

Anti-Corruption Policy

December 2024



The JGL Group aims to comply with the highest ethical standards in all its business transactions all over the world and has, therefore, adopted a code of ethics (hereinafter: Code of Ethics) applied at the JGL Group level. All employees may be proud of our reputation as an ethical and responsible company. The JGL Group complies with laws, business customs, and market practices of the countries in which it operates, and it does not permit corruptive business practices or partake in them.

In order to comply with legal obligations in all territories where we operate, we have implemented this anti-corruption policy (hereinafter: Policy) by establishing our expected standards of legal and ethical operation. We have ensured consistency and uniformity in the application of this Policy to all our business relationships in the entire JGL Group in any territory.

This Policy applies to all employees of JADRAN-GALENSKI LABORATORIJ d.d. (JGL d.d.) company and/or its representative offices and all its affiliated companies in all territories (hereinafter: JGL Group or Company).

For the purposes of this Policy, an affiliated company shall mean any legal entity in majority ownership (more than 50% stake) or under control, directly or indirectly, of JGL d.d. or one of its affiliated companies in any country.

CORRUPTION

Even though there is no single generally accepted definition of corruption, and it may vary depending on the territory, in a wider sense, corruption may be defined as **any departure from the established norms and/or abuse of public or official powers with the aim of personal benefit or benefit of affiliated persons in either the public or private sector.**

This includes, for example, without limitation, giving, offering, promising, accepting, or asking for benefits/advantages as an incentive to perform an action aimed at exerting inappropriate influence on individuals in order to obtain or retain economic benefits in the form of active (offering, promising, or giving inappropriate advantage) and passive (demanding or accepting inappropriate advantage) bribery.

BRIBE (BRIBERY)

Bribes entail direct or indirect giving, offering, promising, accepting, requesting, or seeking pecuniary or non-pecuniary and/or tangible or intangible benefits regardless of value thereof in order to obtain or retain an unjustified advantage in the performance of business activities irrespective of whether the recipient of the bribe or the benefactor is a domestic or foreign government official or an individual acting for the benefit of a company and/or performing a function of trust, regardless of the location of such giving/receiving of the bribe or commission of another corrupt act, and irrespective of whether unjustified advantage or inappropriate performance of the function or activities are actually obtained through such an act. In the context of a bribe offering, it is complete as soon as an offer is made.

In principle, apart from natural persons, legal persons may also bear responsibility for receiving and giving bribes, in compliance with applicable regulations.

NEPOTISM

Although nepotism has no legal definition, it entails favouring relatives or friends, especially through the assignment of jobs/work on the basis of personal relationships instead of expertise or merit.

ZERO TOLERANCE FOR BRIBERY, CORRUPTION AND NEPOTISM

The JGL Group:

- Aims to lead an active policy against bribery and corruption by promoting ethical conduct and professionalism among its employees in daily operations where bribes and corruption are prohibited in compliance with the Code of Ethics;
- Applies high standards and practices aimed at preventing bribery and corruption while investing in raising awareness of its employees regarding the prohibition of bribery and corruption;
- Includes anti-corruption provisions in contracts concluded with its business partners;
- Encourages reporting of detected conflicts of interest, both internal and external, ensuring secure management of the same;
- Reserves the right to refuse to establish and/or continue business or any other cooperation if it determines that an act of bribery or corruption was committed;
- Requires the maximum level of compliance from its employees, leaving no room for bribery and corruption;
- Prohibits all forms of bribery and corruption in direct and indirect forms, and it will not tolerate the involvement of its employees in any form of corruption;
- Will examine all facts and information within the framework of investigations of suspected bribes and corruption;
- Will not punish its employees, and they will not suffer any consequences for reporting or declining to participate in acts of giving/receiving bribes and corruption;

- Documents its own business activities in a transparent manner, allowing representation and evidencing of their justification in specific situations (e.g. inspections). Business transactions are included in accounting records, and they are described and recorded in appropriate accounts;
- Will support anyone expressing concerns in good faith regarding this policy, even if it turns out they are wrong;
- Prevents nepotism through fair and objective assessment of work performance and clearly defined and transparent hiring criteria.

FINANCIAL MANAGEMENT AND THE SYSTEM OF INTERNAL CONTROLS

Financial management and the system of internal controls are strong weapons in combat against corruption. It entails clearly defined business objectives and determined associated risks, a defined system of authorities and responsibilities, determined rules of operation with defined controls, and a developed reporting system allowing ongoing supervision of business performance. This ensures the achievement of objectives, timely interventions when objectives are not met, and the detection of irregularities, potential fraud, or unlawful acts in the course of business. Implementing measures in the development of this system will undoubtedly yield the desired effects in the fight against corruption, fulfilling systemic prerequisites for its prevention and detection.

PROHIBITED ACTIVITIES

All JGL Group employees are prohibited from:

- Awarding, offering, or promising property benefits such as payments, gifts, invitations or other benefits with the expectation or hope of obtaining unlawful advantage or giving compensation (even non-financial, e.g. reputational, access to deciding bodies, false recommendations, access to privileged information etc.) to any party because it already provided or agreed to provide such an advantage;
- Influencing awarding of works/hiring within the JGL Group, promising employment or another right in exchange for a property benefit or any other benefit or if the activity manifestly contravenes the principle of equality before the law;
- Using privileged information on activity, operations, and business of the JGL Group for personal gain or for gain of an affiliated person;
- Accepting, requesting, or permitting offers of payments, gifts, invitations, or other benefits to them or to persons affiliated with them where such benefits are known or suspected to be offered in expectation of unlawful advantage for the counterparty;
- Offering or accepting property benefits, such as payments, gifts, or other benefits through a third party (an intermediary), for themselves or a person affiliated with them in the manner set out above under (a) and (d);
- Advertising our products to healthcare professionals and organisations contrary to applicable legislation, i.e. by:
 - Giving, offering, or promising any form of financial or personal benefit (especially gifts, rewards, excursion trips), paying for hospitality or any compensation contrary to the law and/or applicable codes of professional ethics;
 - Organising and/or financing gatherings where hospitality surpasses the primary purpose of the gathering, where the contents of a professional nature are not prevailing, and/or in a manner contrary to the law and/or applicable codes of professional ethics;
 - Engaging in the provision of services other than for healthcare and research purposes, without any written agreement, without any legitimate need, and without the required expertise and/or otherwise contrary to the law and applicable codes of professional ethics;
- Performing any other activities or transactions in breach of this Policy or applicable legislation on the prevention of corruption.

KEEP IN MIND THAT CORRUPTION IS MOST OFTEN MATERIALISED IN THE FOLLOWING FORMS:

- a. You become aware that a third party participates or is accused of participation in an inappropriate business practice;
- b. You find out that a third party is reputed to give bribes or request the payment of bribes to them;
- c. A third party demands payment in cash and/or refuses to sign a contract or submit an invoice or a receipt for a payment;
- d. A third party demands payment in a country or at a geographical location different from the one where the third party resides or operates;
- e. A third party demands an unexpected additional fee or commission to "facilitate or expedite" a service;
- f. A third party demands a lavish party or gifts before commencing or continuing negotiations;
- g. You receive a third-party invoice which appears non-standard or adjusted;
- h. A third party insists on the use of accompanying letters or refuses to set agreed terms and conditions in writing;
- i. A third party demands the use of agents, intermediaries, consultants, distributors, or suppliers not normally used by the JGL Group or entirely unknown to the JGL Group.

GOVERNMENT AND PUBLIC OFFICIALS

The JGL Group shall not offer, promise, give, request, demand, or accept any form of facilitating payment from government and state officials, officeholders or persons affiliated with them.

JGL Group employees must cooperate with government and public officials and all other public authorities transparently and professionally.

POLITICAL CONTRIBUTIONS

Political contribution means financial support or support in kind given directly to political parties, their elected representatives or persons seeking political office or to political objectives.

Financial contributions may include donations, loans, sponsorships, compensation, or the purchase of tickets for fundraising events and other similar activities. Contributions in kind may include advertising, use of facilities, design and print, donation of equipment, provision of board memberships, employment, or consultative work for elected politicians or candidates running for office.

An indirect political contribution pertains to those made through an intermediary organisation such as a lobbyist or a charity or support given to an organisation such as a think tank or a trade association affiliated with specific political parties or objectives or supportive of them.

The JGL Group respects and complies with the law regarding political contributions in markets where it operates.

Since political contributions are normally prohibited, before any political contribution is given on behalf of the Company, it shall always be necessary to contact the corporate office for legal affairs and intellectual property in JGL d.d. (hereinafter: Legal Affairs) to verify whether the same is permitted under the local laws. If permitted, it shall be necessary to obtain prior authorisation from the JGL d.d. Board of Directors before a political contribution is made on behalf of the JGL Group.

LOBBYING

Elements substantially determining the lobbying practice:

- representation of particular interests, which are specific interests of a certain group, organisation, or sector and which may differ from the general interests of the wider public as defined in business decisions
- communication with public officeholders, and
- attempts to influence the formulation of public policies.

Lobbying always involves various particular interests aimed at influencing decisions at the political level. The influence may be achieved through:

- direct communication with government officials and/or officeholders (lobbied persons)
- indirect communication directed towards the wider public meant to spur the public to take action to influence the shaping of public policies.

Local laws prevent inappropriate influence on government and public officials and may restrict ways in which the Company, as a lobbyist, participates in the political process.

The JGL Group may be involved in legitimate lobbying activities while complying with all applicable regulations.

In this context, every type of unlawful activity, such as impermissible influence on government and public officials, is prohibited. Lobbying must be based on the principles of openness, transparency, accountability, conscientiousness, and integrity. It must not include giving incorrect, incomplete, or deceptive information, offering or giving gifts or any other benefits to lobbied persons, or incentivising the lobbied persons to act contrary to applicable regulations. The JGL Group shall always make clear information on its lobbying activities publicly available.

In every case, Legal Affairs must be consulted before the commencement of lobbying activities.

Lobbying may also be additionally regulated in JGL Group companies in compliance with regulations applicable in each territory.



CONFLICT OF INTEREST

A **conflict of interest** occurs when the personal interests or relationships of employees or contractual partners conflict with the interests of the JGL Group. In such cases, the objectivity of the employees or contractual partners working for and on behalf of the JGL Group may be impaired.

Through the adopted Code of Ethics, employees are made aware that they must put the interests of the JGL Group before their own personal interests. Under the provisions of applicable legislation and internal acts of the JGL Group, employees must avoid situations of actual conflict of interest, including those that may appear as a conflict of interest in relation to their position, their work/job, and themselves personally.

Employees should refrain from becoming involved in any situation where their objectivity in business decision-making might be called into question due to an assessed conflict of interest. In cases of suspected conflict of interest, it is necessary to contact Legal Affairs first to check if a given situation represents a conflict of interest.

Every potential conflict of interest must be reported to Legal Affairs and/or by means of a report of irregularity through the secure reporting channel.

DONATIONS, SPONSORSHIPS AND TRANSFERS OF VALUE

As a socially responsible legal person, the JGL Group occasionally gifts a portion of its income for charitable, cultural, and other generally useful purposes in view of its social responsibility, moral principles, and principles of professional ethics championed by the Company.

The JGL Group does not make charitable donations or offer sponsorships to obtain more favourable busi-

ness conditions. Therefore, in each such activity, it must act transparently and responsibly, comply with applicable local laws, and adopt integrity standards to prevent potential corruptive conduct.

All activities related to sponsorships and/or providing financial/pecuniary benefits in exchange for promotion, advertising, or other marketing benefits fall under the provable communication and marketing services of organisers/partners and must be conducted transparently. No account may be kept "off the books" in order to facilitate or conceal inappropriate payments.

The JGL Group supports laws and regulations that promote transparency in relations among healthcare companies, healthcare professionals, and healthcare organisations concerning transfers of value.

GIFTS AND CORPORATE HOSPITALITY

Business decisions should be based on principles of competitiveness and fair market operations. Giving or receiving gifts or corporate hospitality may create an impression that other factors influence business decisions.

Gifts or corporate hospitality must not be offered or accepted for inappropriate purposes. They must be suitable in a given context and in compliance with the provisions of the law and applicable codes of business ethics. Costs directly related to the promotion of Company products or services shall only be acceptable if they are reasonable and not incurred with the purpose of providing ill-founded and/or unentitled business advantage.

However, government officials or other persons must not be promised, offered, paid, given, or approved giving of anything that might be reasonably considered attempted influencing with the aim of unentitled business advantage in obtaining or retaining work or if that might have an adverse effect on the reputation of the Company.

The principles relied upon by this Policy must be adhered to in conducting business regardless of the monetary value of everything given to a government official or any third party.

Gifts – money and money equivalents, objects regardless of their value, rights, and services given and received without compensation or consideration.

Corporate hospitality – includes business entertainment and subsidies for professional study travel of healthcare professionals:

a. corporate entertainment

- business-justified entertainment of government officials, healthcare professionals, or business partners in the form of meals, drinks/beverages, receptions, and parties.

b. Professional study travel of healthcare professionals

- Subsidies for professional training of healthcare professionals (HCP) in the form of registration fees, accommodation, transport, etc., in relation to travel of healthcare professionals to medical professional congresses in the country and abroad.

Gifts and corporate hospitality:

- must be in compliance with all relevant laws and regulations as well as internal acts of the Company
- must be in line with the business interests of the Company and in pursuit of a lawful purpose
- must be in line with customary business practice
- must be within the limits of local standards or industry standards
- must not be given in cash or cash equivalents regardless of the amount or recipient
- must not be regular
- must be given publicly and not secretly
- must be given on behalf of the Company and not on behalf of an employee
- the intention behind a gift and corporate hospitality should always be considered
- must be given and received without expectation of reciprocity

- must be recorded accurately and transparently and accompanied by prescribed documentation
- Must be duly marked and in compliance with requirements of the law in case of promotional gifts to healthcare professionals.

The gifts and hospitality cost approval procedure shall be performed in compliance with the internal acts of the Company.

Employees must not use personal assets or a third party to circumvent the requirements set out in this Policy.

CONTRACTUAL PARTNERS (SUPPLIERS AND OTHER PARTNERS OF THE JGL-GROUP)

The JGL Group shall always establish business relationships with suppliers, consultants, intermediaries, business partners, and other persons based on an assessment of their expertise, professionalism, competitiveness, and business integrity. In addition to the above, it shall take into account and examine the values the particular contractual partner is committed to.

The JGL Group shall cooperate with trusted suppliers and select them based on clear and documented criteria, in compliance with a clear and transparent procedure, avoiding all conflicts of interest, including potential ones.

In order to achieve ethical business operations, the JGL Group shall encourage the contractual partners to comply with and apply laws and other applicable regulations related to bribery and corruption. The final selection of suppliers shall be performed on the basis of criteria determined in internal acts, and departures therefrom shall only be possible in prescribed/exceptional cases.



COOPERATION OF EMPLOYEES, TRAINING AND CERTIFICATES

The JGL Group's commitment to the high standards of ethical business conduct depends on all employees to whom this Policy applies. For this purpose, the Company expects all employees to comply with this policy, attend training, and submit, upon request, a written certificate of their understanding and compliance with this Policy.

From time to time, the Company may request the assistance of its employees in relation to the application of this Policy, and in such cases, they are expected to provide full support and cooperation. Any failure to provide full and true cooperation shall itself represent a violation of this Policy.

Depending on the business obligations of its employees, the Company may require them to undergo training regarding issues related to this Policy. Such training is customary for implementing this Policy and in accordance with best practices in combatting corruption.

Likewise, from time to time, the Company may request its employees to submit a certificate confirming that they are familiar with this Policy and that they conduct business in accordance with it. When the Company requests an employee to undergo training or submit the certificate, it shall not mean that they violated this Policy or any anti-corruption legislation or that they are suspected of the same. It simply means that the Company is doing everything in its power to ensure compliance with the anti-corruption legislation.

REPORT OF SUSPECTED BRIBERY AND CORRUPTION

There is a risk of unlawful acts and irregularities in nearly all working environments, which can negatively impact the entire JGL Group. Employees and others in the working environment are often the first to notice these issues. The JGL Group expects its employees, business partners, and all others it engages in any form of business cooperation to report irregularities and/or suspicion of bribery and

corruption upon becoming aware of the same in accordance with local regulations and internal acts of the JGL Group.

The JGL Group implemented an internal system for reporting irregularities in compliance with applicable regulations. Information on options available for contacting a person of trust and the use of such a system to report irregularities is available through the following link: [Report of Irregularities – JGL](#).

The JGL Group guarantees the confidentiality and protection of the persons submitting reports, especially protection against any negative repercussions they may face in their working environment as a result of their report. On the other hand, persons submitting a report must act in good faith, and they must not abuse their opportunity to submit a report.

In case of well-founded suspicion of any form of irregularity, the JGL Group shall conduct an investigation, determine facts and circumstances, and reach its decision.

A violation of this Policy by an employee of the JGL Group shall be deemed a grave breach of employment obligations, and the JGL Group shall then be authorised, pursuant to applicable regulations, to take appropriate steps in the manner as regulated by the Code of Ethics and other internal acts of the JGL Group.

Each employee of the JGL Group is responsible for the success of this Policy, and care should be taken to ensure that they apply it to detect every suspicion of danger or abuse. Every employee must be certain that they have read and understood this Policy.

The JGL d.d. Board of Directors shall be responsible for aligning this Policy with legal and ethical obligations and ensuring its application by all the employees and other persons engaged by the Company to perform works (e.g. students, volunteers, independent contractors, etc.).

REVIEW OF ALIGNMENT WITH THE ANTI-CORRUPTION POLICY IN OPERATION OF THE JGL GROUP

The JGL Group shall perform periodic reviews to ensure compliance with this Policy and submit reports on the results of such reviews to the JGL d.d. Board of Directors, including all corrective measures taken in cases of violations of this Policy.

Every JGL Group employee is invited to comment on this Policy and propose ways in which it could be improved. Remarks, proposals, and questions should be sent to Legal Affairs.

The issues regulated by this Policy may also be additionally regulated in JGL Group companies in compliance with regulations applicable in each territory.

JGL d.d. will, as necessary, amend this Policy, internal acts and guidelines according to requirements arising from legislation and/or business practices. It will inform all parties to which the amendments relate in a timely manner.

If an employee is unsure of how to act appropriately in a specific case or has additional questions related to this Policy, they may contact Legal Affairs.

In this Policy, expressions which have gendered meaning are used in a gender-neutral way and refer to the female and male genders equally.

This Policy shall take effect on the 8 (eighth) day from the day of posting on the JGL d.d. notice board and is issued by the Board of Directors of JGL d.d.

President of the Board of Directors
Ivo Usmiani, mag. pharm. spec.

