

1 Purpose

Elanco Animal Health and its affiliates (“Elanco” or “the Company”) is committed to ensuring that everyone working for or on behalf of Elanco adheres to the highest standards of conduct, including compliance with all applicable anti-kickback, anti-bribery, and anti-corruption laws in each country where Elanco conducts business (collectively, “ABAC Laws”). The purpose of this *Anti-Bribery and Anti-Corruption Policy* (“the Policy”) is to ensure that Elanco and its Third Party Intermediaries (“TPIs”) conduct business worldwide in accordance with Elanco’s core values and in compliance with ABAC Laws.

2 Scope

This Policy applies to:

- Elanco and its direct and indirect subsidiaries, joint ventures, and affiliates
- All Elanco Workers including officers and directors
- All Third Parties with whom we conduct business with

3 Definitions

Animal Health Professional (AHP): A natural person who is (1) a professional in the field of animal health, including a veterinarian, registered veterinary technician, veterinary nurse, animal health nutritionist, fish health specialist, or veterinary pharmacist; and (2) who prescribes, recommends, treats, and/or performs clinical services in the treatment of animals. This excludes farmers, producers, integrators, and animal service providers such as groomers.

Anything of Value. Any goods or services, tangible or intangible, that have utility to the recipient that is real and that is ordinarily not given away free but is purchased.

Bribery. An act in which money, gifts, favors, or Anything of Value are given or promised to someone in a position of power, authority, or trust to influence their decisions or actions to obtain or retain an improper business advantage.

Business Owner (BO): An Elanco employee who is accountable for the decision being made, including engaging, overseeing, and paying a Third Party.

Elanco. Elanco Animal Health Incorporated, and all of its subsidiaries and affiliates.

Elanco Worker. Elanco employees and designated contractors engaged by or on behalf Elanco.

Facilitation Payment. A direct or indirect payment to a Government Official to carry out or expedite the performance of a routine government action. Routine government actions include, but are not limited to, clearing customs, processing visas, and scheduling inspections.

Government Official (GO): Any official or employee of a national, state, provincial, or local government including all its departments, agencies, and ministries. The term also covers:

- Employees or officials of state-owned enterprises, government-owned corporations, or government sponsored enterprises, which are companies and organizations that may not explicitly be a part of the government but are owned or controlled by the government.

- Employees or officials of any public international organization (such as the United Nations or the World Health Organization) or any department, agency, or institution of that organization.
- Any political party or party official or candidate for public or political party office is also considered a government official.
- Animal health professionals who are employed by or acting on behalf of an institution owned or controlled by a government body such public universities may also be considered public officials depending on local law.

Kickback. Anything of Value given as compensation for preferential treatment in exchange for awarding contracts or providing an unfair business advantage. The Kickback may be money, a gift, credit, or Anything of Value.

Local Compliance Operations (LCO). An Elanco local business team member who is designated to serve as the primary point of contact for ethics and compliance matters for a specific affiliate, region, country, or function.

Local Lawyer. An Elanco lawyer who is responsible for providing legal advice and acting as a resource for ethics and compliance matters for a specific affiliate, region, country, or function.

Regional Ethics & Compliance Leader. A member of the Elanco global ethics & compliance team who oversees all ethics and compliance matters for the Americas, APAC, and EMEA.

Third Party: An individual or entity that is not an employee or affiliate of Elanco.

Third Party Intermediary (TPI): A Third Party engaged or planning to be engaged to interact or transact business with other Third Parties on Elanco's behalf.

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As discussed further below, Elanco prohibits bribery, maintains records that accurately and fairly reflect the transactions of the Company, maintains an adequate system of internal controls, complies with rules and regulations relating to GOs, and conducts due diligence before engaging high-risk TPIs.

In addition to this Policy, Elanco Workers and TPIs who conduct business on behalf of Elanco must comply with other related policies and procedures, such as the *Anti-Corruption Due Diligence ("ACDD") Procedure*, the *Conducting Business with Integrity Policy* and its procedures, and the Code of Conduct. This information can be found on The Spot or by contacting your LCO, or your Regional Ethics & Compliance Leader.

4.1 Bribery Prohibited

Elanco complies with the requirements of US Foreign Corrupt Practices Act ("FCPA"), UK Bribery Law, and any other country-specific ABAC Laws. Individuals working for or on behalf of Elanco must comply with all ABAC Laws. To comply with these ABAC Laws, Elanco Workers are prohibited from:

- Directly or indirectly offering, paying, promising, or authorizing any bribe, Kickback, illicit or improper payment or benefit of any kind, to any GO or Third Party;
- Requesting, accepting, or agreeing to receive any bribe, Kickback, or improper payment or benefit of any kind, from any customer, supplier, or any Third Party;
- Making or offering to make Facilitation Payments.

An improper benefit can be Anything of Value, including, but not limited to, cash, gift certificates, gifts, travel, and entertainment, given to influence another party's actions. Examples of improper benefits include, but are not limited to, payment or offer of payment to influence a GO's decision to:

- Award a contract or other business opportunity to Elanco;
- Issue any government authorization or documentation, such as any approval, permit, registration or license;
- Relieve Elanco of otherwise required government obligations, such as paying taxes, passing inspections, or obtaining required permits; and
- Influence legislation or any judicial proceeding.

All forms of Bribery are prohibited except in the rare case of immediate danger to the health and safety of an Elanco Worker. Bribery payments are allowed only if, when the bribe is demanded, you reasonably fear for your immediate safety or the safety of others. After making the payment, you must immediately report the payment to the [IntegrityLine](#) and your Regional Ethics & Compliance Leader.

4.2 Books, Records, Internal Controls and Transactions

The law and our policy require Elanco to make and keep books and records that accurately and fairly reflect the transactions of the Company, as well as create and maintain an adequate system of internal controls.

Elanco is subject to these requirements and must:

- Establish and maintain adequate internal accounting controls to ensure management's objectives are being met;
- Maintain records sufficient to prepare financial statements in accordance with generally accepted accounting principles; and
- Assure that all corporate assets are properly controlled and accounted for, including subjecting all expense payments to an appropriate level of review and approval.

Additionally, all payments by and transactions of Elanco must be accurately recorded in Elanco's books, accounts and records and fairly reflect its transactions and the disposition of its assets in reasonable detail. This requirement applies regardless of the magnitude of the expense (i.e., there is no materiality threshold for this requirement).

Examples of improper actions in violation of ABAC laws include, but are not limited to:

- Off-the-books accounts to hide improper payments or to channel funds to foreign officials
- Mischaracterizing payments as legitimate expenses, such as consulting fees or travel expenses, when they are actually bribes or other improper payments
- Creating false invoices to conceal improper payments or to inflate the value of legitimate transactions.

Elanco may be held liable for the actions of not only our employees, but also our agents and TPIs who violate ABAC laws. Each Business Owner is responsible for ensuring that invoices received from Third Parties, and in particular from TPIs, accurately describe the underlying services and contain sufficient detail to ensure that Elanco recordkeeping complies with the FCPA and other applicable laws.

Corporate Audit Services will periodically audit controls and transactions to ensure that this Policy is being followed.

If local ABAC Laws are stricter than the FCPA or Elanco policies, then local laws or regulations must be followed.

4.3 Interactions with Government Officials and Animal Health Professionals

It is important to recognize that GOs are often subject to additional rules and restrictions that do not apply to persons who operate in the private sector. Improper payments to any GO, regardless of rank or position, and payments to family members, business associates, business entities, charities, or other individuals / entities who receive payments on behalf of a GO are prohibited.

Elanco has developed policies and procedures to govern interactions with GOs and AHPs to help the business operate within applicable rules and restrictions and to mitigate the risk of improper influence and Bribery. The requirements in this Policy governing interactions with GOs and AHPs define the Company's high-level expectations and principles. For more detailed guidance on specific situations, consult the *Anti-Corruption Due Diligence Procedure* and the *Conducting Business with Integrity Policy* and its procedures. Those policies and procedures cover topics such as AHP engagements, sponsoring an AHP to attend a third-party educational event, commercial sponsorships, research and educational grants, charitable contributions, gifts, and meals, entertainment & hospitality.

4.4 Retaining Third Party Intermediaries

Due diligence procedures before engaging TPIs. Elanco Workers engaging TPIs must take reasonable precautions to ensure that TPIs are reputable, honest, and qualified for their roles. Elanco should exercise due care when engaging TPIs, including entering into contractual relationships with TPIs, and monitoring or auditing a TPI's books, records, and activities when deemed necessary. TPIs who interact with or transact with AHPs and GOs may require ACDD in accordance with the *Anti-Corruption Due Diligence Procedure*.

Written Agreements. When working with TPIs, a written agreement is required and must be in a form previously approved by Elanco's Legal Department before they are presented to the TPI. The agreements must include the following:

- Confirmation that the TPI will comply with ABAC Laws
- A detailed description of the services to be delivered
- Payment terms

Indirect Payments Prohibited. Elanco Workers and TPIs may be held liable for direct or indirect offers, promises or payments to GOs to obtain or retain business, direct business to any person or gain any improper business advantage. This means that if a direct transaction is prohibited, then the same transaction is prohibited even if it is completed indirectly, such as by a distributor or sales agent. Consistent with the FCPA and other ABAC Laws, Elanco Workers are prohibited from authorizing, assisting, or conspiring with someone else to engage in corrupt activities through a Third Party or TPI.

Willful Blindness Prohibited. Elanco Workers must be aware of any indication that another Elanco Worker or a TPI may be engaging in Bribery. Under no circumstances may Elanco Workers ignore signs that another Elanco Worker or a TPI may be engaging in Bribery in connection with any venture, transaction, or activity in which Elanco is involved or has any interest. Elanco Workers must report any suspected or actual instances of Bribery to the [IntegrityLine](#).

Common red flags to be aware of include, but are not limited to:

- TPIs with poor reputations
- Distributors or sales agents who refuse to certify compliance with ABAC Laws by signing Compliance Certificates or written agreements with FCPA language in them
- Requests for unusual payment terms that may be indicative of corruption such as:
 - Up-front payments,
 - Cash payments,
 - Abnormally high pricing or commissions,
 - Involvement of third parties or shell entities, and
 - Unreasonably large discounts to distributors
- Refusal to disclose subcontractors or hold subcontractors accountable and responsible for compliance with ABAC Laws

If an Elanco Worker becomes aware of the red flags above or other potentially suspicious or unethical behavior and activity by a Third Party, the Elanco Workers should consult their Regional Ethics & Compliance Leader or report suspected improper activity to the [IntegrityLine](#).

Acquisition Due Diligence. To the extent Elanco pursues the acquisition of an entity with any operations or activities outside of the United States, the risk-based due diligence approach associated with the proposed acquisition shall include, to the extent possible, an appropriate review of the target's compliance with ABAC Laws. The results of the acquisition due diligence shall be documented and retained. On or after the completion of the acquisition, the target shall be integrated into Elanco's E&C program.

4.5 Penalties and Discipline

Individuals working for or on behalf of Elanco who violate this Policy or ABAC Laws will be subject to discipline, up to and including termination of employment or services. Additionally, individuals working for or on behalf of Elanco who violate this Policy or ABAC Laws may be personally subject to severe criminal and civil penalties, imprisonment, and/or fines which are not reimbursable by Elanco.

4.6 Reporting Violations

An individual who knows or suspects violations of this Policy and ABAC Laws must report the violation to the [IntegrityLine](#). Elanco prohibits retaliation against individuals who report their concerns.

For further information about reporting a concern, refer to the *Speak Up: No Retaliation Policy*.

5 Related Policies and Resources

Procedure(s) supporting this Policy are:

ACDD Procedure

Related Policies and Procedures include:

- *Code of Conduct*
- *Conflict of Interest Policy and Procedure*
- *Conducting Business with Integrity Policy and Procedures*



- *Speak Up No Retaliation Policy*

If further clarification is needed, please contact your Regional Ethics & Compliance Leader, Local Lawyer, or your LCO.

6 Approvals

Approver	Chief Ethics and Compliance Officer	Owner	Head of Ethics and Compliance
Last Approved	11/22/2022	Policy Area	Ethics & Compliance
Effective	12/19/2022	Applicability	Global
Last Revised	05/18/2023	Next Review	