



HUMAN RIGHTS POLICY OF THE KRKA GROUP





HUMAN RIGHTS POLICY OF THE KRKA GROUP

The Management Board of Krka, tovarna zdravil, d. d., Novo mesto, at its 12th regular meeting of 30 September 2024, adopted the following

HUMAN RIGHTS POLICY OF KRKA, TOVARNA ZDRAVIL, D. D., NOVO MESTO

The Human Rights Policy (hereinafter referred to as the Policy) applies to the parent company Krka, tovarna zdravil, d. d., Novo mesto and its subsidiaries, which together form the Krka Group (hereinafter referred to as Krka). The Policy applies to all Krka employees.



1 | INTRODUCTION

Integrated, strategic, and efficient ESG governance of Krka is essential for managing environmental aspects, sustainability-related risks, identification of impacts, and detection of trends and opportunities for responsible management of natural and social environments. To ensure the success of our business operations in the long-term, we integrate sustainability principles and ESG governance approaches into management processes and business decisions. By adopting a sustainable approach as a driver of Krka's progress, we create long-term value for all stakeholders and achieve sustainable growth and strategic business goals. We have outlined our sustainability commitments in the ESG Policy of the Krka Group (ESG Policy), which serves as our pledge to promote and implement sustainable principles in our operations. The ESG Policy represents Krka's current and future sustainability commitments and serves as the foundation for enhancing sustainable management in environmental, social, and governance areas, which Krka has been committed to for decades.

2 | PURPOSE OF HUMAN RIGHTS POLICY

Human rights are fundamental values that guide our business operations and our relationships with all stakeholders. Our commitment to respecting, protecting, and promoting human rights is not only our duty but also an important factor in our success and growth in the area of sustainability. Respect for human rights reflects the maturity of the business environment and is an essential element of our social responsibility. We are committed to respecting human rights in all aspects of our operations. We strive to create an environment where dignity, equality, and fairness are guaranteed to all stakeholders.

The Policy applies to all Krka employees and serves as the basis for further reinforcing our expectations of business partners throughout the entire supply and sales chain (hereinafter referred to as the value chain). It is the foundation for the continued development of our corporate culture and complements our Code of Conduct and sustainability commitments, including our policies and Development Strategy.

3 | KRKA'S COMMITMENT TO RESPECTING HUMAN RIGHTS

At Krka, we are committed to respecting internationally recognized human rights, as defined primarily by:

- Universal Declaration of Human Rights;
- International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights;
- UN Guiding Principles on Business and Human Rights;
- OECD Guidelines for Multinational Enterprises;
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- International Labour Organization conventions Nos. 14, 29, 87, 95, 98, 100, 105, 111, 131, 138, 155, 161, 182, 187 and 190;
- The National Action Plan on Business and Human Rights (NAP).

In addition, we are raising awareness about the importance of protecting human rights, strengthening our responsibility for them, and contributing to the UN Sustainable Development Goals (SDG) within the 2030 Agenda for Sustainable Development, in particular Goal 3 (Good health and well-being), Goal 4 (Quality education), Goal 5 (Gender equality), Goal 8 (Decent work and economic growth), Goal 13 (Climate action), and Goal 16 (Peace, justice and strong institutions).

At Krka, we respect national legislation in all countries where we operate. Where national legislation and international human rights standards differ, we strive to adhere to the stricter standard.

We recognize our responsibility to act alongside business partners in certain situations to address and prevent human rights violations. In accordance with the Due Diligence Policy of the Krka Group, we will conduct due diligence on human rights compliance.

We understand that human rights due diligence is a process that requires continuous improvement. Therefore, we are committed to regularly assessing its effectiveness and continually enhancing our commitments.



4 | HIGHLIGHTED AREAS OF HUMAN RIGHTS

At Krka, we respect all human rights and promote their enforcement. As part of our materiality assessment process, we have identified areas where there may be potential or actual human rights risks associated with our activities, products, services, and business relationships. We conduct risk assessment to identify priority areas, as highlighted in our ESG Policy:

- Product quality and patient safety;
- Talent attraction and retention;
- Accessible healthcare;
- Good leadership and governance practices;
- Planet and climate change;
- Compliance, integrity and transparency.

In accordance with the above, the following applies at Krka:

Slavery, human trafficking, and forced labour are prohibited. At Krka, in line with ILO conventions No. 29 Forced Labour Convention and No. 105 Abolition of Forced Labour Convention, forced, slave, or compulsory labour and human trafficking are prohibited in our operations and throughout our entire value chain.

Child labour is prohibited, and we specifically protect young workers. In accordance with ILO conventions No. 138 Minimum Age Convention and No. 182 Worst Forms of Child Labour Convention, the employment of children is prohibited anywhere within our group or our value chain. We comply with all applicable laws and regulations regarding age, working hours, payment, health, and safety at work.

Discrimination is prohibited, and we respect diversity. Inclusion and diversity are fundamental to Krka's success, as innovative ideas come from a diverse workforce that continuously drives improvements and enables progress. In accordance with ILO conventions No. 100 Equal Remuneration Convention and No. 111 Discrimination (Employment and Occupation) Convention, discrimination in the workplace is prohibited. We strive to create a diverse, fair, and inclusive environment where all employees are treated with dignity and respect, and where worker's rights are protected. We pay special attention to vulnerable groups.

Employment decisions are based on individual qualifications. Discrimination against any employee or job candidate based on personal characteristics unrelated to job performance is prohibited. This includes discrimination based on gender, race, skin colour, ethnic or social origin, nationality, genetic characteristics, language, religion, political beliefs, wealth, disability, age, or sexual orientation.

We recognize and respect the rights of persons with disabilities to their professional inclusion and independence.

We are committed to respecting every employee's right to freedom of expression in accordance with our policies and standards.

We ensure fair and equitable working conditions. In accordance with ILO conventions No. 14 Weekly Rest (Commerce and Offices) Convention, No. 95 Protection of Wages Convention, No. 131 Minimum Wage Fixing Convention, as well as applicable legislation, we provide fair and competitive compensation and benefits, ensuring a reasonable standard of living for employees and their families. We adhere to rules regarding working hours, rest and break periods, and paid leave, striving to achieve a balanced work-life environment. Overtime work is managed with consideration for business needs while safeguarding the health and safety of employees.

In accordance with ILO convention No. 190 Violence and Harassment Convention, harassment, intimidation, or conduct that could lead to or contribute to employee harassment is prohibited. Degrading behaviour, including sexual harassment, corporal punishment, and psychological or physical violence in the workplace is also prohibited. This applies to behaviour outside Krka's premises as well, including social media posts that could reasonably be expected to affect employees. If Krka employees or external partners observe elements of harassment, they may report them to the designated harassment officers or compliance officers in accordance with Krka's internal rules.

We provide all employees with access to professional and further education.



We ensure a safe and healthy working environment. In accordance with ILO conventions No. 155 Occupational Safety and Health Convention, No. 161 Occupational Health Services Convention, and No. 187 Promotional Framework for Occupational Safety and Health Convention, we are committed to creating safe and healthy working conditions, in line with our mission 'Living a healthy life'. We follow the latest trends, findings, and standards in occupational health and safety as well as fire protection, incorporating them into all business processes, projects, and technologies. We regularly assess risks and prioritize the prevention of injuries, health implications, and accidents. We encourage employees to adopt a healthy and active lifestyle, support participation in sports and recreational activities, and provide healthy food options in Krka's canteens.

We ensure the right to assemble and associate, and to receive regular information. In accordance with ILO conventions No. 87 Freedom of Association and Protection of the Right to Organise Convention and No. 98 Right to Organise and Collective Bargaining Convention, we respect each employee's right to freely choose to join associations and/or trade unions. We address employee questions and initiatives through works councils and employee representatives. Employees are regularly informed through internal newsletters, notice boards, and electronic formats.

We protect personal data. In accordance with Krka's Rules on Personal Data Protection, we are committed to handling the personal data of employees, shareholders, contractors, website users, and other interested parties in a secure and confidential manner. We ensure that personal data is processed legally, fairly, and transparently, while respecting individual's rights. We have also appointed a designated data protection officer (dataprotection.officer@krka.biz).

We protect the environment. A healthy living environment positively impacts the health and well-being of all stakeholders. Therefore, we have adopted the Environmental Policy of the Krka Group, which outlines our commitments in the area in detail.

We protect health. Ensuring the availability of medicines is one of the cornerstones of our social responsibility. At Krka, we support everyone's right to health and believe that quality treatment should be accessible to all, regardless of where they live. We strive to provide wide and timely access to our medicinal products at affordable prices, allowing everyone to live in accordance with our slogan 'Living a healthy life'.

With our extensive range of products for treating common and, in particular, chronic diseases, we aim to make the most suitable treatment available for every patient. Many innovative generic combination medicines, which combine multiple active ingredients, enable doctors to prescribe medications that best help patients manage their conditions, facilitate treatment, and enhance its effectiveness. Our primary concern is people's health. Our medicines provide significant savings for patients and healthcare systems, making us their vital partner.

At Krka, we have established a unified system that ensures good availability of our products for patients. By considering local needs and characteristics of healthcare systems, we tailor our international strategy to meet the specific demands of markets.



5 | REVIEW OF POLICY IMPLEMENTATION

The responsibility of overseeing the implementation of human rights commitments lies with the Management Board member in charge of sustainability and the Chief Compliance Officer, who inform the Sustainability Committee. At their regular meetings, the Management and Supervisory Boards address various topics, including human rights commitments.

6 | MONITORING AND SUPERVISION OF POLICY IMPLEMENTATION

Anyone who has concerns or reasonable suspicions of Policy or legal violations should report these to the Chief Compliance Officer (compliance.officer@krka.biz).

Non-compliance with this Policy by employees may result in disciplinary action and/or regular or extraordinary termination of employment.

If it is determined that human rights violations are directly linked to Krka's business partners, we encourage them to address, prevent, or mitigate these violations.

In accordance with the Due Diligence Policy of the Krka Group and Code of Conduct for Business Partners of the Krka Group, we communicate our commitments under this Policy to our business partners. We will continuously enhance the due diligence process to this end. We publicly report on the due diligence process related to human rights, findings, actions, and plans in our annual report or through other appropriate forms of public communication.

7 | FINAL PROVISIONS

The Policy enters into force on the day when adopted by Krka's Management Board. Once adopted, it becomes binding for all subsidiaries within the Krka Group.

The Policy is a public document and is published on Krka's website in both Slovene and English. We regularly review the Policy, assess its effectiveness, and update it as necessary. Changes to the Policy are approved by the Management Board.

