Achieving results with responsibility

Our Code of Conduct and Business Principles
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At Smith + Nephew, we’ve been a leader in medical device innovation for over 160 years. The work we do makes a real difference. Not just to an individual’s body but to the entire person. Because when each procedure is complete, something special happens... Patients gain a renewed sense of self-belief, along with the freedom to live without the limitations that previously held them back.

It is our privilege and our responsibility to be a part of people’s lives in this way. And it’s up to everyone who works for us – or on our behalf – to share that responsibility by upholding our reputation for integrity and ethical conduct, because the sustainability of our business depends on doing things the right way. As a global company with thousands of employees, we rely on each other to take personal accountability for doing the right thing. No desire to make the numbers, gain a competitive advantage or follow an order should ever stand in the way of our commitment to integrity. Without our reputation, we put at risk everything we have worked so hard to achieve.

That’s why we have this Code of Conduct and Business Principles. It gives each one of us the legal and ethical framework to guide what we do every day in a way that reflects our Company and our Culture.

It’s not enough to simply comply with the law; we should always behave ethically, even where the law is unclear or still developing.

It is our reputation that brought us here and that will keep us strong for another 160 years. We must count on each other to protect our reputation. This will ensure that many more people can have their bodies restored, self-belief renewed and live a Life Unlimited.

Sincerely,

Roland Diggelmann
Our goal is to improve people’s lives. By repairing their bodies and renewing their sense of self-belief, we aim to set people free from what was holding them back so that they can live life without limitations.

We wouldn’t be able to achieve this without our commitment to integrity, honesty and professionalism. These principles are embodied in our Culture Pillars: Care; Collaboration; and Courage. These Culture Pillars guide the behaviour of everyone at Smith + Nephew, no matter where in the world we are located.

We must all also follow and understand applicable laws, this Code and relevant Company policies and procedures. Our Third Party Representatives who carry out business on our behalf, directly or indirectly, must also understand and follow applicable laws when carrying out that business.

From time to time, in some regions, local laws, regulations or business requirements may be stricter than the policies set out in this Code. In those cases, we follow the more restrictive set of requirements so that our behaviour does not drop below the standards expected by local law, regulation or business requirement.

We know that there are consequences for failing to follow the law, including financial penalties, criminal convictions and our products not being eligible for government reimbursement or other programmes. We also know that when we fail to follow this Code, we could face disciplinary action, including termination of employment.

We all have a responsibility to report actual or suspected violations of this Code. By raising awareness of potential issues we help protect our reputation, our employees and our customers.

Everyone has a responsibility to report violations of this Code. You may report concerns to your manager, who will then brief the relevant corporate functions, or directly to your Compliance, HR or Legal support. We also have provided an externally managed reporting channel where anonymous reports may be made. To make a report visit: http://www.smith-nephew.com/compliance/report-a-concern/
Winning Behaviours

There are five Winning Behaviours that support our purpose, strategic imperatives, Culture Pillars and reinforce our Code of Conduct. They are:

- We Work Together to Win
- We Put Customers First
- We Own Our Success
- We Value Each Other
- We Create Possibilities

The Winning Behaviours define how each of us should lead and interact with our customers, stakeholders and each other. They help us come together as one team with one direction and clear expectations, as we work together to achieve our goals. Each of us should strive to demonstrate these behaviours each day and become model examples of how to embody them.
Care

Care is a pillar of our culture because when people feel true empathy and understanding, we believe that they can achieve incredible things.
Our Culture is defined by understanding and empathy. For customers. For patients. For each other. We care for our employees by providing a safe and healthy working environment and by protecting their privacy.

We care for our customers and patients through our commitment to developing and delivering innovative, cost-effective, and high quality solutions. And we care for our communities by supporting them through our Corporate Social Responsibility programmes.
Sustainability

We are committed to managing the environmental, social and economic impacts of our business. We source materials from responsible suppliers; and we ensure our activities are conducted in a manner that proactively protects the environment and maximizes efficient use of resources.

Health, Safety and Environment

We believe that good health, safety and environmental standards and practices go hand-in-hand with achieving excellent business results. We are committed to providing healthy and safe working conditions for all employees, contractors, visitors, customers and the public. We comply with relevant laws and regulations and take action to reduce risk.

We are all accountable for behaving safely, following local operating procedures and safe working practices, and preventing pollution and harm to the environment. It is the responsibility of all employees, and those working with us, to take steps to prevent accidents, to be attentive to safety and to report hazards, injuries or behaviours and practices that may cause harm.

Corporate Social Responsibility

We are committed to making a difference in the communities in which we operate. We encourage participation in and support for charitable, educational and humanitarian organisations and activities. We do this by making product donations, matching charitable giving, and by supporting volunteering time, and wellness activities. We do not make corporate political contributions in any market in which we operate.

We are committed to human rights and do not use any form of forced, compulsory or child labour. We comply with the requirements of the UK Modern Slavery Act.

Read more:
- GPP04: Grants & Donations
- GPP22: Response to Major Disasters

Anti Bribery, Corruption and Fraud

We conduct our business with integrity. We recognise that our business means that we sometimes, quite properly, offer things to actual or potential customers that have value – for example, samples of our products or training sessions. When doing so we consider not just the intent of our actions, but the way our actions could be perceived by others, and we don’t make improper payments, either directly or through third parties, even when such payments may be seen by some as accepted business practice in a particular country or culture.

We don’t accept or request improper payments – employees are required to report any requests or offers of improper payments made to them. We follow applicable legal requirements, including the requirements of international laws, including the US Foreign Corrupt Practices Act, the UK Bribery Act and the UK Criminal Finances Act. We don’t pay facilitation payments.

Q&A

Q: “A customs agent told me that he can move our products through the local customs process much faster for an additional $1,000 per month. Is this OK?”

A: “This is a potential red flag that the agent would use the money as a facilitation payment to local customs officials. You need to ask the agent to explain what the extra payment is for and discuss the matter with your local Compliance Officer before taking any action.”

Improper payment

Improper payment means any financial payment or benefit improperly offered or made for the purpose of obtaining or retaining business or to gain any improper advantage for the person or entity making the payment for us. You should assume that a financial or other benefit to a Government Official is improper unless it is permitted or required by the applicable written law. Improper payments may include anything of value, provided overtly or covertly, in cash or in kind, including bribes, kickbacks, gifts, donations, grants, hospitality, commissions or any sales arrangement, discount, rebate or equipment loan which is not made in accordance with this Code or the procedures adopted under this Code.

Facilitation payment

Facilitation payment means payments of small amounts to ensure or speed up the proper performance of a Government Official’s routine duties.
Research and Development, Regulatory, Quality

We are committed to developing and delivering innovative, cost-effective solutions that provide real benefits to Healthcare Professionals (HCPs) and their patients through improved treatments, ease and speed of product use, and reduced healthcare costs. We conduct research ethically and in accordance with applicable international standards.

Our products are designed to be safe and reliable for their intended use. We support responsible business practices that protect patients, their rights, and their safety. Our products comply with legal and regulatory requirements.

Our quality commitment means we hold ourselves and our suppliers accountable for the quality of our products. Employees and third parties have a responsibility to raise concerns about products and to report issues about which they become aware. Submitting a complaint is simple, just visit: complaints@smith-nephew.com

Read more:
- GPP19: Regulatory and Quality System Compliance
- GPP23: Clinical Studies
- GPP26: Non-clinical Studies

Product Promotion and Scientific Disclosures

We believe access to truthful, non-misleading information about our products is critical to the decision making of HCPs. We promote our products based on the approved labelling and we provide accurate and truthful communications about our products. Product promotional information is approved through the appropriate Company process. We have careful regard to any restrictions that the laws of individual countries place on the marketing of our products.

We keep our customers informed of the uses, safety, contra-indications and side effects of our products and, where appropriate, the operational requirements and characteristics of the products.

The information we provide is consistent with the global body of scientific knowledge available on the relevant products. Articles discussing Company-sponsored studies meet established authorship standards and appropriate disclosures are made if the author has received funding or other support from Smith + Nephew.

Q&A

Q: “A friend who knows I work for S+N mentioned that her mother recently had a knee replacement using a S+N product. She said her mother has been in a lot of pain since the surgery and she thinks there is something wrong with the product. I don’t know anything about the knee business, but I doubt there is anything wrong with our product, what should I do?”

A: “Employees and distributors are responsible for reporting any complaints involving our product when they become aware of them. You must send the information to the Complaints team and they will decide what steps to take. You can submit a complaint to complaints@smith-nephew.com.”
Privacy

Through the normal course of business, we may have access to Personal Information about our employees, our suppliers, our customers and their patients. We collect Personal Information for legitimate purposes. We are committed to protecting the privacy and security of Personal Information we collect using appropriate technical and organisational measures. Employees are only allowed to access data containing Personal Information where required by their job function. We do not use data containing Personal Information unless there is a specific legal basis for such use. For advice contact: privacyenquiries@smith-nephew.com

Read more:
> GPP16: Protection and Use of Personal Information
> GPP17: Protection and Use of Confidential Information

Q&A

Q: “I’m a rep and a nurse sent me a wound care case study. The patient’s name is included in the study report. What should I do?”

A: “You should contact the nurse and mention the error, and request that any future correspondence has patient names removed. Ask the nurse to resend the materials, but with the patient name removed, and delete the copy you currently hold. Alert your manager to the situation.”

For advice on privacy-related matters contact privacyenquiries@smith-nephew.com

Personal Information

Personal Information means any information that relates to any living individual who is directly or indirectly identifiable from those data, whether in isolation or in combination with other available information.
Company Assets

We are all responsible for being the best owners of our Company. We all protect and/or use Company assets wisely, including our equipment (including computers, telephones & electronic devices), facilities, data, systems, money and intellectual property.

We do not use Company assets for communications that violate this Code (e.g., to communicate any inappropriate, sexually explicit, derogatory or otherwise offensive jokes or statements, or to conduct business for another organisation). Incidental use of Company assets for personal matters is acceptable as long as it does not interfere with the performance of our roles or business activities.

Read more:
> GPP14: Information Systems Acceptable Use Governance Policy

Confidential Information

Everyone has a duty to protect the confidentiality of Smith + Nephew Confidential Information and use it only for Smith + Nephew business purposes (and not, e.g., for personal advantage or enrichment). This applies even after the end of the individual's relationship with Smith + Nephew. We treat intellectual property as Confidential Information.

Q&A

Q: “I want to finish off some work at home and I don’t have a laptop. Can I email relevant documents to my personal email account so that I can work on them from home?”

A: “It is not acceptable to email Company documents to personal email accounts. If you need to work from home it is recommended that you speak to IT to request the use of a laptop.”

Q: “My partner is setting up a new business venture and wants to print out a sample promotional leaflet to see what it looks like before she orders a full print run. Can I use the office printer for this sample print?”

A: “Incidental use of Company resources for personal matters is acceptable. It would not be acceptable to print bulk materials such as these using Company resources.”

Confidential Information?
Confidential Information means confidential, secret, and proprietary documents, materials, data and other information, in tangible and intangible form, relating to Smith + Nephew and its businesses and existing and prospective customers, suppliers, investors and other associated third parties. Examples include, but are not limited to, unpublished patents, customer lists, details of contracts, future business ideas, know-how, financial forecasts, and trade secrets.
Collaboration

Collaboration is a pillar of our culture because breaking down silos and building a sense of unity can make incredible achievements happen.
To us, a great culture is based on teamwork, mutual trust and respect. And we show these attributes in all kinds of ways – including how we conduct ourselves with each other, with customers and with third parties, and the way we handle books, records and conflicts of interest.
Diversity and Inclusion

We are committed to building diversity in a working environment where every employee feels included, where everyone feels responsible for the performance and reputation of our Company, and where everyone treats each other with mutual trust and respect. We employ and promote employees solely on the basis of the qualifications and abilities needed for performance of the work. We do not tolerate discrimination and provide equal opportunity based on merit.
HCP Engagement

Our interactions with HCPs are essential to ensuring the safe and effective use of our products and to the development and delivery of new products and services to patients. We are proud to support the development of surgeons and nurses by providing skills training and education on our products and techniques. We are committed to conducting our interactions with HCPs openly, fairly and transparently. We respect the physician-patient relationship and believe that clinical decisions should be made in the best interest of the patient.

We don’t use our interactions with HCPs to reward product use, recommendation or purchase. We are members of industry associations in the markets in which we operate and we comply with the requirements of industry codes of conduct. We believe in the importance of transparency in interactions between industry and HCPs and we report the detail of our transactions in accordance with international transparency requirements.

Q&A

Q: “An HCP who I work closely with has asked me if we can give an unpaid internship to her son. What can I do?”

A: “Give the HCP the contact details for your local HR department or recommend that she visit http://www.smith-nephew.com/careers/. Her son needs to apply directly for any roles that interest him and you cannot be involved in the process. During the application process he will need to disclose that his mother is an HCP so that the potential conflict of interest can be assessed.”

Q: “One of my customers is a really engaging speaker and I think that he would be great at educating others about our products. How do I sign him up to a consulting agreement?”

A: “The Medical Education team are responsible for deciding which HCPs to use as consultants for educational activities. You can share the HCP’s contact details with your local Medical Education team and they will independently decide whether to engage the HCP as a consultant. You should make it clear to the HCP that you have no role in the decision about whether to use him.”

Read more:
- GPP02: Needs Assessment
- GPP03: Consulting Services from HCPs and Government Officials
- GPP05: HCP Sponsorships to Third Party Educational Conferences (External Sponsorships)
- GPP06: Product Training and Medical Education Meetings (PTE Meetings)
- GPP07: Gifts, Meals and Travel for HCPs and Government Officials
- GPP24: Tenders
- GPP25: Free of Charge Products for Evaluation (including samples)

Healthcare Professional or Healthcare Provider or HCP
Healthcare Professional or Healthcare Provider or HCP means those individuals or entities that are in a position to purchase, lease, recommend, use, arrange for the purchase or lease of or prescribe the Company’s products or services. Examples include, but are not limited to, physicians, physician assistants, nurses, pharmacists, medical directors, investigators, researchers, account representatives employed by a customer, professional educators, hospitals, ambulatory surgical centres, group purchasing organisations, managed care organisations, insurers, employers, wholesalers and any individual employed by such entities with responsibility or authority to purchase, prescribe, recommend, influence or arrange for the purchase or sale of a Company product or service.
Government Interactions

From time to time we are subject to inspections and/or audits by government bodies. We cooperate fully with all inspections/audits. We don't obstruct or mislead inspectors and we don't delete or alter documents that are relevant to their investigation/audit. We don't use our interactions with Government Officials to reward or influence decisions relating to our business.

Read more:
- GPP03: Consulting Services from HCPs and Government Officials
- GPP07: Gifts, Meals and Travel for HCPs and Government Officials

Government Official means:
- Any individual who holds a legislative, administrative or judicial position of any kind, whether appointed or elected, for a country or territory;
- Any person acting in an official capacity on behalf of a government or any department, agency or instrumentality of a government;
- Any officer or agent of a public international organisation such as the World Health Organization or the United Nations;
- Any officer or agent of a political party or any person acting in an official capacity on behalf of a political party; and/or
- Any candidate for political office.

An employee or consultant of a government-owned hospital or institution may be considered a Government Official under some laws.
Third-Party Engagement/ Fair Procurement

We allow third parties to compete fairly for business. We select third parties based on their qualifications, reliability and adherence to applicable laws and our values.

We take all reasonable steps to select partners that are committed to the law and ethical behaviour. We work with third parties who adhere to business principles and health, safety, social and environmental standards consistent with our own. We are committed to sourcing materials from responsible suppliers. We conduct due diligence of suppliers on origin, source and chain of custody of conflict minerals.

Read more:
▷ GPP08: Third Party Management

Conflict of Interest

A conflict of interest happens when personal interests are not aligned with the interests of the Company. Examples include personal relationships between a manager and their employee or an employee having a personal or financial interest in a third party that is working with Smith + Nephew. Both of these scenarios could present a conflict of interest. We should also avoid activities that have the appearance of a conflict and any potential conflict of interest must be disclosed to management, HR or Compliance.

Giving and receiving gifts can be a conflict of interest. We never solicit gifts or hospitality from a Third Party. Employees may accept unsolicited gifts or hospitality from Third Parties only when it is occasional, modest, and appropriate for a business relationship. We may give hospitality or gifts to suppliers/vendors where they are reasonable, in line with applicable laws and industry codes and for a legitimate business purpose. Specific rules apply to hospitality and gifts to HCPs and Government Officials.

Read more:
▷ GPP21: International Trade Control

Q&A

Q: “My cousin owns a medical device distributor in my territory. I’m confident that they will do a good job. Can I appoint them to distribute our products?"

A: “This is a potential conflict of interest because people might think you appointed the distributor because of your family relationship rather than for the right reasons. You can recommend the distributor to your line manager and to people responsible for making decisions about new distributors, but you must tell them about your family relationship with this company. You cannot be involved in any decision about whether to use this company and, if others decide to appoint them, other actions may be taken to reduce the conflict of interest. For example, they may not be allowed to work in your territory.”

Q: “A new vendor that I work with has sent me a fruit basket to celebrate a national holiday. Should I return it?”

A: “As this is a modest, unsolicited gift we would not expect you to return it. However, it is recommended that you share the fruit basket with colleagues.”
Antitrust/Fair Competition

We are committed to the promotion of fair competition globally and seek to earn customers through developing and improving our own products and services and distinguishing these from our competitors. We deal fairly with customers, suppliers and competitors.

We seek to engage with and strengthen our relationships with regulators, enhancing our reputation as a reliable and credible business partner.

Q&A

Q: “A nurse has given me a list of the pricing that our key competitors charge to his hospital. I did not ask for the document, can I share it with our local pricing team?”

A: “No. Inform the nurse that you are not allowed to have this document. Return or destroy it and notify Legal or Compliance about the incident.”

Q: “At a local orthopaedics meeting a competitor sales rep suggested that we can both meet our sales targets if we share the hospitals in our territory equally. He suggested that he focus on selling to hospitals A, B and C while I focus on hospitals X, Y and Z. I told my competitor that this is not allowed. Do I need to do anything else?”

A: “You made the right decision. This is an example of dividing markets and is not allowed. Even though you did not follow up the competitor’s proposals, you must report the matter to Legal or Compliance.”
External Communications

We are committed to delivering accurate and reliable information to our stakeholders. This includes customers, investors, financial analysts, government and regulators, as well as members of the general public, through the media and social media.

All public disclosures, including press releases, speeches, endorsements and other communications that we make are honest, accurate, timely and representative of the facts.

We ensure consistency and accuracy of messaging by only allowing designated persons to answer questions from or issue statements to the news media, financial analysts, investors, or through the Group’s social media channels. All such matters should be referred to SNCommunication@smith-nephew.com

Read more:
> GPP12: External Communications – the Media, Investors, Financial Analysts, Government
> GPP13: Digital Marketing and Communications

Social Media

Employees and contractors cannot post on social media on behalf of the Company unless authorised to do so. Exercise caution when posting on personal social media sites. If your connection to Smith + Nephew is known then information you post could have a negative impact on the Company’s reputation. Do not post offensive comments or images. Never share confidential or commercially sensitive information on your social networks such as company or product performance, sales figures, product developments, etc.

Q&A

Q: “A local journalist contacted me to ask for a statement about recent media articles relating to Smith + Nephew. How should I respond?”

A: “Do not offer a comment to the journalist. Take their name and contact details, make a note of the question(s) and send the details to the Communications department. Let the journalist know that someone from the Communications department will contact them.”

Q: “A nurse I follow on Facebook made comments about a Smith + Nephew product. Can I respond to correct her?”

A: “No. Please forward the details of the post (take a screenshot) to the Corporate Communications team. They will respond if necessary.”

Q: “I took part in a volunteering event with my team. Can I post about it on my personal social media account?”

A: “Yes. We encourage employees to act as advocates of the Company online such as by talking about team events. Remember not to share any information that could have an impact on the Company’s reputation.”
Insider Trading

We protect Confidential Information about the Company and follow relevant securities laws. We acknowledge that when we have access to Confidential Information that could affect the Smith + Nephew share price, it is a violation of this Code and related Company policies to trade Smith + Nephew shares or to encourage other people to trade Smith + Nephew shares.

Books, Records and Document Management

As a publicly traded Company, we adhere to laws, regulations and the rules of the financial regulators and stock exchanges on which our shares are traded. We are committed to maintaining accurate accounting records, consistent financial reports and effective internal financial controls.

Our accounting records and supporting documents are designed to accurately describe and reflect the true nature of our underlying transactions and conform to applicable accounting standards. All employees are responsible for understanding and complying with document retention requirements applicable to their function and location.

Read more:
» GPP20. Document and Record Retention and Management
Courage

Courage is what gives us our entrepreneurial spirit. It's also what gives us the confidence to turn innovative thinking into reality.
Courage is what makes each of us hold ourselves accountable, behave ethically and with integrity. And courage is what spurs us to take responsibility and speak up when we see something that does not reflect this Code, our Company or our Culture.
Ethical Decision Making

This Code of Conduct and related policies may not cover every situation we face and doesn’t replace our individual responsibility to use good judgement and common sense. In addition to knowing and understanding this Code and relevant Company policies and procedures that relate to his or her role, each employee is responsible for acting in a manner consistent with our Culture. When making a decision about a new situation, we consider:

Can I do it?
• Are there any laws or policies that would guide the decision?
• Is it aligned with our Company Culture and expectations?
• What does the Code say about the situation?

Should I do it?
• Could someone be affected by your actions?
• Could your actions be misinterpreted?
• Is the decision in the best interests of the Company?

Managers’ Responsibilities
Managers have a responsibility to reinforce our Culture and to ensure the Code is fully embedded within the Company by:

1. Coaching teams on doing the right thing
   Discuss our Culture and our Code and relevant policies with each of your teams. Ensure your team also completes any policy obligations, e.g. identifying risks, obtaining proper approvals.

2. Encouraging diverse perspectives and engaging, open and transparent communications
   Create an environment where people feel comfortable to provide input, challenge, or raise concerns.

3. Promptly reporting any breaches
   Feed any potential or actual breaches of our Code or policies directly to the relevant Company function and encourage your team to report.

4. Ensuring no retaliation
   Support employees who raise issues, treat their concerns confidentially and work for a prompt resolution. Clearly communicate Smith + Nephew’s policy of ‘no retaliation’ to those you supervise.

5. Recognising the right behaviours
   Celebrate examples that are in accordance with our Code and our Winning Behaviours and praise and encourage similar behaviour. Ensure you take account of behaviours when making people decisions.

6. Proactively removing barriers to doing what is right
   Take personal accountability for ensuring that the required conditions are in place so the highest standards of integrity are applied consistently within your team.

If you have a question about this Code, or policies contact compliance@smith-nephew.com
Reporting Violations

We know that we must report any breach of this Code that we discover. Failure to report is a violation of the Code. By having the courage to raise awareness of potential issues, we help protect our reputation, our employees and our customers. You can make a report in any of the following ways.

You can contact:
• A Compliance Officer;
• The Legal department;
• The HR department; or
• Your manager

We will make sure no action is taken against anyone who reports, in good faith, actual or suspected misconduct. Any such action would be, in itself, a breach of our policy.

Read more:
› GPP10: Discipline and Standards of Conduct

You may also visit our Compliance website to make a report via the web (http://www.smith-nephew.com/compliance/report-a-concern/) or for a list of phone numbers you can use to make a report. You can make reports anonymously. There may be circumstances where we would have to reveal the identity of the person making the report. In this case, we will protect that information as far as possible.