavior of any kind that is humiliating, intimidating or hostile or that unreasonably interferes with work performance.

We do not tolerate any posts or behavior with content that is sexual, sexist, gender-biased, politically or otherwise inflammatory, violent, religious, racist, xenophobic, discriminating, harassing or potentially objectionable in any other way.

At the Schwabe Group, every employee has the right to work in an environment free from harassment. Any form of harassment or discrimination (including physical actions, verbal or written remarks, or visual depictions) is strictly prohibited.



- Enable your colleagues to thrive in the workplace by creating an open and friendly culture.
- Feel encouraged to proactively contribute to a positive atmosphere.
- Treat others the way you want to be treated.



- Do not make jokes or comments that other people may perceive as offensive.
- Do not abuse your role towards your staff members.





## 2. We at the Schwabe Group ensure the quality of our products and our patients' safety.

At the Schwabe Group, complying with legal and regulatory requirements is a top priority along with fulfilling our customers' demands in terms of our supply chain and general good practice (GxP) standards. We strive to create premium products, generate excellence and make sure the quality of our work is outstanding.

Having a strong emphasis on well tolerated health products is central to our day-to-day operations. Good tolerability is a key asset of our products. To ensure this, the Schwabe Group maintains a state-of-the-art Good Vigilance Practice (GVP) system in compliance with legal and regulatory requirements. In doing so, we strive to sustain a trustworthy and cautious reporting attitude. We continuously improve our processes not only so that our products benefit our customers, but so they also are sustainable and responsibly manufactured.



- Actively contribute to the continuous improvement of our product quality.
- Strictly adhere to all GxP requirements.
- Establish and maintain a state-of-the-art quality management system.
- Make quality a day-to-day task for all of us.



- Do not undermine the quality system of the Schwabe Group by being negligent.
- Mistakes happen; do not hide them, because we can all learn from them.
- Do not take potential safety concerns for our products lightly.



## 2. We at the Schwabe Group maintain a safe workplace.



Having a strong emphasis on the environment, health and safety (EHS) is vital to our everyday work. We strive to act sustainably and responsibly in order to protect the environment as well as the health and safety of our employees, business partners and communities in which we operate.

The Schwabe Group operates a state-of-the-art EHS system which complies with legal and regulatory requirements. We optimize the way we work every day so that our products and processes are sustainable, responsibly created and the best they can be. Both today and in the future.



- Strictly adhere to all EHS rules and procedures.
- Always play an active role when EHS is concerned: report and help eliminate potential risks, and improve processes and systems.
- Actively contribute to the continuous improvement of EHS measures.



- Do not undermine the EHS efforts of the Schwabe Group by being negligent.
- Do not waste resources of any kind.
- Do not be passive or indifferent when you encounter potential EHS risks.



### 3. In dealing with others, we strive to avoid conflicts of interest.

It is imperative for us to avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our daily work on behalf of the Schwabe Group. It is the duty of every employee to make business decisions in the best interest of the Schwabe Group, not based on his or her own personal interest. We must never use company property or information for personal gain, nor may we take personal advantage of any opportunity that arises in the course of our work.

We expect our employees to fully focus on their obligations towards the Schwabe Group and refrain from additional professional activities that might affect our objectives. While we do not intend to impose limitations of private activities in local politics, charitable organizations or the like, we must all be transparent when it comes to direct or indirect involvement – including consulting of any kind, making significant equity investments and/or other financial interests – vis-à-vis the Schwabe Group's competitors, customers or business partners.



- Always disclose your own interests that may potentially benefit you or third parties (e.g. customers, consultants, physicians, pharmacists, family members, business partners).
- Act responsibly and in the best interest of the company and the best interest of the Schwabe Group.



- Do not make employment and business decisions based on personal relationships.
- Do not circumvent internal selection and approval processes.



### 3. In dealing with others, we strictly prohibit all forms of bribery and corruption.

The Schwabe Group's interpretation of anti-bribery and anti-corruption laws is very clear: we must not directly or indirectly engage in bribery or offer, authorize or accept any form of kickback to or from a public official or a private party. This also means that we do not make facilitating payments, i.e. monetary contributions to representatives or authorities to speed up or simplify transactions.

We do not offer or accept gifts, hospitality, entertainment or other invitations that could create the appearance of improper influence.

The Schwabe Group acknowledges that the legitimate and transparent exchange of gifts and hospitality can promote good business relationships and create goodwill. Every Schwabe Group employee must act with caution to avoid any perception of improper relations with or influence over third parties or potential third parties, including customers and business partners.



- Be especially mindful when hosting public officials.
- When giving or receiving a gift, do so in an open and transparent manner and always in accordance with our internal policies and processes.



- Do not provide or accept any gifts or entertainment if they go beyond common courtesy.
- Do not use gifts and hospitality to obtain business.
- Do not demand any favors or hospitality.





### 3. In dealing with others, we adhere to the rules that apply to healthcare professionals.

We are a compelling and successful presence on the market because of the quality of our products. Consumers can rely on the recommendations from healthcare professionals and trust that these are made in good faith.

We therefore reject any form of improper payments or the granting of benefits that might unduly lead such professionals to recommend our products.

We interact with healthcare professionals for the purpose of fostering scientific information about diseases and promoting the most beneficial use of our products for our consumers.



- Be familiar with the guidelines and processes for interacting with healthcare professionals.
- Declare the correct type, value and frequency of any gift or hospitality provided.



- Do not ask or pay for positive reports in the media.
- Do not give false information about our products.



### 3. In dealing with others, we consciously choose to support the communities we live in and how we present ourselves in the markets in which we operate.

We aspire to be recognized as a responsible and supportive corporate citizen and, as an integral part of society, to fulfill our responsibilities to the cultures and communities in which we are active.

At the Schwabe Group, we aim to contribute to the communities where we do business by making investments and being involved. We are committed to building relationships based on mutual respect and trust with all of our stakeholders in those places.

In furtherance of this commitment, the Schwabe Group cultivates and supports a range of corporate citizenship activities such as sponsorships (i.e., supporting or promoting people, organizations or events by offering financial assistances, donating items or services with the intention of enhancing our image or receiving sales promotion in return) or charitable donations, which unlike sponsoring does not involve any expectation of consideration in return.



- Carefully examine whether a sponsorship or a donation is in the interest of the Schwabe Group.
- Always have in mind how a sponsorship or donation can affect the reputation of the Schwabe Group.



- Do not promise donations in exchange for personal benefits or to obtain business.
- Do not engage in sponsorships for events that are not compatible with our virtues.







### 3. In dealing with others, we value fair competition.

In all regions and countries where we do business, we are committed to competing vigorously but fairly for suppliers, business partners and customers.

National and international antitrust laws are designed to protect fair and free competition. They ensure that the best interests of our customers are served. We will make sure that all business practices fully comply with competition law whenever and wherever business is conducted.

We do not enter into talks, agreements or discussions of any kind with competitors or business partners, nor do we coordinate with such parties, if there is any risk of violating antitrust or competition laws with regard to topics such as fixing prices, modifying quantities, asserting claims on markets or customers, or abusing a dominant position in a particular market.



- Be mindful not to disclose any sensitive business information with competitors; if in doubt, check with your local Compliance Delegate prior to such meetings.
- Use only our own business intelligence and the strength of our products to compete on the market.



- Do not discuss pricing or business-sensitive information with competitors.
- Do not use confidential competitor information to obtain business for the Schwabe Group or for your personal benefit.



### 3. In dealing with others, we select and monitor our business partners carefully.



It is our objective to conduct business solely with reputable partners. We do not tolerate any violations of laws in areas such as anti-corruption legislation, antitrust policies, environmental regulations or human rights.

Business partners must demonstrate that their funds are derived from legitimate sources. We are committed to the international fight against money laundering and against financing terrorism or drug trafficking.

Payment transactions are never conducted in cash and we do not transfer payments to bank accounts in countries where sanctions are in place. Transfers to private bank accounts of business partners or third parties are prohibited.



- In your interactions with potential or existing business partners, consider not only economic factors but their reputational aspects as well.
- Identify relevant shareholders among business partners and customers, ultimate beneficial owners, and legal representatives.



- Do not work with a supplier or distributor who uses child labor.
- Do not accept payments without knowing their origin so we can ensure that they come from legitimate sources.



## 4. We protect our company, its assets and intellectual property.

The Schwabe Group's physical assets are instrumental to performing our day-to-day operations and achieving our ambitious business objectives. These assets include not only money but equipment, raw materials and products, as well as manufacturing sites, laboratories and research facilities. In addition, we regularly generate valuable, non-public data, expertise, processes, and other kinds of business information which we own and need to protect, such as intellectual property or trade secrets. Information of this kind is a large part of our competitive advantage.

We all have the responsibility and legal duty to protect all physical and intellectual property as well as the assets of the Schwabe Group. In addition, it is our obligation to safeguard any confidential information entrusted to us by our customers, suppliers and other business partners as carefully as we protect our own information. This includes good stewardship and wise use of all company resources.



- Ensure that business and trade secrets are properly secured stored and access is limited.
- Lock your screen when you leave your workplace.



- Do not discuss confidential information in public places.
- Do not waste corporate resources by taking unnecessary business trips; consider the use of telephone or video conferences wherever appropriate.



# 4. We protect our company, its information and communication systems.

Email services are provided for business purposes only. When sending and receiving emails and attachments via our Schwabe Group account, we apply the same standards of care and handling as we use in hard-copy communications. Always bear in mind the potential consequence of such information becoming public.

We do not use the Schwabe Group's IT systems, internet access, email accounts or any other information and communication media for illegal or unethical purposes. Searching, downloading or forwarding information with content that glorifies violence or has a racist, propagandistic or pornographic nature is regarded as particularly abusive. When using the Schwabe Group's IT systems, we remain mindful of potential threats resulting from cyber attacks, and we therefore act with appropriate caution.



- Draft all communication in a professional manner.
- Immediately alert the IT department if you have accidentally clicked on a suspicious link or if you are unsure what to do with a suspicious email.
- Use secure unique passwords and store them safely, e.g. in the KeePass app.



- Do not forward e-mails to any private account.
- Do not store data on non-company devices or on internet services which have not been approved.
- Do not reuse passwords for multiple systems (especially not from private life).



## 5. Reporting and contacts

Everyone who speaks up and reports a concern or a case of non-compliant conduct is doing the right thing. The Schwabe Group encourages such behavior and does not tolerate any form of retaliation against those who speak out or raise a concern in good faith.

The Schwabe Group takes reports of potential violations of our CoC seriously and is committed to investigating allegations of misconduct promptly and professionally; it seeks to protect the anonymity of the person who made the report to the greatest extent possible.

Our CoC cannot describe or cover every conceivable situation that an employee might encounter in his or her day-to-day work. Therefore, in deciding whether an action or omission could constitute a violation of our CoC or the law, your common sense can serve as a compass along with the following questions:

- Does this conduct comply with the law and professional ethics?
- Is it inconsistent with the letter and/or spirit of our CoC?
- Could it be viewed as dishonest or unethical?
- Would it harm the reputation or credibility of the Schwabe Group or myself if it became public?

In any case, the Schwabe Group encourages you to speak up if you feel uncertain or have second thoughts about something you have seen or are aware of an issue that raises your concern.

To ask any question about our CoC in particular or compliance in general or if you want to report (potential) misconduct, you have the following channels to choose from:

Your local Compliance Delegate

or contact our global compliance inbox:  
**[compliance@schwabe-group.com](mailto:compliance@schwabe-group.com)**





