

Code of Conduct

All you need to know



Honest business

In Coloplast, we believe in honest business. To us, bribes, excessive wining and dining and lavish resorts aren't OK. We're smarter than that, and we can win in this business without it.

This Code of Conduct is our global minimum standard: the rules that every single one of us must know and live up to. Remember that in some countries, local rules might be stricter than Coloplast's.

At first glance, the Code of Conduct may seem to be complicated. Actually, it's pretty simple when presented in a straightforward manner. That's the purpose of these guidelines: to present the rules of conduct in a simple, straightforward manner.

The stakes for not behaving ethically are high. If we try to cut corners, we risk jeopardising not only the credibility of our company, but the credibility of all our employees and everybody doing business with us.

Better no business than bad business – that's my personal message to you. It's OK to lose a business opportunity if you have to break the Code of Conduct to win it.

Lars Rasmussen

President, CEO



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Code of Conduct package

Coloplast's Code of Conduct package contains 3 documents:

- The Code of Conduct – primarily for contractual purposes;
- Guidelines (this document) – explaining all parts of the Code of Conduct in plain language; and
- Briefs on specific topics – going in-depth on topics such as gifts, congresses, etc.

The Code of Conduct and these guidelines replace all existing corporate codes of conduct in Coloplast.

You'll find it all on [Connect > Policies > Code of Conduct](#).

Please remember that local rules are stricter than these guidelines in some countries, including the United States, Australia and Sweden.

In the United States, the rules governing interactions with healthcare providers are highly structured, and US Legal should be routinely consulted.





01

Corruption
and bribery

Corruption and bribery

Coloplast's policy on bribery is crystal clear: we never engage in it. As a Coloplast employee, you can never offer or accept bribes.

Bribery means that you convince someone to break the rules by offering a personal gain such as cash, gifts or other benefits. This includes:

- Paying a tender committee to win a tender or get inside information;
- Paying healthcare professionals per new patient discharge or prescription;
- Paying healthcare professionals or public officials to choose our products;
- Paying to get a registration, permit or products on a remuneration list, etc.; and
- Giving gifts or cash to a customs officer to get goods across the border faster (facilitation payments).

Facilitation payments are bribes or gifts paid to perform or speed up a routine process, such as passing goods through customs or issuing a permit. In Coloplast, this is considered a bribe, and you must never make such a payment. The only exception is if you're physically threatened.

Questions

I was asked to pay 20 USD to get goods through customs – what should I do?

We could win a big bid by paying just 1,000 USD to an official. Shouldn't we secure the bid?

Our competitors pay 100 USD per New Patient Discharge. Can't we do it too?

I suspect a competitor of bribery. What should I do?

Answers

You should firmly refuse. Coloplast does not allow facilitation payments. The only exception is if you're physically threatened.

No, you should refuse to pay. It would be a bribe, and we don't engage in it.

No, it would be a bribe. They might do business in an unethical manner, but we don't.

Contact Corporate Legal and provide documentation, if possible.





02

Fraud and
conflict of
interest

Fraud

Good sales figures, excellent performance and titles are no excuse for fraud, whether large or small.

Fraud includes:

- Stealing or not returning office equipment, including computers and phones, for example, or unauthorisedly transferring Coloplast funds and office equipment;
- Misusing company resources for private purposes, for example: privately renting out Coloplast company cars, using machinery for private production, getting preferential treatment or free goods or services from Coloplast suppliers for private purposes, or reporting private expenses as business related;
- Making false expense claims;
- Forging invoices or documentation;
- Stealing intellectual property; and
- Intentionally filing false financial records or statements.

Fraud is dishonest and entirely contrary to Coloplast's values and culture. It will not be tolerated, and potential criminal cases will be forwarded for prosecution.

Questions

I'm travelling long-distance for Coloplast. Is it OK if I buy a magazine or an iPod and claim it as an expense in my travel claim?

I am concerned that our sales figures are not correct. What should I do?

Coloplast's local cleaning company has offered to clean my house if Coloplast renews their contract. What should I do?

Answers

No, that's not OK.

Magazines and iPods are personal items that are not relevant to our business. It is not OK to use Coloplast funds for private purposes.

Discuss it openly with your manager. If you are uncomfortable with that, contact Corporate Finance or use the whistleblower hotline.

Decline the offer. It would be a misuse of Coloplast's relationship with the supplier.

Conflict of interest

In Coloplast, your decisions and activities should be based on the needs of the company – not on personal interests or relationships.

You should not be involved in activities or have financial interests that conflict with your responsibilities in Coloplast.

Examples of conflict of interest situations include:

- Buying goods or services from a company owned by you or a close friend or relative;
- Doing business with other business partners, for example a distributor or agent owned by you or a close friend or relative;
- Using company resources for private purposes, unless formally agreed to; and
- Giving or receiving gifts of significant value could represent a conflict of interest.

The mere appearance of a conflict can have negative consequences, even if nothing wrong is intended.

To avoid doubt, you should tell your manager, country manager or HR representative about outside financial interests or relationships that may present a conflict.

Questions

Can I accept a gift from a customer or business partner?

My wife has a company that can deliver a high quality solution to our company. Am I not allowed to do business with her, even if it's in Coloplast's interest?

Answers

Our Code of Conduct allows you to receive a gift of symbolic value from a business contact. If you are in doubt, you should check with your manager whether there are any local regulations that prohibit you from accepting gifts of symbolic value.

Never accept cash gifts, shopping vouchers or expensive items.

Your wife's company should not be excluded from doing business with Coloplast. However, you must involve your manager or colleagues in the selection process, so that there is no doubt in anyone's mind that the choice of a business partner is not influenced by personal interests. Be open about the personal relationship.





03

Dinners,
entertainment
and gifts

Dinners and entertainment

In Coloplast, we sometimes provide a snack or meal when we have meetings with healthcare professionals.

You can invite healthcare professionals out for meals or dinner, but there must be a significant professional purpose. You cannot invite healthcare professionals out for purely social events or dinners.

Examples of legitimate purposes include contract negotiations, product presentations, sales presentations or meetings with an educational purpose.

The catering or restaurant must be modest and in line with the professional purpose of the meeting.

It's always a good idea to pay for lunch at the healthcare professional's place of work, in the hospital canteen, for example. Another good idea is to bring breakfast or a cake to share with a hospital department.

Questions

Can Coloplast invite healthcare professionals to the theatre?

We're hosting a dinner for healthcare professionals. Is it okay to have entertainment on the programme?

Can I invite healthcare professionals out for drinks or to a disco?

What's a modest restaurant?

Answers

No. Theatre trips, sports events and concerts are entertainment, and it is inappropriate to invite healthcare professionals to such events.

A dinner band, quiz or something similar is normally OK, as long as it fits in with the educational or professional purpose of the event. Note that this is not allowed in Germany or the United States.

Going for a beer with a healthcare professional is not a problem if that is a normal occurrence in that country, and if it is done in conjunction with a professional event such as a congress, training, symposium etc. Taking healthcare professionals to a club is not OK.

It's a place you would go for a good meal, situated in a convenient location. You should feel OK with the place if the dinner was reported in the newspapers.

Gifts

Giving small gifts to healthcare professionals is standard practice in most of the countries where we do business. The rules on gift-giving are clear.

You can give gifts that:

- Are related to the healthcare professional's practice; or
- Serve an educational purpose; or
- Benefit patients.

In any case, the gift must be modest. Coloplast has no fixed monetary limit on gifts at the corporate level, although some countries have a local limit (see the brief on gifts for more details). In any case, you need to use your judgement and common sense. It is always a good idea to give gifts with a Coloplast logo, but it is not a requirement.

Examples:

Gifts that are OK

Mugs, coffee/tea sets, pens, calendars, inexpensive nurse watches, textbooks, USB sticks or CD/DVDs with educational materials, toys for the waiting room and laser pointers. Flowers are OK in most countries.

Gifts that are OK at conferences or symposia only

T-shirts and conference bags.

Gifts that are NOT OK

Expensive items, cash, iPods, iPads, laptops, cameras, telephones, supermarket vouchers, travel bags and wine openers.

In the United States, rules are more restrictive, and gifts are generally precluded, except in rare circumstances defined within the US policies.

Questions

What kinds of gifts are inappropriate?

Is it OK to give a birthday present to a nurse?

Can I give wine or spirits?

Can I give T-shirts and conference bags?

Answers

Cash gifts are absolutely forbidden. The same goes for supermarket vouchers, travel vouchers and expensive items. The rules also prohibit gifts for personal use only, such as travel bags, wine openers, sunglasses, etc.

Usually, you cannot give gifts to mark personal life events such as birthdays or weddings. Giving flowers is, however, acceptable in most countries.

If it's legal and culturally acceptable in your country, you can give a bottle of wine or champagne. Note that this isn't acceptable in Sweden or the United States.

Yes, but only at congresses, symposia or other training events and to all participants.





04

Congresses,
contracts,
sales meetings

Congresses and symposia

It's crucial that education – and never the location or entertainment – is the main attraction of a congress or symposium. You should only invite healthcare professionals who actually need the provided training. If they do, you may cover the attendance fee, travel and accommodation. You must always inform the healthcare professional's superior about the invitation.

Under no circumstances may you cover expenses for spouses or guests. You also need to consider whether the congress is appropriate:

Venue

The venue should be suited for training and meetings and should not be an attraction in itself. Conference venues and modest business hotels are OK. Spa resorts, golf clubs and cruise ships aren't.

Location

The location should be convenient and easy to reach for most of the participants.

Hotel and travel

The hotel you pay for must not be an attraction in itself. The rule of thumb is that we use 3-star or 4-star hotels. Business class is only allowed on transcontinental flights.

Dinners

We're allowed to provide dinner for all or some participants as long as it's modest. You may never take healthcare professionals out of the official lecture or training programme for dinners, side-events or similar.

Questions

Can we take health-care professionals out for sightseeing during a congress?

Can we sponsor congresses?

Can I lease booth space at a congress?

Can I cover an extra day or two?

Answers

You aren't supposed to arrange purely social events. This means that you cannot, for instance, take healthcare professionals out of the official conference programme for sightseeing or dinner.

Yes, but you need to make sure that the congress is appropriate, no matter who organises the congress.

Yes, if the congress is appropriate. Any gifts or prizes provided at the booth space must live up to the same requirements as any other gift to a healthcare professional.

You may not pay for travel tickets that allow healthcare professionals to stay beyond the congress, unless it leads to a price reduction. We never cover any additional hotel costs.

Coloplast training sessions

In Coloplast, we regularly invite healthcare professionals to product presentations and other medical and practically relevant training sessions.

Often, the training is accompanied by a modest lunch or dinner. When the training programme is more extensive, we sometimes offer an over-night stay to the participants.

This is in line with the rules – you just need to remember a few things:

- Training sessions should be held at an appropriate venue.
- Meals should be reasonably priced.
- Travel and accommodation costs may be covered, if necessary. Make sure that the hotel isn't an attraction in itself.

Questions

What's an appropriate setting for a training session?

What do I say if a healthcare professional wants to bring a spouse?

Answers

It could be a clinical setting, for instance a laboratory, a conference room, or at Coloplast's facilities.

Tell him or her that the rules do not allow us to cover such costs.

Hiring healthcare professionals as consultants

Cooperating with healthcare professionals and paying them for their work is a legitimate practice in our industry.

In Coloplast, we pay healthcare professionals to participate in advisory boards, conduct product presentations, train our staff and conduct research.

You just need to remember a few rules:

- There must be a legitimate purpose for engaging the healthcare professional.
- Consultants should be selected for their expertise and not on the basis of the volume or value generated by the consultant.
- Always make a written contract – even if you're just arranging a 30 minute presentation.
- Pay fair market compensation.
- Inform the healthcare professional's manager or place of work about the cooperation. In some countries, there are special procedures to follow. Please refer to the brief on hiring healthcare professionals as consultants.

Questions

What is fair pay?

What additional expenses may Coloplast cover?

Do we need a contract if the healthcare professional doesn't require payment?

A chief nurse has hinted that if I provide her with a consultant fee, she would increase purchases. What should I do?

Answers

The appropriate fee depends on the position and experience of the person you employ and will vary from country to country. Please refer to the brief on this topic for guidance on fees.

It's OK to cover modest travel and accommodation costs. If you provide lunch or dinner, it must be modest and not take up too much time in relation to the professional content.

There must be a written contract, even if the presentation or service is performed as a favour without compensation. Travel or accommodation expenses claimed by the consultant should also appear in the contract.

You should decline and inform your manager.

Sales meetings

It's normal business practice to meet with healthcare professionals to discuss product features, sales terms, etc.

When we negotiate business with healthcare professionals, we may provide a moderate meal and cover the cost of travel and accommodation, if necessary.

When you choose the meeting location, remember that we want to signal professionalism in our relationship with healthcare professionals:

- Meals should be reasonably priced - not lavish.
- Don't invite spouses or guests to dinner.

It is always a good idea to have the meeting close to the workplace of the healthcare professional.

Question

Is it OK to take healthcare professionals to another country to show them a Coloplast plant?

Answer

Yes, we can invite healthcare professionals abroad on a plant or factory trip if there is a relevant business purpose (not possible in Germany). Transportation, accommodation and meals covered should also be modest.





05

Donations

Educational support

We occasionally support medical education or patient and public education.

It's our responsibility to ensure that scholarships or educational grants aren't tied to product purchases. It's not OK to give scholarships as a reward to favoured customers.

Remember to:

- Document all grants; and
- Direct the grants to professional associations, hospitals or educational institutions and not individual healthcare professionals.

You should avoid educational support if you're involved in a public tender for the institution you're considering supporting.

Donations

We occasionally donate funds or products to charitable organisations.

The guidelines for product donations are:

- Donations may not be tied to the use of products.
- Donations may be made only to charitable or other non-profit entities.
- There must be a written donation request from an institution. We cannot donate to individuals.
- The products must be at least 3 months from their expiry date.





06

Advice and
support

Local rules and the Code of Conduct

This handbook gives you an overview of the Coloplast Code of Conduct and provides examples on how to act in specific situations.

It's important that you know both the local rules and the Coloplast Code of Conduct. Where local laws or local industry codes are stricter than Coloplast's Code of Conduct, you must comply with local regulations.

This is the case in the United States, where employees must comply with the AdvaMed Code of Ethics. Rules are also tighter in Germany, Sweden, South Africa, Brazil and Italy, for example.

The Code of Conduct page on Connect links to many local industry codes of conduct.

Taking healthcare professionals abroad

Local laws and codes of conduct follow healthcare professionals when they go abroad. For instance, Italian nurses invited to a congress abroad still need to follow Italian law while they are away.

Eucomed

Eucomed is the medical device industry association in Europe. The rules on interaction with healthcare professionals in Coloplast's Code of Conduct are word-for-word identical to the Eucomed guidelines on interaction with healthcare professionals (chapter II et seq.).

AdvaMed

AdvaMed is the industry association in the United States. On a number of issues, the AdvaMed Code of Ethics is slightly more restrictive than the Eucomed and Coloplast codes of conduct. United States employees should therefore consult the AdvaMed Code of Ethics.

Other countries that send healthcare professionals to congresses or training in the United States should consider whether their normal practice violates AdvaMed rules. Adopting United States practice in this case will signal respect for the local standards.

Ask for advice

For more information about the Code of Conduct go to:

[Connect](#) > [Policies](#) > [Code of Conduct](#).

Compliance check

Please contact the Corporate Responsibility Manager (CR@coloplast.com) if you're in doubt whether an upcoming event, contract with a health-care professional or a gift you want to give is in line with the Code of Conduct.

We'll let you know whether or not it's in compliance with the rules.

Seen something that is not right?

If you become aware of serious violations of the rules, you should report to your local manager or country manager or use the whistleblower hotline.

The whistleblower hotline gives you anonymity. You can report via telephone or a website from your place of work, from home or elsewhere.

Information about the hotline, including phone numbers:

[Connect](#) > [Global Tools](#) > [Whistleblower Hotline](#).

Direct links to the hotline websites:

- EU countries: coloplasteu.alertline.com
- Non-EU countries: coloplast.alertline.com

Notes



Ostomy Care
Urology & Continence Care
Wound & Skin Care

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare. Our business includes ostomy care, urology and continence care and wound and skin care. We operate globally and employ more than 7,000 people.

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