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Anti-Corruption Policy



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Anti-Corruption Policy

1. General Provisions

1.1 Purpose

Based on the Code of Ethical Conduct, the purpose of this policy is to enable all GC employees to conduct business ethically and comply with all applicable domestic and international laws, regulations, and industry standards to reduce corruption risks. All GC employees are expected to promptly report any awareness of corruption to the Compliance Department and consistently demonstrate active efforts to prevent corruption.

1.2 Scope of Application

This policy shall apply to all GC employees and all GC-related worldwide activities, including temporary employees, consultants, agents, intermediaries, and all third parties acting on behalf of GC Green Cross, including but not limited to its vendors and suppliers.

1.3 Definitions

The term “public official, etc.” refers to all individuals specified in the ‘Improper Solicitation and Graft Act’ and includes the following persons engaging in public duties:

- Public officials specified by the ‘**State Public Officials Act**’ or the ‘**Local Public Officials Act**’ and persons recognized by other Acts as public officials in their qualification, appointment, educational training, service, remuneration, guarantee of status, etc.;
- Heads and faculty members of educational institutions and affiliated organizations as specified in Article 3, Clause 2 of the ‘**Public Service Ethics Act**’ and Article 4 of the ‘**Act on the Management of Public Institutions**’;
- Faculty, staff, or administrators of schools and educational institutions established under the ‘**Elementary and Secondary Education Act**’, ‘**Higher Education Act**’, ‘**Early Childhood Education Act**’, and other provisions such as the ‘**Private School Act**’;
- Representatives, executive officers, and employees of press organizations defined in Article 2, Sub-paragraph 12 of the ‘**Act on Press Arbitration and Damage Remedies**’.

The term “**express charges**” refers to all monetary or economic benefits offered to a Public Official, etc. by an employee of the Company to expedite lawful administrative tasks such as visas, entry or work permits, customs clearances, policing, and the provision of utilities including water, telephone, and gas.

The term “**act of corruption**” broadly refers to all ‘acts of corruption’ defined in the “**Act on the Prevention of Corruption**” and includes:

- The act of any public official, etc. abusing his or her position or authority or violating statutes or regulations in connection with his or her duties to seek gains for himself or herself or any third party;
- The act of inflicting damages on the property of any public institution in violation of statutes or regulations, in the process of executing the budget of the relevant public institution, acquiring, managing, or disposing of the property of the relevant public institution, or entering into and executing a contract to which the relevant public institution is a party
- The act of coercing, urging, proposing and inducing any act under items (a) and (b) or act of covering it up.

The term “**rebates**” refers to any act of returning part of a payment or benefit offered as compensation for a transaction to the payer.

The term “**money laundering**” refers to activities conducted to conceal the origin of illicit funds and make such funds appear legitimate, and includes:

- The ‘concealment and disguise of criminal proceeds’ defined in Article 3 of the ‘**Act on Regulation and Punishment of Criminal Proceeds Concealment**’;
- The ‘concealment and disguise of illegal profits, etc.’ defined in Article 7 of the ‘**Act on Special Cases Concerning the Prevention of Illegal Trafficking in Narcotics**’;
- Any act disguising the acquisition, disposal, or origin of property or concealing certain assets for the purpose evading taxes, constituting a criminal act pertaining to Article 3 of the ‘**Punishment of Tax Offenses Act**’, Article 270 of the ‘**Customs Act**’, Article 102 of the ‘**Framework Act on Local Taxes**’, or Article 8 of the ‘**Act on the Aggravated Punishment of Specific Crimes**’.

The term “**improper solicitation**” refers to an unlawful act or a misuse of delegated rights and responsibilities by a public official, etc. through means including the following:

- Soliciting to process, in violation of statutes, such tasks as authorization, permission, license, patent, approval, inspection, qualification, test, certification, or verification, for which statutes (including Ordinances and Rules; hereinafter the same shall apply) prescribe requirements and which should be processed upon application by a duty-related party;
- Soliciting to mitigate or remit administrative dispositions or punishments such as cancellation of authorization or permission, and imposition of taxes, charges, administrative fines, penalty surcharges, charges for compelling compliance, penalties, or disciplinary actions, in violation of statutes;
- Soliciting to intervene in or exert influence on the recruitment, selection, employment, promotion, assignment or reassignment of a public servant, etc., or any other personnel matter relating thereto, in violation of statutes or regulations;

- Soliciting to select or reject a person, in violation of statutes, for a position which intervenes in the decision-making of a public institution, such as a member of various deliberation, decision-making, and arbitration committees, and a member of a committee for a test or screening administered by a public institution;
- Soliciting to select or reject a specific individual, organization, or juridical person to be issued an award, prize, or to be chosen as an outstanding institution, person, or scholarship recipient, all of which activities are conducted under the auspice of a public institution, in violation of statutes or regulations;
- Soliciting to disclose, in violation of statutes, duty-related confidential information on tender, auction, development, examination, patent, military affairs, taxation, etc.;
- Soliciting to select or reject a specific individual, organization, or juridical person as a party to a contract, in violation of statutes governing contracts;
- Soliciting to intervene or exert influence so that subsidies, incentives, contributions, investments, grants, funds, etc., are assigned to, provided to, invested in, deposited in, lent to, contributed to, or financed to a specific individual, organization, or juridical person, in violation of statutes;
- Soliciting to allow a specific individual, organization, or juridical person to buy, exchange, use, benefit from, or possess goods and services that are produced, supplied, or managed by public institutions, at prices different from what is prescribed by statutes, or against normal transaction practices;
- Soliciting to handle or manipulate the affairs of schools of each level, such as admission, grades, performance tests, thesis review, or conferment of degrees, in violation of statutes or regulations;
- Soliciting to process affairs related to military service, such as physical examination for military service, assignment to a military unit, or appointment to a position, in violation of statutes;
- Soliciting to perform various affairs of public institutions in relation to assessment, judgment, or acknowledgment in violation of statutes or regulations, or to manipulate the results thereof;
- Soliciting to make a specific individual, organization, or juridical person subject to or exempt from administrative guidance, enforcement activities, audit, or investigation; to manipulate the outcome thereof; or to ignore any illegality, in violation of statutes;
- Soliciting to handle investigation of a case, trial, adjudication, decision, mediation, arbitration, reconciliation, execution of punishment, the guidance on, treatment and safe custody of inmates, or other equivalent affairs, in violation of statutes or regulations;
- Soliciting a public servant, etc. to act beyond the limits of his or her position and authority granted by statutes, or to take any action for which he or she lacks legitimate authority, regarding any and all affairs that may be the subject-matter of improper solicitation as prescribed in this Clause.

The term “**partner**” refers to any commercial entity engaged with GC for manufacturing, construction, or other outsourced services, including external contractors and both recipients and consignees.

2. Roles and Responsibilities

2.1 Employees

All GC employees are responsible for understanding and adhering to the provisions of this policy. All GC employees must immediately report any awareness of corruption to the Compliance Department.

2.1.1 Team Members

All team members must collaboratively strive to reduce corruption risks in day-to-day work, and promptly report any detected risks to their Team Leader or the Compliance Department. Upon awareness of any act of corruption by another employee, team members must immediately report such an incident to their Team Leader and the Compliance Department. GC shall strictly protect the identities of such whistleblowers to eradicate corruption within the Company.

2.1.2 Team Leaders

Team leaders must foster an environment in which team members can openly discuss and report corruption-related concerns. Team leaders are expected to:

- Lead by example through adherence with this policy;
- Address the importance of this policy to all team members, providing them with direction for adherence;
- Always maintain strict confidentiality for any reported corruption cases;
- Discuss reported corruption cases exclusively with the person(s) in question;
- Maintain confidentiality when receiving reports of corruption, protecting whistleblower identity and promptly reporting to the Compliance Department;
- Assess the risks of reported corruption cases and devise solutions with the Compliance Department to address such risks.

2.2 Compliance Department

The Compliance Department is responsible for providing clear anti-corruption policy guidelines to GC employees and support the company-wide adherence of such policies. The Compliance Department shall hold at least one annual regular anti-corruption training session and consistently revise the Anti-Corruption Policy to reflect domestic and international laws.

Upon receipt of a corruption report, the Compliance Department must act immediately to identify the status minimize any subsequent damages. The Compliance Department must perform inspections to identify the existence or possibility of similar cases.

The Compliance Department must conduct at least one annual assessment of employees' awareness of anti-corruption issues and identify weaknesses and areas for improvement in the Company's anti-corruption measures. Results arising from such assessments may be used for the production of employee training material.

3. Anti-Corruption Policy

3.1 Compliance with Anti-Corruption Laws

All GC employees are expected to comply with all domestic and international laws, agreements, and provisions, as well as internal policies, for the prevention of corruption in all day-to-day work. In other regions or countries where GC conducts its business, employees are expected to comply with all local anti-corruption laws. In cases of differences between internal policy and local regulations, local laws and regulations shall take priority. All employees must immediately report any awareness of corruption to their Team Leader and the Compliance Department and contact the Compliance Department for guidance when unable to identify the nature of the incident.

GC identifies the following activities as acts of corruption:

- Bribery
- Improper Solicitation
- Improper Interaction with Public Officials
- Express Charges
- Illegal Rebates
- Money Laundering and Unlawful Transactions
- Conditional Donations

3.1.1 Domestic Laws and Regulatory Standards

GC employees are expected to comply with domestic anti-corruption laws and relevant provisions such as the 'Act on Combating Bribery of Foreign Public Officials in International Business Transactions', 'Improper Solicitation and Graft Act', 'Pharmaceutical Affairs Act', 'Medical Devices Act', 'Medical Service Act', and 'Fair Competition Covenant'.

3.1.2 Foreign Laws and Regulatory Standards

GC employees engaged in business overseas must understand and comply with local anti-corruption laws and regulations, including the 'FCPA (Foreign Corrupt Practices Act)' of the U.S.A. and the 'Bribery Act' of the U.K. In the case of any conflict or difference between referenced internal policy and overseas laws, the stricter policy shall prevail in such an instance.

3.1.2.1 The FCPA (Foreign Corrupt Practices Act) of the U.S.A.

The FCPA (Foreign Corrupt Practices Act) is one of the most significant anti-corruption regulations applicable to GC employees engaged in business overseas, and particularly in the United States. The purpose of this Article is to summarize the core elements of the FCPA, including its overarching provisions, jurisdictional applicability, penalties for violations, and corporate-level liabilities that are applicable to GC employees.

3.1.2.1.1 Scope of Application and Legal Liabilities

The FCPA applies not only to citizens of the United States but also to all foreign persons and entities operating within the territory of the United States engaged in improper solicitation or bribery. Non-U.S. entities can be held legally accountable for any instances involving violations of the FCPA or any actions that can be reasonably considered as violations of the FCPA.

The FCPA imposes a corporate-level fine of USD \$2,000,000 or below for each instance of bribery. Persons involved in such violations may face a fine up to USD \$100,000 and imprisonment for up to five years. GC does not reimburse fines imposed on individual employees. Regarding any relevant concerns, employees are advised to immediately contact the Compliance Department.

3.1.2.1.2 Key Provisions

The FCPA's anti-bribery provisions involve providing express charges to a public official, etc. of the United States or to another individual who may with reasonable assumption provide such payment to a public official, etc. of the United States to influence business activities or attain unjust business advantages.

The FCPA defines ‘bribes’ as an offer or provision of “anything with value”, including but not limited to gifts, travel, food, accommodation, entertainment, donation, investment, or employment opportunities. Regarding any relevant concerns or questions, employees are advised to immediately contact the Compliance Department.

3.1.2.2 The Anti-Bribery Act of the U.K.

The United Kingdom’s Anti-Bribery is a powerful anti-corruption law with a comprehensive coverage of bribery. Acts of corruption such as improper solicitation of administrative affairs, misuse of power, and bribery. Similar to the FCPA, both individuals and corporations can be held legally accountable for violations of the Act. For corporations to escape liability, it must be demonstrated that sufficient anti-corruption measures had been in place.

3.1.2.2.1 Scope of Application and Legal Liabilities

The Anti-Bribery Act applies to all local and foreign entities engaged in business within the territories of the United Kingdom. Regardless of the geographic location, entities can be held accountable for bribery conducted anywhere in the world provided there is a connection to the United Kingdom or corporations in the United Kingdom.

The persons specified in the Anti-Bribery Act include not only foreign public officials, but also all persons engaged in professions of a similar nature and persons acting on behalf of the interests of public organizations. Personnel engaged in business with a Korean corporation are also identified in the same line as foreign public officials, and therefore are subject to the Anti-Bribery Act.

The Anti-Bribery Act punishes both the payment and receipt of bribes, particularly those provided to foreign public officials. Persons in violation of this Act can be removed from their offices and may face up to ten years in prison or a statutory maximum fine, as well as property confiscation.

3.1.2.2.2 Key Provisions

Bribery under this Act is defined as offering or receiving undue benefits, such as monetary payments or other benefits, to another entity as compensation for the unjust or abnormal performance of a specific duty. The acceptance of such bribes is also equally punishable by the Act. The act of bribery through indirect channels or intermediaries can also be punished.

The provider of a bribe to a foreign public officer is liable to prosecution. Article 6 of the Anti-Bribery Act contains more detailed information on the bribery of foreign public officials.

Even for express charges intended for the swift performance of work, it may be deemed as an illegal act with the potential of yielding unjust results. Depending on local norms, even small sums of money or minor favors may be punishable by law.

Regarding any relevant concerns or questions, employees are advised to immediately contact the Compliance Department.

3.2 Bribery

GC and all GC employees are strictly prohibited from providing, receiving, or exchanging bribes in any form to and from any affiliated parties. GC and all GC employees are also strictly prohibited from providing, receiving, delivering on behalf of, or exchanging bribes through any third party, even when such acts are deemed potentially or consequentially profitable for GC. Any instances of bribery must be immediately reported upon awareness.

'Bribery' means monetary or non-monetary benefits, such as gifts, services, hospitality, donations, allowance funds, any form of prioritization, and unjust conveniences that are offered as a means to attain improper business outcomes. For detailed rules on gifts and hospitality, employees are advised to refer to the '**Regulations on Gifts and Hospitality**'.

3.3 Improper Solicitation

GC employees and all associated public officials may not engage in any form of improper solicitation. GC employees may not take advantage of their superior business position to make unfair demands or receive unjust compensation and may not facilitate improper business deals with any contractor or partner without reasonable justification. GC employees must reject any improper solicitation or requests for unjust conveniences, and immediately report any awareness of improper solicitation incidents to the Compliance Department.

GC employees may not provide, receive, or engage in any form of improper solicitation including but not limited to the following. When unsure or in question, employees are advised to contact the Compliance Department for guidance.

- Improper requests involving purchase contracts for equipment or inventory;
- Requests for favoritism for based on personal, academic, or familial relationships;
- Improper solicitation in the form of recruitment, promotion, rewards or disciplinary action, relocation, or any other HR-related matters;
- Requests for conveniences or benefits in excess of normal procedures.

Employees are advised to consult the '**Conflict of Interest Policy**' for additional information.

3.4 Improper Interaction with Public Officials

Any improper interactions with public officials, etc. may be subject to legal consequences and stricter standards than similar interactions with private persons. GC employees may not offer or provide gifts, bribes, or unjust benefits to public officials, etc. to exercise unjust influence, attain business gains, or sustain business ventures. GC employees are expected to act ethically and transparently in all business dealings and competition for business ventures with government and public institutions.

Employees are advised to consult the '**Guidelines for Compliance with the Improper Solicitation and Graft Act**' for additional information.

3.5 Express Charges

GC employees may not pay express charges to expediate certain business procedures or avoid certain procedural delays, even if the fee is considered commercially reasonable.

Exceptions may be made exclusively in cases the personal safety or basic rights of a GC employee are seriously endangered. In such a case, the incident must be reported immediately to the Compliance Department.

When unsure or in question, employees are advised to contact the Compliance Department for guidance.

3.6 Illegal Rebates

GC employees must comply with the '**Pharmaceutical Act**', '**Medical Device Act**', and the '**Fair Competition Covenant**' and may not provide or accept any illegal rebates to and from healthcare professionals for the promotion, usage, selection, or sale of pharmaceutical products. Indirect rebates through local or foreign headquarters, subsidiaries, partners, or third party contractors are also strictly prohibited. Providing economic benefits to healthcare professionals in the form of illegal rebates is strictly prohibited by the aforementioned laws.

Employees are advised to consult the '**Regulations for Interaction with Healthcare and Medical Professionals**' for additional information.

3.7 Money Laundering and Unlawful Transactions

GC employees must not engage in money laundering or any unlawful acts to disguise illegal transactions and must engage in all business transactions in compliance with relevant laws and with transparency and integrity.

3.8 Conditional Donations

All charitable donations and sponsorships made in the name of GC must be conducted fairly and transparently and must be absent of any political intentions unless explicitly approved by the Compliance Department. Donations and sponsorships must not be used to secure GC's business interests or attain unfair advantages, treatment, benefits, or conveniences. Donations may not exceed the maximum amount allowed by relevant laws and must be commercially reasonable in accordance with local norms.

4. Training

GC shall conduct at least one annual mandatory anti-corruption training course for its employees, and GC employees must complete all required training sessions.

5. Monitoring

The Compliance Department may conduct regular or ad-hoc inspections and monitor employees' compliance with the Anti-Corruption Policy. When needed, all GC employees must actively cooperate with audits and investigations. Any identified cases or potential risks of corruption may constitute the implementation of continuous oversight for the prevention of re-occurrence.

6. Violations

Any GC employees in violation of this policy may be subject to disciplinary measures, including but not limited to legal action and termination of employment.

7. Relevant Internal Policies

Disciplinary Policy, Conflict of Interest Policy, Regulations on Gifts and Hospitality, Regulations for Interaction with Healthcare and Medical Professionals, Guidelines for Compliance with the Improper Solicitation and Graft Act

For any queries regarding the anti-corruption policy, please reach out to the Compliance Department (cp@gccorp.com)