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1 Purpose & Scope

This standard operating procedure (SOP) describes the process for review and approval of grants & product donations in compliance with current policy ([6 References](#)).

This SOP applies to:

- Monetary grants and donations.
- Product and in-kind donations.
- Humanitarian donations.

This SOP does not apply to:

- Provision of free goods or other assets made in the context of a commercial or R&D transaction.
- Funding of Public Policy Groups (including Corporate Memberships of Trade Associations) programs and initiatives (see related procedure in [6 References](#)).
- Funding of Congresses / Conferences where Consumer Health (CH) receives a proportionate benefit in return.
- Political contributions not permitted by CH (see current policy on Anti Bribery & Corruption in [6 References](#)).
- Supported research studies.

2 Definitions

Table 2-1 Definitions

Term	Definition
Humanitarian crisis	A singular event or a series of events that are threatening in terms of health, safety or well-being of a community or large group of people. It may be an internal or external conflict and usually occurs throughout a large land area. It includes: <ul style="list-style-type: none"> • Natural or man-made events that warrant a proactive or reactive response for resources to uphold health, safety, or the well-being of individuals. • Natural or man-made events that threaten the operation of a company site location. • A global concern that has the potential to disrupt business and personal continuity across site locations.
Humanitarian Donations	Proactive donations awarded in response to Humanitarian Crisis.

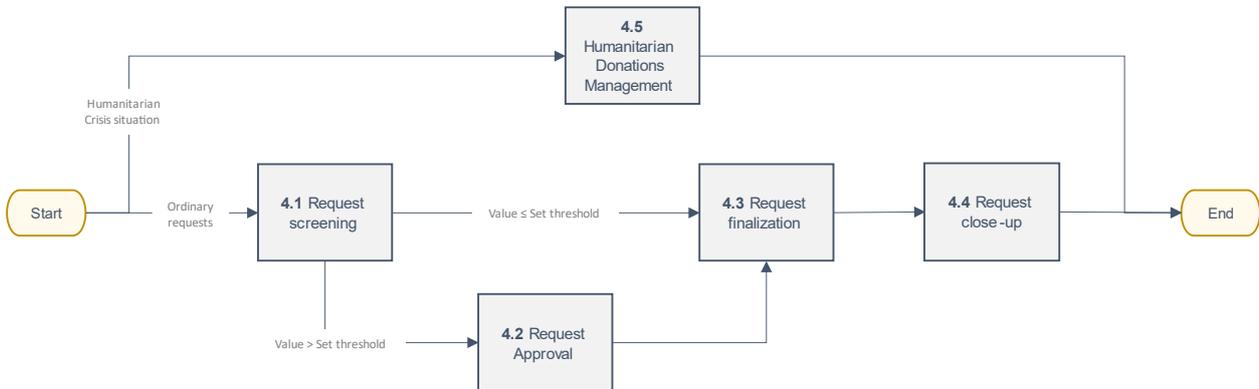
Term	Definition
Monetary Grants & Donations	<p>Monetary grants and donations include:</p> <ul style="list-style-type: none"> • <u>Reactive commercial grants & donations</u>: any unsolicited grants and donations request received by a CH employee to support a charitable organization through a specific social cause and/or to address a specific group/community need. • <u>R&D grants and donations</u>: scientific opportunities owned by R&D organization, not related to any CH brand specifically (non-promotional). • Scholarships, fellowships, internships, prizes, and awards. • Reactive and proactive payments to tax exempt organizations to further the organizations' exempt purposes.
Product donations	Proactive and reactive activities related to product donation including social responsibility, local community support, purpose-driven marketing (such as corporate sanctioned programs) as well as inventory opportunities.
Grants and Donations Committee	<p>Represent an existing committee or a committee created for the review and approval of grants and donations and the overall governance of the process. Consists of at least one representative from Medical, Corporate Affairs, Finance, Ethics and Compliance. Grants and Donations Committee should consult other functions such as Legal on a need basis.</p> <p>For request from:</p> <ul style="list-style-type: none"> - Patient Organizations: the role is covered by Patient Focused Development (PFD) Grants and Donations Committee (for global organizations) and LOC Grants and Donations Committee (for national organizations).
Humanitarian Donations Point of Contact	<p>A group of people responsible to evaluate Humanitarian Crisis and coordinate donations response.</p> <p>This role can be covered by Regional Leaders, Business Unit Leaders or Community Partnership.</p>

Table 2-2 Abbreviations

Abbreviation	Full Description
CH	Consumer Health
IME	Independent Medical Education
LOC	Local Operating Company
PFD	Patient Focused Development
TOV	Transfers of Value

3 Process Flow

Figure 3-1 High Level Process Flow



4 Procedure

This SOP describes roles and action steps. Activities may be delegated to an appropriately qualified individual; however, accountability is not delegated.

Relevant parties might be identified as either one of the following roles in the steps:

D – Decision maker

I – Informed stakeholder(s)

A – Advice giver(s)

P – Producer(s)

✦ Where there are specific requirements that apply to an individual Business Unit or LOC due to local laws, regulations, applicable industry codes or other requirements, these specific requirements are reflected in the charter of the appropriate Grants and Donations Committee.

4.1 Request Screening

The grants and donations process can be triggered by:

- Humanitarian crisis (see [2 Definitions](#)):
 - Proceed to **section 4.5**.
- Ordinary opportunities arising from:
 - Grants and Donations Committee’s active research: proceed to **step 4.1.4**.
 - Business Owner’s request: proceed to **step 4.1.1**.

D A I P	Responsible Role	Action Steps
P	Business Owner	1. Prepare grants or donations request. <ul style="list-style-type: none"> • Prepare request to support a charitable organization and / or to address a specific group / community need. • For monetary donations: <ul style="list-style-type: none"> ○ Submit the request to Grants and Donations Committee.

D A I P	Responsible Role	Action Steps
		<ul style="list-style-type: none"> ○ Proceed to step 4.1.4. ● For in-kind or product donations: <ul style="list-style-type: none"> ○ Prepare and submit a business case to Corporate Affairs describing the overall campaign. ○ Proceed to step 4.1.2. ① Urgent requests should be entitled “Ad Hoc Exceptional approval” and submitted to the G&D committee chair.
D	Corporate Affairs Representative	<p>2. Review business case.</p> <p>Review proposed business case:</p> <ul style="list-style-type: none"> ● Endorse business case: <ul style="list-style-type: none"> ○ Notify Business Owner. ○ Proceed to step 4.1.3. ● Reject business case: <ul style="list-style-type: none"> ○ Notify Business Owner requesting <ul style="list-style-type: none"> ● amendments to the business case. ○ Return to step 4.1.1.
P	Business Owner	<p>3. Complete product donation checklist.</p> <ul style="list-style-type: none"> ● Follow and complete product donation checklist (refer to Section 8.3). ● Submit request, business case and requirements for review to Grants and Donations Committee.
D	Grants and Donations Committee	<p>4. Discuss grant or donation opportunity.</p> <p>Discuss grant or donation opportunity:</p> <ul style="list-style-type: none"> ● Pursuit the opportunity: <ul style="list-style-type: none"> ○ Proceed to step 4.1.5. ● Turn down the opportunity: <ul style="list-style-type: none"> ○ End the process. ★ For in-kind and product donations, engage with appropriate advisors including representatives from Supply, Commercial and Finance.
P	Business Owner	<p>5. Complete donation reporting form.</p> <p>Enter details of the donation on the community investment portal.</p>
D P	Business Owner	<p>6. Verify request eligibility.</p> <p>Verify the request:</p> <ul style="list-style-type: none"> ● Is permissible under local laws and local CH policies. ● Is for an eligible recipient (see 8.2 Ineligible Recipients for more information).



Responsible Role Action Steps

- Is within funding limits (i.e., total cumulative amounts of the recipient's requests do not exceed 25% of the organization's total revenue in a calendar year).
 - Comply with current policy on grants and donations (see [6 References](#)).
 - Contains:
 - A general description of the recipient.
 - The amount and a description of the grant or donation.
 - Its purpose and how it will be used.
 - Other required supporting information.
 - ★ If the request is ineligible, notify the recipient and end the process.
-

Effective

D A I P	Responsible Role	Action Steps
P	Business Owner	<p>7. Conduct due diligence checks.</p> <ul style="list-style-type: none"> • Conduct risk assessment following current procedure on Managing Third Party Risk (see 6 References). • Verify and document the recipient is a legitimate and reputable organization and has the capability and licenses to conduct the activity for which the grant or donation is requested. • Verify and document potential conflict of interest has been disclosed and / or identified, actioned, and mitigated. Including: <ul style="list-style-type: none"> ○ Conflict of interest of the recipient and the recipient's officers or the beneficiaries, and any CH staff related to the request or its review. ○ Any actual or potential business or contract with CH. ○ Whether any individual associated with a request is a government official or close relative of a government official. • In case of cross-border grants or donations: <ul style="list-style-type: none"> ○ Verify that no duplicate request or any other funding to the same recipient has been approved.
D P	Business Owner	<p>8. Submit request for review, when required.</p>
A	Legal Representative	<ul style="list-style-type: none"> • For grants and donations with a value lower than or equal to the threshold set by the Grants and Donations Committee: <ul style="list-style-type: none"> ○ Engage with Legal for review in case of grants and donations to organizations supporting litigation-related activities. ○ Proceed to step 4.3. • For grants and donations with a value greater than the threshold set by the Grants and Donations Committee: <ul style="list-style-type: none"> ○ Submit the request for review to the Grants and Donations Committee together with due diligence and supporting documentation. ○ Proceed to step 4.2.

4.2 Request Approval

D A I P	Responsible Role	Action Steps
P	Grants and Donations Committee	1. Review request and supporting documentation.
A	Legal Representative	<ul style="list-style-type: none"> • Review request: <ul style="list-style-type: none"> ○ Evaluate recipient eligibility (see 8.2 Ineligible Recipients for more information). ○ Verify that any potential conflict of interest has been identified by the Business Owner and properly managed: ○ Evaluate in more detail whether such a grant or donation is appropriate and considers options to manage the possible conflict. ○ In case of grants and donations to organizations supporting litigation-related activities, engage with Legal for review. • Document the review and risk consideration. ★ If a member of the Grants and Donations Committee has a conflict of interest, they must recuse themselves from voting on that grant or donation application.
D	Grants and Donations Committee	2. Approval or rejection of the request. <ul style="list-style-type: none"> • Approve or reject the request, and document in writing: <ul style="list-style-type: none"> ○ The outcome. ○ Any relevant notes regarding the decision-making process. ○ The date of approval or rejection. ○ The attendees of the Committee meeting. ○ Any follow up action or report. • Notify the Business Owner.

4.3 Request finalization

D A I P	Responsible Role	Action Steps
P	Business Owner	<p>1. Communicate outcome to the recipient.</p> <p>Based on the due diligence outcome and legal review, if needed, or Grants and Donations Committee evaluation:</p> <ul style="list-style-type: none"> • Communicate the request outcome and next steps to the recipient. • In case of rejection: <ul style="list-style-type: none"> ○ End the process here. • In case of approval: <ul style="list-style-type: none"> ○ Proceed to step 4.3.2.
P A	Business Owner Legal Representative	<p>2. Prepare and ensure the signature of a written agreement.</p> <ul style="list-style-type: none"> • Prepare a written agreement in a form approved by Legal (e.g., Product Donation Agreement or Contribution Agreement). ① Refer to 8.1 Written Agreement Details for more information. • Share the written agreement and ensure it is signed by an authorized representative of the recipient.
D P I	Business Owner Finance Representative or Supply Representative	<p>3. Provide payment or product donation details to appropriate representative.</p> <ul style="list-style-type: none"> • For monetary grants or donations: <ul style="list-style-type: none"> ○ Provide payment request and relevant details to Finance Representative. ○ Verify the payment for the grant or donation is processed by ensuring that relevant transfer of value (TOV) can be captured appropriately for disclosure purposes. • For product or in-kind donations: <ul style="list-style-type: none"> ○ Provide written agreement and relevant details to Supply Representative.

D A I P	Responsible Role	Action Steps
P	Finance Representative or Supply Representative	<p>4. Process payment or shipping.</p> <ul style="list-style-type: none"> • For monetary grants or donations: <ul style="list-style-type: none"> ○ Process payment by non-negotiable cheque or bank draft, or by wire transfer to a bank account in the name of the recipient, following procedures of accounts payable and Corporate Treasury. ○ Record data of the amounts and recipients of grants and donations on community investment portal. ① Grants in cash or by cash equivalent are not permitted. Payment of grant or donations using Corporate AMEX, P-Card or meeting cards is not permitted. ① Approved requests must be processed for payment in accordance with established local processes and procedures. • For product or in-kind donation: <ul style="list-style-type: none"> ○ Follow Supply established processes and requirements to donate the product.

4.4 Request close-up

D A I P	Responsible Role	Action Steps
D P	Grants and Donations Committee	<p>1. Documentation archival.</p> <p>Archive and keep audit-ready written records of grants and donations requests received, documents and due diligence reports, with records of whether they were approved or rejected.</p> <p>① Refer to current policy on Global Record Retention in 6 References.</p>
P	Business Owner	<p>2. Verify grant or donation appropriate utilization, when possible and deemed necessary.</p> <p>Verify the recipient's use of the grant or donation via a formal audit or a request for a certification, report or audited financial statements of the recipient, if available.</p>

4.5 Humanitarian Donations Management

DAIP	Responsible Role	Action Steps
D P	Humanitarian Donations Point of Contact	<p>1. Assess humanitarian crisis to discuss possible responses.</p> <p>Asses the ongoing humanitarian crisis and discuss options for how to response engaging with appropriate functions, including Legal and Communications:</p> <ul style="list-style-type: none"> If a reaction is not needed: <ul style="list-style-type: none"> End the process here. If a reaction is needed: <ul style="list-style-type: none"> Proceed to step 4.5.2.
P A A	Humanitarian Donations Point of Contact CH Disaster Relief Team Grants and Donations Committee	<p>2. Organize an appropriate response.</p> <ul style="list-style-type: none"> Organize and work toward an appropriate response. Align with external third-party for support if needed. ★ Grants and Donations committee is responsible for conducting an appropriate due diligence on the involved third-party.
P	Communication Team Representative	<p>3. Prepare and manage written communications response.</p> <ul style="list-style-type: none"> Prepare written details explaining the CH response to the event(s) and available resources for a humanitarian response. Manage written response communication.

5 Roles & Responsibility

DAIP Key:

D - Decision maker A - Advice giver(s) I - Informed stakeholder(s) P - Producer(s)

Role	Responsibility and Section
Business Owner	D P 4.1, 4.3 P 4.1, 4.3, 4.4
Grants & Donations Committee	P 4.2 D 4.1, 4.2 A 4.5
Legal Representative	A 4.1, 4.2, 4.3
Finance Representative	P 4.3 I 4.3
Supply Representative	P 4.3 I 4.3
Humanitarian Donations Point of Contact	D P 4.5

Role	Responsibility and Section
Communication Team Representative	 4.5
CH Disaster Relief Team	 4.5

6 References

Reference	Title
QD-POL-000322	Corporate Giving Overarching Policy
QD-SOP-020652	Anti-Bribery & Corruption
TBD	Working with Public Policy Groups

7 Document Revision History

REVISION (Principal Changes from last revision)	
Type of Change:	<input type="checkbox"/> New <input type="checkbox"/> Administrative changes; <input checked="" type="checkbox"/> Technical changes impacting: <input type="checkbox"/> Roles and responsibilities <input checked="" type="checkbox"/> Process or activities
Reason for Change	This document has been updated post Separation.
Description of Change	<p>Simplification and optimization of the procedure by describing the steps to manage Monetary and Product Grants and Donations within a single process. The process has been made fit-for-purpose to reflect CH operating model.</p> <p>Update made to section 4.1 Request Screening – Step #5 to reflect that the Business Owner submits the request on the online portal on behalf of the recipient rather than the recipient himself.</p>

8 Appendices

8.1 Written Agreement Details

The agreement must contain:

- The name and contact details of the recipient.
- The purpose of the grant or donation and any limitations on its use.
- An authorization by the recipient allowing the public disclosure of its name and the amount of the grant or donation, at the sole discretion of CH.
- The appropriate ABAC clauses, as agreed with Legal.
- LOC specific clauses, where required.
- TPO Specific clauses, where required.
- The payment or donation method.
- The requirement for certification or other documentation from the recipient that the grant or donation made by CH will be used consistent with its declared purpose.

- The right of CH to conduct a review of the recipient's use of the grant or donation via a formal audit or a request for a certification, report or audited financial statements of the recipient, if available, to ensure it was consistent with the declared purpose.
- A request for the recipient to disclose CH's support.

8.2 Ineligible Recipients

The following are ineligible to receive grants and donations:

- An individual.
- An organization that is an alter ego of a particular individual, such as a personal services corporation or a charitable foundation in which that individual or an immediate family member has an instrumental role in the management or leadership.
- An organization through which healthcare practitioners come together to administer their medical practices (e.g., a medical staff or faculty practice association).
- An organization or department which is assessed to have a conflict of interest that cannot be adequately managed.
- An affiliate or alter ego of an ineligible recipient.
- An organization that is reasonably believed to be positioned to act as a "pass through" organization for provision of resources to an otherwise ineligible recipient.
- Political candidates, campaigns, or parties.
- An organization on which a CH employee is serving in a board role or other position of influence unless its activities are not of a clinical nature and do not have the potential to impact patient treatment or guidelines (the applicable Grants and Donations Committee may approve an exception to this prohibition in circumstances when, in its judgment, the funding would provide a significant benefit to the medical or scientific community or to patients and would not pose an undue reputational risk to CH).
- An organization with reputation, ongoing and / or past lawsuits or board members that might pose a reputational risk to CH.

8.3 Product Donations Checklist

Country:	
Business Owner:	
Recipient:	
Background:	
Brand:	
SKU:	
Quantity:	
Transfer of Value:	
CHECKLIST	
1. Ethical, valid and legitimate purpose?	<i>It is aligned to company's Values, Code of Conduct, Laws, moral principles, and practices of a responsible world's multi-national leading company. If not, stop.</i>
2. Transparency?	<i>We retain the right to publicly disclose the recipient's name and the details about the donation. If not, stop.</i>

3. Proportionally?	<i>It does not represent more than 25% of the total funding that the organization would receive in any calendar year. If not, stop.</i>
4. Any Conflict of Interest, inappropriate benefits or undue influence associated (or potentially perceived as associated) to this donation?	<i>A conflict of interest is a situation in which an individual has competing interests or loyalties. We all need to carefully consider any situation that could be seen as not being fair. If you think you are, or might be, in such a situation, stop and talk to your manager. For example, it would be wrong to have family members getting any benefit from this product donation.</i>
5. Patient Safety risk?	<i>Have you conducted a risk assessment supported Patient Safety Point of Contact? If not, please confirm</i>
6. Direct or indirect related to ineligible Recipient?	<i>See ineligible recipients. If yes, stop. For exceptions, seek for General Manager's approval support by Legal Advisor.</i>
7. Recipient approved by Communications or equivalent function?	<i>Communication has confirmed the Recipient is adequate and the appropriate Due Diligence has been performed and documented. If not, please confirm before submitting for approval</i>
8. Does it include products with expire date shorter than 6 months and/or package damage?	<i>If yes, please seek for guidance with Quality Compliance.</i>
9. Have you confirmed product availability?	<i>If not, please contact Supply Chain to ensure this is part of Core Commercial Cycle reviews.</i>
10. Are you clear about logistic features and requirements for receiving?	<i>If not, please contact Supply Chain and ensure it is reflected in the agreement terms.</i>
11. Are you clear about tax implications as well as appropriate taxonomy?	<i>If not, please contact Finance Compliance before submitting for approval</i>
12. Do you know who to contact in Legal for the Agreement template?	<i>If not, please ask for G&D Committee guidance.</i>
13) Any local specific requirement to be added here	

Grants and Donations
Document Approvals by Electronic Signature

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Effective