

# Business Conduct

“As USP employees, volunteers, and representatives, we are expected to be aware of and comply with the Code and any laws or SOPs related to our USP responsibilities, as applicable.”



## Our Code in Action



### What actions would be considered boycott requests?

The following are **examples of statements** that could be considered boycott requests:

- USP will not supply goods or materials that have been manufactured or processed in Israel.
- USP will not use services of an Israeli organization.
- USP confirms that it does not have any office or business activities in Israel.

As an organization that provides products and services globally, USP will comply fully with all United States and international laws, rules, and regulations affecting USP’s business activities and operations. As USP employees, volunteers, and representatives, we are expected to be aware of and comply with the Code and any laws or SOPs related to our USP responsibilities, as applicable.

## International Trade

### Trade Sanctions and Embargoes

The governments of the United States and other countries in which USP operates have laws and regulations that restrict trade and business transactions with certain individuals, organizations, and countries. These laws may restrict travel to certain countries or imports and exports of certain goods, technology, information, and services. USP adheres to all applicable laws and SOPs to ensure compliance in this area. The laws, rules, and regulations that extend to our international trade activities include:

- Embargoes that restrict or prohibit USP’s global locations from doing business with certain sanctioned countries, organizations, or individuals

**USP adheres to all applicable laws and SOPs to ensure compliance.**

- Export controls that restrict travel to designated countries or that prohibit or restrict the export or reexport of U.S. origin goods, services, and technology to designated countries, persons, or entities

### Boycotts

United States law also prohibits USP from furthering or supporting another country's boycott that is not sanctioned by the United States. Boycott requests can arise in oral conversations, email exchanges, or commercial or other documents. The prohibitions include:

- Agreements to refuse or actual refusal to do business with or in Israel or with blacklisted companies
- Agreements to furnish or actual furnishing of information about business relationships with or in Israel or with blacklisted companies
- Agreements to furnish or actual furnishing of information about the race, religion, sex, or national origin of another person
- Agreements to discriminate or actual discrimination against persons based on race, religion, sex, national origin, or nationality

In all trade and business transactions, you must know and comply with all trade restrictions and export controls. Any request to participate in a boycott must be politely declined and promptly reported to GCE or GLA so that prompt action can be taken.

### Anti-Bribery and Anti-Corruption

USP is committed to the highest standards of business conduct in all aspects of our business dealings throughout the world. It is USP's policy to comply with the U.S. Foreign Corrupt Practices Act and other federal and state anti-bribery and anti-corruption laws wherever USP does business globally. The fact that corrupt practices may be common in some countries or that some countries may not enforce their anti-bribery and anti-corruption laws is not an excuse for non-compliance.

Employees, volunteers, and representatives may not directly or indirectly engage in bribery or other corrupt business practices, including authorizing, offering, or giving a government official or private individual anything of value for the purpose of influencing them to misuse their position or to gain an improper advantage to benefit USP. The term "improper advantage" includes a benefit to which USP is not entitled or a benefit to which USP is entitled but that is obtained through improper means.

**Employees, volunteers, and representatives may not directly or indirectly engage in bribery or other corrupt business practices.**

## Our Code in Action



**I have just been told that a number of Reference Standards in my portfolio are subject to United States government export restrictions. May I send a sample of a Reference Standard and technical information that is subject to these restrictions to a contract lab outside of the United States?**

No. You must obtain guidance from GCE before shipping any item or technical information that is subject to export restrictions. GCE will help you evaluate the export restrictions and obtain any applicable licenses and permits.

## Our Code in Action



### Who would be considered a government official?

A government official would include:

- Employee of a local, state, regional, or federal government, or any department, agency, or ministry of a government;
- Employee of a public international organization, such as the European Pharmacopoeia, United Nations, etc.;
- A political party official or any candidate for political office;
- Any officer or employee of a government-owned, government-funded, or government-controlled entity (for example, a government testing lab, air- or seaport, utility, energy, water, power companies);
- Any individual with dual capacity in a government agency and a private business; or
- Any member of a royal family (please note that such individuals may lack formal authority but may otherwise be influential in advancing USP's business interests, either through partially owning or managing state-owned or state-controlled companies).

Our policy also prohibits employees, volunteers, and representatives from receiving anything of value for the purpose of providing favorable treatment in connection with any USP activity. We are also prohibited from encouraging or requiring others to engage in such conduct or ignoring indications that others may be engaging in such conduct on our behalf. Additionally, we do not make facilitating or “grease payments” to expedite or secure the performance of a government action. Any exceptions to the policy on facilitating or grease payments require review and written approval according to the Waiver Policy, below.

### Anti-Kickback

USP complies with the U.S. Anti-Kickback Act, which strictly prohibits us from providing or receiving anything of value for the purpose of obtaining or rewarding favorable treatment in connection with the award of a government contract, subcontract, grant, or cooperative agreement. The Anti-Kickback Act makes giving or accepting a kickback illegal. A “kickback” is defined as any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind, provided directly or indirectly, to any contractor, contractor employee, subcontractor, or subcontractor employee, for the purpose of improperly obtaining or rewarding favorable treatment in connection with the award of a government contract or subcontract.

Favorable treatment may include the following:

- Receiving confidential information on competitor bids, such as prices, delivery schedules, or other non-public information
- Obtaining placement on a bidder's list without meeting the requisite qualifications
- Obtaining the removal of a competitor who meets requisite qualifications from a list of eligible bidders
- Obtaining unwarranted waivers of delivery deadlines
- Obtaining unwarranted price increases
- Recovering improper expenses
- Improperly obtaining the award of a subcontract or order under a subcontract
- Obtaining acceptance of substandard goods and services

**USP complies with the U.S. Anti-Kickback Act, which strictly prohibits us from providing or receiving anything of value for the purpose of obtaining or rewarding favorable treatment in connection with the award of a government contract.**

In addition, the Anti-Kickback Act imposes obligations on USP to report reasonable suspicions of kickbacks and to implement internal procedures to detect kickbacks. Therefore, USP employees who know of any violations of the Anti-Kickback Act or who suspect that a violation has taken place or could take place must immediately report the matter in accordance with our Reporting Policy.

The Anti-Bribery and Anti-Corruption, Anti-Kickback, and Travel, Gifts, and Entertainment requirements in this Code do not prohibit reasonable business expenses, entertainment, and gifts that are ordinary and customary in local business relationships and not in violation of U.S. law, the laws of the local country, or the guidelines of the receiving employee's organization. However, care must always be taken to ensure that these expenditures are not used as a means to conceal improper payments or to inappropriately influence private individuals or government officials to take or refrain from taking certain actions.

If you are involved in international operations, you must be familiar with anti-bribery and anti-corruption requirements applicable to your responsibilities. You must also adhere to all USP procedures relating to these laws and always display the highest level of integrity in your business dealings.

## Travel, Gifts, and Entertainment

Reasonable business travel, gifts, and entertainment expenditures may play an important role in strengthening our business relationships and promoting our mission and products. Indeed, in some cultures it is considered discourteous if token gifts are not exchanged by business partners. Nevertheless, the provision of business travel, gifts, and entertainment, if not done properly, has the potential to create the appearance of an actual or potential conflict of interest or impropriety. In certain instances, it may also be viewed as an attempt to corrupt the receiver. Additionally, it may also make it harder to be objective about the provider. Many organizations and governments have restrictions on their employees receiving or giving gifts. It is your responsibility to fully understand these restrictions before offering gifts or entertainment to anyone. When offering or receiving such courtesies, always follow a rule of reasonableness and the following requirements.

**USP employees who know of any violations of the Anti-Kickback Act or who suspect that a violation has taken place or could take place must immediately report the matter in accordance with our Reporting Policy.**

**...gifts, and entertainment, if not done properly, have the potential to create the appearance of an actual or potential conflict of interest or impropriety.**

## Our Code in Action



### What are facilitating, or grease, payments?

Facilitating, or grease, payments are payments made to further routine governmental action that does not involve the exercise of discretion. Examples are:

- Processing governmental documents—such as visas, licenses, or permits—that would allow USP to conduct business
- Obtaining police protection, phone service, power and water supply, and mail pickup or delivery

## Our Code in Action



### How do you define “gifts and entertainment”?

The phrase “gifts and entertainment” includes any gratuity, favor, discount, hospitality, loan, forbearance, or other item having monetary value. It includes services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, by payment in advance, or by reimbursement after the expense has been incurred.

The gift or entertainment must:

- Be given or received in an open and transparent manner
- Be consistent with the customary practices of the giver and receiver
- Be only offered or received infrequently
- Not violate local laws or the guidelines or procedures of the giver and receiver
- Not obligate or appear to obligate the recipient to provide favorable treatment
- Be modest in value
- Be accounted for appropriately in USP’s books and records
- If made public, not embarrass USP
- Not be cash or cash equivalent (for example, a gift card)

Employees or volunteers who receive a gift valued at more than \$50 (or \$100 per annum, cumulatively) while acting on behalf of USP must promptly notify their supervisor and GCE.

### Government Officials

When given to a government official, gifts and entertainment that are normal and otherwise acceptable in general business settings could be viewed as an inappropriate means of trying to influence the official’s decisions. Additionally, many governments have implemented strict laws and regulations limiting their employees from giving or receiving travel, gifts, or entertainment. USP will comply with all laws that restrict it from providing travel, gifts, and entertainment for any government official globally. It is your responsibility to understand these restrictions before offering any gift or entertainment to a government official.

Unless covered by an SOP, employees must obtain guidance from GCE or GLA before offering travel, gifts, or entertainment to any government official.

**When given to a government official, gifts and entertainment that are normal and otherwise acceptable in general business settings could be viewed as an inappropriate means of trying to influence the official’s decisions.**



## Employees and Volunteers

When carrying out responsibilities for USP, employees and volunteers must exercise independence and objectivity. We do not request or accept any payment, honoraria, or loan from a third party because of any act performed within the scope of our volunteer or employment duties for USP. In addition, we do not request personal gifts or entertainment from third parties for acts performed within the scope of our employment or volunteer duties.

For additional guidance on business travel for USP employees or volunteers, please refer to the *USP Travel Manual* and *USP Volunteer Travel and Reimbursement Policy for Members of Convention Committees, Council of Experts, Expert Committees, and Advisory Panels*.

Restrictions on gifts and entertainment do not prohibit you from entering into a bona fide, arms-length arrangement with any third party or from receiving compensation from a third party for activities outside the scope of your USP duties. However, you must at all times comply with USP's conflict of interest policy and any other applicable provisions of the *Rules of Business Practice*, the *Rules and Procedures of the Council of Experts*, and the *Rules and Procedures of the Council of the Convention*.

We do not request personal gifts or entertainment from third parties for acts performed within the scope of our employment or volunteer duties.

We respect patents, trademarks, and copyrights and will not knowingly violate the intellectual property rights of others.

## Intellectual Property

At USP, we respect patents, trademarks, and copyrights and will not knowingly violate the intellectual property rights of others. We do not reproduce copyrighted materials unless the materials are covered by USP's Copyright Clearance Center license or the reproduction is otherwise allowed under USP's copyright procedures.

We are not allowed to install

or use computer files or software not licensed by USP or to use approved software in a way that goes against our licenses or copyright agreements.

At USP, we are committed to defending our copyright and trademark rights in the United States and elsewhere. USP's name and trademarks may be used only in accordance with applicable USP procedures.

The work product that employees, volunteers, and representatives of USP create for USP is the intellectual property of the organization if it is created or developed,



## Our Code in Action



### Does an anti-competitive agreement have to be in writing to be illegal?

No, an agreement does not need to be in writing for it to be illegal. An oral or informal agreement, or even just an understanding, may be considered illegal.

in whole or in part, on USP time, as part of work duties or through the use of organizational resources or information. “Work product” includes inventions, discoveries, ideas, improvements, software programs, artwork, and works of authorship. Representatives must promptly disclose to USP, in writing, any such work product and cooperate with our efforts to obtain intellectual property protection for USP. To ensure that USP receives the benefit of work done by representatives, it is essential that an appropriate agreement or release is in place before any work begins.

### Anti-Trust and Competition

At USP, we believe in free and open competition. Most of the countries where we operate have strict laws prohibiting collusive or unfair business behavior that restricts free competition. U.S. anti-trust and other countries’ competition laws are complicated, and failure to adhere to these laws could result in significant penalties.

At USP, we believe in free and open competition.

In most circumstances, it is illegal to agree with competitors to fix prices, terms of sale, or production output; to divide markets or customers; or to intervene in the contractor selection process by manipulating the contents of the bids or illegally controlling the selection process in any other manner. Also, it may be illegal to attempt to discriminate in prices or terms of sale among our customers, or to otherwise restrict the freedom of our customers to compete. We will not discuss any of these issues with customers or competitors, or participate in a meeting where anti-competitive topics are discussed. It is important to note that the violations of anti-trust and competition laws carry severe civil and criminal penalties. Should you find yourself in a circumstance where these illegal topics are being discussed, you must notify the other party(ies) that you are unable to participate in the discussion and promptly report the event to any of the resources listed in this Code.

### Insider Trading

As a USP employee, volunteer, or representative, we may receive confidential information about a USP donor or business partner before it is publicly available to ordinary investors. Some of this information may be considered material and could be important to an investor deciding to buy, sell, or hold securities. “Material” information is information that a reasonable investor would likely consider important in deciding whether to purchase or sell a security. Examples of material information include:

- Product or manufacturing developments
- A major lawsuit or regulatory investigation
- Financial information
- Management changes
- Gain or loss of a significant customer or supplier



- Merger, purchase, sale, or joint venture
- Information that may positively or negatively affect the stock price

At USP, we do not use material inside information for personal benefit, trade securities based on material inside information, or provide material inside information to others outside of our organization. Doing so will violate our Code and your obligation to protect confidential information. It may also expose you to criminal or civil liability.

**At USP, we do not use material inside information for personal benefit, trade securities based on material inside information, or provide material inside information to others outside of our organization.**

## Financial Reporting and Record-Keeping Policy

At USP, we are committed to full, fair, accurate, and timely financial disclosures in reports or documents we create, make public, or file with any governmental authority. We maintain accounting, internal control, and audit systems to ensure the accuracy of our financial statements and records. All reported financial information must conform to generally accepted accounting principles (GAAP) and established USP financial SOPs. Transactions and disbursements must be reported accurately, completely, and in appropriate detail in order to ensure full accountability for all assets and activities of USP and to supply the data needed in connection with the preparation of its financial statements. We do not record any false or misleading statements or entries in USP's books and records that do not comply with GAAP or local statutory requirements.

## Accurate Statements, Submissions, and Representations

In the ordinary course of USP activities, we make numerous submissions, certifications, and representations to federal, state, and local governments and to the prime contractors retained by these entities. Examples of submissions, certifications, and representations include:

- Proposal information
- Pricing data and estimates
- Invoices
- Sourcing information
- Statements regarding USP products and services







While we always strive to ensure that the information we provide is truthful, current, accurate, and complete, we have special obligations whenever we submit information (including invoices, certifications, or reports) to government entities or to private or commercial entities that receive government funds. There are severe criminal and civil sanctions for submitting a false claim when government funds are used to pay or reimburse a portion of the price.

To avoid allegations of false statements or false claims, we must always be truthful and accurate in any communication or submission in our daily responsibilities. If there is any doubt about the accuracy of a statement, we do not make the statement or represent it to be accurate. In negotiations requiring the supply of “certified cost or pricing data,” all reports, certifications, and proposals must contain complete, accurate, and up-to-date pricing and information.

### Political Contributions

At USP, we encourage contribution to the community and participation in local, national, and international political processes. However, USP as an organization may not make any direct or indirect contributions to, or expenditure on behalf of, any:

- Candidate for elective office
- Political party
- Political action committee

USP employees may not use USP property, facilities, or employee time to support a political cause or candidate.

### Use of Company Assets

USP provides equipment and technology resources intended for use and efficiency when carrying out employment or volunteer duties for USP. These resources include:

- Computers
- Software
- Telephones
- Mobile devices
- Office equipment and supplies
- Laboratory equipment and supplies

USP resources are to be used only for their legitimate, intended business purposes. We are permitted limited personal use of these resources, but it may not interfere with our work performance or that of our colleagues, or lead to an additional cost to USP. Inappropriate or illegal use of USP resources is strictly prohibited. We reserve the right to monitor and inspect the use of USP resources, as provided by local law and in compliance with this Code.

**USP resources are to be used only for their legitimate, intended business purposes.**