

Getinge Policy

Global Purchasing Policy

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Adopted by the Board of Directors 23-APR-2019

1. Summary

The objective of this policy is to define Getinge's standpoints in the area of Purchasing. We always strive to get the best value (price, quality, delivery and service) for materials, goods and services that are purchased from our suppliers. In all purchasing activities, we make sure to meet our ethical, environmental and social responsibility standards across the entire supply chain. This Policy applies to all co-workers and business relations acting on behalf of Getinge.

2. Definitions

User - is the person demanding the material, goods or service

Buyer - is the assigned person from relevant purchasing function making the purchase/agreement

Category owner - is the purchasing person that has the strategic responsibility for the relevant category, segment or sub-category

Relevant purchasing function - defined as units within Getinge, site functions as well as Group functions, with explicit authority and mandate to make purchase

3. Scope and Objective

This Policy is valid in all Getinge companies, subsidiaries and joint operations (jointly "Getinge") and applies to all our employees, as well as consultants and agency personnel who work at Getinge premises or under the direction of Getinge (all referred to in this policy as "employees").

We expect all employees to follow this Policy and consistently apply its high standards when doing business.

The objective of this policy is to give co-workers a clear understanding of Getinge's standpoints on purchasing, including the prerequisites to act in line with these values and expectations. Further guidance is available in the underlying Directives and Instructions.

The policy covers all purchases, direct as well as indirect, of materials, goods and services.

4. Principles

Code of Conduct

At Getinge we are committed to responsible business, wherever we operate, and we rely on the same level of commitment from our suppliers. All Getinge employees involved in purchasing activities shall adhere to the Getinge Code of Conduct. Getinge suppliers are expected to comply with the Getinge Supplier Code of Conduct.

Commitment and Expectations

At Getinge we make sure to capture all opportunities in the supplier market, getting the best value (price, quality, delivery and service) for the materials, goods and services purchased from our suppliers.

We strive to maintain long-term relationships with key suppliers while securing the benefits from a competitive market. All purchasing activities are conducted in such a way that Getinge meets its ethical, environmental and social responsibility standards across the entire supply chain.

Getinge acts as one unit. We use our total purchasing power (e.g. scope, size and spend volume) and work together across Getinge's business areas, regions, countries, sites and departments to meet overall business targets.

The scope of the purchasing activity determines the level of involvement of the relevant purchasing function. This is why we advise co-workers to ask the purchasing department for guidance before initiating any commercial discussions or sharing sensitive information with potential suppliers.

To capture value added synergies we consolidate spend with Preferred Group Suppliers (PGS), for whom we create strategies on category, segment and sub category level. Business should be awarded to suppliers that fulfil Getinge's requirements for lowest total cost of ownership (TCO) while at the same time considering Getinge's strategic intent. Decisions to source from non-preferred group suppliers should always be approved by the category owner. *See further: Getinge Global Purchasing Directive.*

In order to maximize efficiencies, be compliant, and reduce risk when purchasing materials, goods and services, the following directives shall be followed:

1. Segregation of duties is a fundamental principle that should be followed in any sourcing activity. This means that requestor, approver and buyer should be different people
2. All suppliers are treated fairly, equally and objectively. Tenders should be conducted in a way that facilitates fair and open competition. A key element in the relationship to our suppliers is fostering a culture of continuous improvement and supporting our suppliers to improve not only performance but also the environmental and social dimensions
3. All purchases, agreements, contracts and external commitments are recorded by Buyer to provide identification and appropriate justification

4. We always use the Getinge agreement templates (available in Microsoft TEAMS; GrpO365-Purchasing-Legal)
5. All supplier agreements shall have the Getinge Supplier Code of Conduct attached
6. Agreements, amendments to agreements and pricelists are saved and archived within Getinge's global agreement database, "Accelerate" (<https://getinge-sso.synertrade.com>). Support is provided by the relevant Buyer

Authorities

Authority to sign agreements is governed by the Getinge Approval Matrix policy Direct Material and Getinge Approval policy Indirect Material and Services frame agreements. Both are available on Intranet. All purchases shall be approved before the purchase takes place and follow local procedure.

Conflict of interest

Conflict of interest occurs when financial or other personal considerations may – or may appear to – affect a co-worker's loyalties, professional judgement and performance of duties.

Any kind of employee benefits from existing or potential suppliers or partners are **NOT** to be accepted unless they are considered to be of insignificant value (e.g. a branded pen or simple notebook). Getinge works with zero tolerances in this respect.

5. Breaches against the Policy – Speak-up

Do not hesitate to raise a concern. Any Getinge employee who suspects violations of this Policy is expected to speak up and raise the issue to their line manager, to Human Resources to the Ethics and Compliance Office, or to use the Getinge Speak-Up Line. The Speak-Up Line is available on Getinge internal and external webpages.

At Getinge we do not accept any form of retaliation against someone who speaks up, expresses concerns or opinions.

See further: Speak Up and Non Retaliation Instruction SOP-1305

6. Roles and Responsibilities

All Getinge employees are individually responsible for reading, understanding and complying with this Policy. Each employee is responsible for acting in accordance with this Policy,

Every line manager is responsible for making sure each team member has access to this Policy and related Directives, Instructions and Guidelines. The line manager is also responsible for

ensuring that relevant activities and internal controls are in place to prevent and detect bribery and corruption.

Day-to-day reinforcement, including regular information and training on anti-corruption issues, as well as compliance follow-up, is part of every manager's responsibility, with the support of the Ethics and Compliance Office.

Violations against the Policy can lead to disciplinary action, up to and including termination.

7. Framework

This Policy is part of Getinge's Governance Framework, which includes:

- Code of Conduct, Our Cultural Core Values, Strategic framework, Policies approved by the Board of Directors, Directives approved by the CEO or direct reports to the CEO as well as local instructions
- Decisions made by the CEO or otherwise under the Delegations of Authority as approved by the CEO
- The Ethics and Compliance Office is responsible for ensuring that the latest version of this Policy is published and available to all employees on the Getinge intranet
- This Policy will be reviewed every other year or as needed
- The original language of this Policy is English

8. Guidance and Assistance

To guide our conduct when it comes to purchasing activities, several directives, instructions and SOP's (Standard Operating Procedures) are available. If you have questions on this policy or you are uncertain which rules apply, please contact the Purchasing Department.

Useful links

Conflict of interest Directive DIR-1302

Supplier Code of Conduct POL-0109

Getinge Global Purchasing Directive

Getinge Approval Matrix policy Direct Material

Getinge Approval policy Indirect Material and Services frame agreements

