

Disaster Relief Policy

valid from October 29, 2018, version 2.0

Rationale and Objective

Taking responsibility towards society is an integral part of our company's entrepreneurial approach. We believe that we can make an important contribution to the community through our knowledge, our skills and our products. We donate to and supports various projects. However, this policy is only applicable to our response to natural disasters.

We have participated in numerous natural disaster relief efforts. In order to ensure the effectiveness of our engagement, clear roles, responsibilities and processes were defined.

A strategic approach to natural disaster relief is:

- based on clear guidelines
- links short- and long-term perspectives
- based on strong partnerships
- understood as a social investment
- includes key stakeholders
- effective instead of pure PR
- embedded in the CR and overall strategy of the company.

As a consequence, a strategic approach to natural disaster relief:

- raises the effectiveness of the commitment
- elevates the efficiency of the internal decision-making processes
- increases transparency and credibility
- heightens visibility
- creates stakeholder satisfaction (e.g. employees, customers, public).

The described roles and responsibilities, as well as the process set the framework for our decision-making in response to natural disasters.



Executive Summary

The Corporate Affairs (CA) Group function partners with representatives from the businesses and subsidiaries to steer our company’s efforts to help disaster victims.

The disaster relief policy complements the following existing guidelines:

- Group Policy on Contributions to Society
- Charter on Access to Health in Developing Countries: Pharmaceutical Product Donations and Philanthropic Activities
- Policy on Healthcare-related Donations
- Life Science Charitable Contributions and Sponsorships Policy
- Compliance Standards

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Decision criteria/When do we donate?

This policy is only applicable to our company's response to natural disasters.

UN definition of natural disaster

- A sudden, calamitous event that causes serious disruption to the functioning of a community or society, resulting in human, material, economic and/or environmental losses that exceed the ability of the affected community or society to cope using its own level of resources (Source: UN/ISDR 2004)

Corporate Affairs may however decide to use the described process for other engagements that require decisions to be made quickly.

The following criteria serve as a guide for us to determine its action in response to a natural disaster:

a) **We will provide support in case of a major disaster**

Proof points

- EU: "major disaster" with damage of more than € 3 billion or 0.6% of GDP
- Number of people affected
- Required donation amount is stated (e.g. US\$ 50 million)
- Info at: www.emdat.be

b) **The disaster gets considerable public attention**

Proof points

- UN appeals for aid: <https://fts.unocha.org/>
- Country asks for assistance/declares a state of emergency
- Headline news topic

c) **We will provide support if the company is affected**

Proof points

- There is a local subsidiary in the affected country
- Employees, customers or business associates are affected

d) **Internal demand**

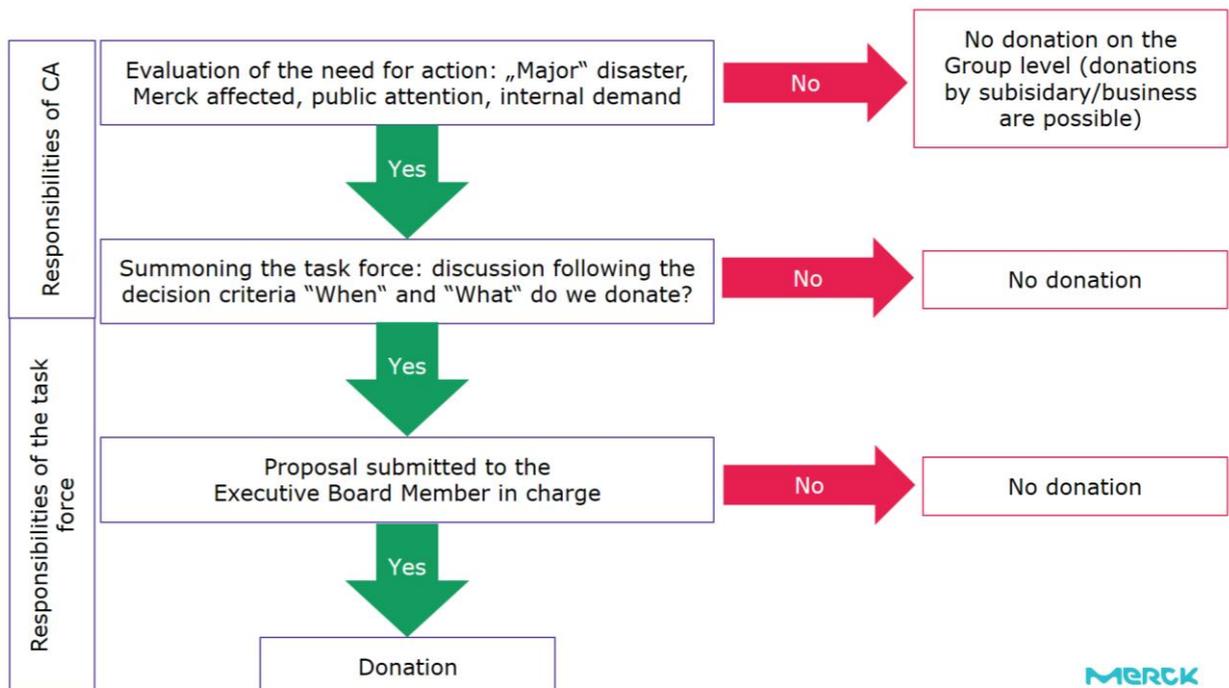
Proof point

- Our employees take action and ask for further support from the company



Roles & Responsibilities

- Decisions concerning donations for natural disaster aid are made for the company as a whole
- The task force is the decision body within the scope of this policy
- The task force is headed by the head of CA and includes members from CA, the affected subsidiary, representatives from the businesses, EQ and CM (if needed: HR, Finance)
- The chairman of the task force makes the decisions. The board member in charge of CR approves the budget for our response to natural disasters
- Subsidiaries and businesses can take action independently within the scope of their budget. If individual actions are taken, CA shall receive regular updates
- CA collaborates closely with EQ, which receives information on natural disasters affecting our sites via the RIRS (Rapid Incident Reporting System)



Nature of the donation/What do we donate?

Our donations in response to natural disasters always have to be in line with our core businesses, our knowledge, our skills, and our products.

Monetary donation

- Employee donations organized by the company
- Donation by the company (amount is decided on a case-by-case basis)
- Matching (employees and the company)

Donation of supplies

- Products (medicines, test kits, etc.)
- The respective guidelines of the Healthcare and Life Science business sectors must be adhered to

Know-how

- Advice from our company's experts
- Volunteer work
- Benefit concert

Partnership with the German Red Cross

In April 2015, we formed a disaster relief partnership with the German Red Cross. According to the terms of the three-year agreement, in the event of a disaster our company will primarily support the activities and projects of the German Red Cross by donating money and supplies.

We have decided to partner with the German Red Cross because it is part of the International Federation of Red Cross and Red Crescent Societies, which is one of the world's largest NGOs and permanently represented in 186 countries. Therefore, donations to this organization are possible in nearly all countries with local receipts via an online tool. Furthermore, the Red Cross has the donation seal of the DZI (German Central Institute for Social Issues).



Terminology / Abbreviation

Terminology / Abbreviation	Definition
CA	Corporate Affairs
CR	Corporate Responsibility
CM	Group Communications
HR	Human Resources
EQ	Environment Health Safety, Security, Quality

Revision history

Version number	Change short description	Date/valid
1.0	N/A	November 3, 2015 (first version)
2.0	Editorial changes and change of content	October 29, 2018

