



član skupine Sandoz

Diversity Policy in Governing Bodies of the company Lek d.d.

DocuSigned by:

Robert Ljolo

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Robert Ljolo, President of the Management Board

I. INTRODUCTION

Lek d.d. ("Lek") respects the diversity of its employees, patients and other stakeholders and strives for their equal inclusion in its operations, therefore it also promotes gender diversity in representation in the governing bodies of the company, which is written in the annual objective of the diversity and inclusion initiative.

In addition to gender and age diversity in governing bodies, in Lek we have managers who come from different cultural backgrounds and grew up in different countries. We also ensure the continuity of members in governing bodies, as this ensures the stability of business and the exchange and transfer of knowledge and experience. The latter also represents excellent intergenerational collaboration and learning, which is key to successful decision-making and the realization of new dimensions of successful business. We build the talents for the future through innovative and effective P&O practices. An example of such initiative is the Young Advisory Board (YAB). These are regular meetings of young employees with the company's management, which are aimed at exchanging opinions, experiences and ideas. YAB contributes to the adoption of strategic company decisions and building trust between young talents and the company's management. It reflects Lek's organizational culture, which promotes empowerment, inclusion and diversity, as well as the creation of agile teams based on creativity.

At Lek, we make sure that the principles of diversity are also demonstrated at the level of the company's wider management - i.e. at the level of directors who, in accordance with the company's Articles of Association, manage certain processes and operations as authorized representatives. At this level of company management, the gender diversity is particularly pronounced, as 48% of directors/heads are female.

At Lek, we realize that organizations that are continuously changing and are more diverse, unlike more homogeneous organizations, provide three things: they have higher revenues, are more innovative and respond better to customer needs. We believe that the best ideas are born from diversity, which is where we recognize our competitive advantage. Innovative, diverse, inclusive and creative approaches, also in the area of representation in the governing bodies of the company, represent added value for the whole organization.

II. GOVERNING BODY – MANAGEMENT BOARD OF LEK D.D.

Confirmation of the functioning of the principles of diversity and inclusion is represented by a sample with data of the last two mandates of the Management Board, i.e. current constitution for the period 2019 - 2024 and previous one for the period 2017 – 2019.

a. GENDER DIVERSITY IN MANAGEMENT BOARD

Of the 14 members, who were in the Management Board of Lek in the last two mandates, 78.5% were men and 21.5% were women.

Comment: There are no specific gender preferences in the selection of members of the Management Board. The selection takes into account the expertise, experiences and personal integrity of individuals, as well as the representation of professions in the Management Board itself.

b. AGE DIVERSITY IN MANAGEMENT BOARD

Table of age diversity in the Management Board of Lek is made according to the age of an individual at the time of appointment as a member of the Management Board of Lek.

35 years – 45 years	28,6%
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45 years – 55 years	57,1%
55 years – 65 years	14,3%

Comment: There are no specific preferences regarding age in the selection of members in the Management Board. However, an appropriate balance in terms of age representation is pursued.

c. CULTURE DIVERSITY IN MANAGEMENT BOARD

Of the 14 members who were in the Management Board of Lek in the last two mandates, 14% were coming from other countries/cultures.

Comment: By employing diverse people with different backgrounds and from different countries in the company, we demonstrate that we understand how important the flexibility and diverse mindset of employees is in successfully adapting to changes in the market and in maintaining the company's competitiveness. What's more, the collaboration of people who are different from each other, greater creativity and success of teams in dealing with challenges, and the work is more stimulating and interesting.

d. CONTINUITY OF MEMBERS IN THE MANAGEMENT BOARD

Ksenija Butenko Černe can boast that she is a member of the Management Board of Lek, responsible for legal and compliance area since 2005. While Marjan Novak as workers representative is a member for the ninth year and Andrej Pardo maintains the status of a member for the second consecutive term¹

III. GOVERNING BODY – SUPERVISORY BOARD OF LEK D.D.

For the representative sample, we took data of the last two mandates, i.e. current constitution for the period 2021 - 2025 and previous one for the period 2017 – 2021.

a. GENDER DIVERSITY IN SUPERVISORY BOARD

Of the 14 members who were in the Supervisory Board of Lek in the last two mandates, 78.5% were men and 21.5% were women.

Comment: There are no specific gender preferences in the selection of members of the supervisory body. The selection takes into account the expertise, experience, personal integrity of the individuals and the appropriate representation of the owner of the company in the business control process, given the key activities performed at Lek (such as development, production, sale of medicines).

b. AGE DIVERSITY IN SUPERVISORY BOARD

Table of age diversity in the Supervisory Board of Lek is made according to the age of an individual at the time of appointment as a member of the Supervisory Board of Lek.

35 years – 45 years	28,6%
45 years – 55 years	57,1%
55 years – 65 years	14,3%

Comment: There are no specific preferences regarding age in the selection of members in the Supervisory Board. However, an appropriate balance in terms of age representation is pursued.

¹ Note: The same also applies to Samo Roš in the terms of office 2012-2017 and 2017-2019.

c. **CULTURAL DIVERSITY IN SUPERVISORY BOARD**

Of the 14 members who were in the Supervisory Board of Lek in the last two mandates, 64% were coming from other countries/cultures.

Comment: There are no preferences in this area, but the proper representation of Lek's owner in the business control process is very well reflected.

d. **CONTINUITY OF MEMBERS IN THE MANAGEMENT BOARD**

Peter Svete has been a member of the Supervisory Board as a representative of employees since 2012, i.e. for the eleventh year. While Fikret Bašanović, a member of the Supervisory Board as well as a representative of the workers, has been in his second term since 2017²

IV. CONCLUSION AND FUTURE GOALS OF THE COMPANY

We create an inspiring, inquisitive and empowering culture based on integrity and the creation of a diverse, safe and inclusive work environment in which all employees feel accepted. The area of diversity and inclusion covers four pillars - People with disabilities, LGBTQI+ community, Intergenerational collaboration and Diverse talents.

In recent years, many actions have been taken towards a more open society that recognizes diversity as wealth and inclusion as an important value for progress. Even in the economy and talent management, diversity, equity and inclusion are becoming key foundations for a successful, agile and resilient organization. In order for individuals in the company to be able to effectively achieve the set goals, they must feel accepted, heard and safe.

An important component of the company's culture is also fairness, which directs us to focus on the individual's knowledge and contribution to the company, and to act according to fair and equal criteria for everyone when making decisions.

We are aware that we grow, learn and motivate in diversity, that each one of us contributes his unique qualities, ideas and views. The larger and more diverse the collective is, the more unique our solutions and contribution to society are. However, the diversity can only be used to the full if it goes hand in hand with mutual respect, justice and inclusion.

The diversity policy in governing bodies is prepared by the expert function as part of the annual report for each individual business year.

The Diversity Policy in Governing Bodies comes into force when it is signed by the President of the Management Board. Legal is appointed to take actions to inform the founder, the company's Management Board, the company's Supervisory Board and the Workers' Council about this policy.

The Diversity Policy in Governing Bodies is published on the company website.

² Note: Except for the 30-day period when Manda Firm was a member of the Supervisory Board - employee representative.