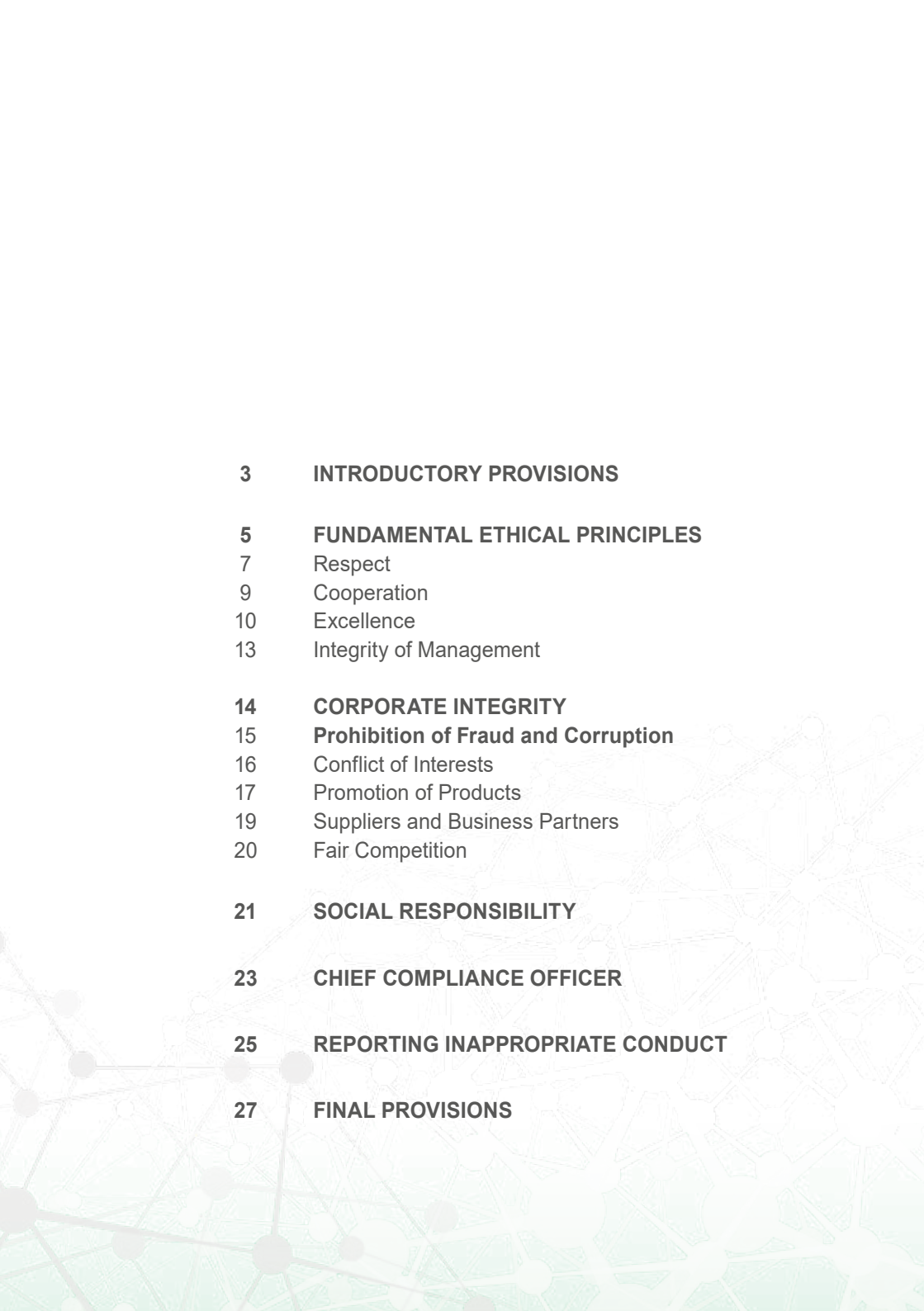




# KRKA'S CODE OF CONDUCT



*Living a healthy life.*



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# INTRODUCTORY PROVISIONS



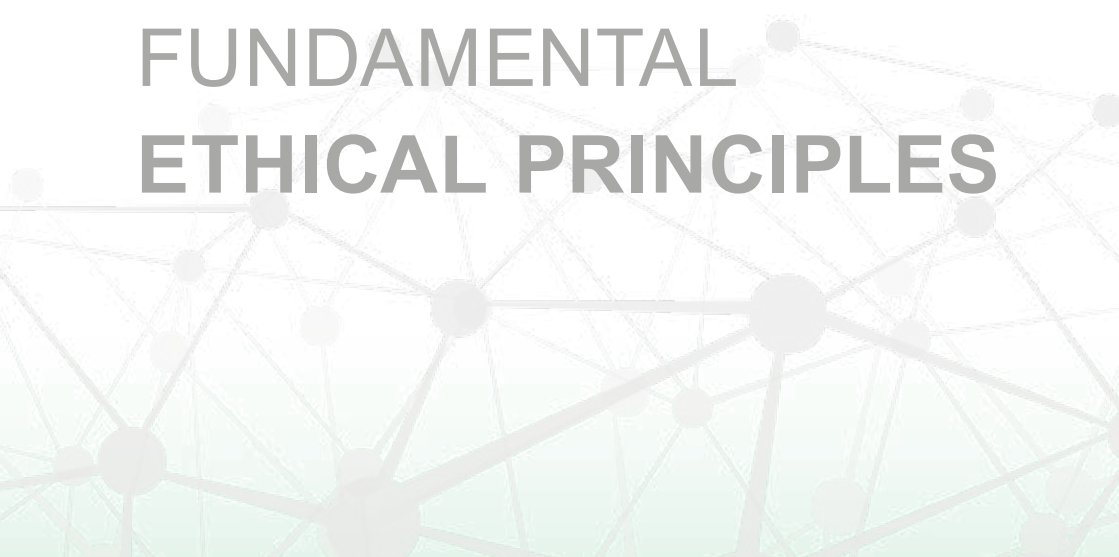
**Krka's Code of conduct** (hereafter "Code") defines the principles and rules for **ethical conduct, good business practice** and **standards of conduct** at Krka, d. d., Novo mesto, and its subsidiaries (hereafter "Krka"), which are binding for all Krka employees. The Code shall be deemed as the grounds for all other Krka's internal rules.

The basic principle of all Krka employees is consistent conduct in accordance with the **highest moral standards** and principles governing **honesty, loyalty and professionalism**, and consistent compliance with regulations and guidelines provided by international organisations for the pharmaceutical industry, and with Krka's internal rules.

The Code is publicly available on Krka's website <https://www.krka.biz/sl/>. Krka's business partners can familiarise themselves with the Code, as we expect them to adhere to it as they conclude business with Krka.



# FUNDAMENTAL ETHICAL PRINCIPLES



Krka's fundamental ethical principles are respect, cooperation, excellence and integrity of management, both in relations between employees and also in external relations.

As Krka's employees we are aware that compliance with fundamental principles helps **realise Krka's vision**, achieve planned business results, protect Krka's reputation and contribute to the development of a wider social environment in which we operate.

# Respect

Equal opportunities for all, respect of legal norms and an ethical approach to other people and the wider social community represent the foundations of our work. **We respect human rights** as they are defined in internationally recognised principles and guidelines. We operate in accordance with all legal regulations and standards related to human rights in all countries where Krka is present.

We respect the **dignity, personal integrity** and privacy of each individual. We also respect the freedom of speech and expression of opinions, and we always treat others with respect. We openly communicate with our colleagues, regardless of their professional qualifications and leadership position. All forms of unfair and illegal work are prohibited.

**All discrimination against employees is prohibited.** Employees are treated equally regardless of their nationality, race or ethnic origin, national or social origin, sex, colour, health, disability, religion or belief, age, sexual orientation, family situation, trade union membership, financial stability or other personal circumstance.

**All forms of harassment and ill-treatment in the workplace are prohibited.** We provide fair work conditions, and an open and creative working environment. We provide a working environment free from any psychological pressure, sexual or other harassment, or ill-treatment by other employees, superiors or third parties. We should all refrain from any inappropriate actions that threaten the dignity of another person. We should immediately report any detected inappropriate conduct expressed by an employee to our superior or head of the organisational unit. Any detected inappropriate conduct expressed by a superior should be immediately reported to their superior or the person authorised for handling mobbing situations. Any employee may report mobbing to any relevant authorised person. Rules of conduct in the event of mobbing and a **list of persons authorized for handling mobbing situations** are published on Krkanet, Krka's internal website. (*Rules of conduct in the event of mobbing*)

**We provide a safe and healthy working environment** where employees are not exposed to health risks. We also regularly adopt

measures for decreasing and eliminating possible health and accident risks. Everybody should adhere to all regulations and internal rules related to health and safety at work. Our fundamental principle is a safe and healthy working environment; therefore employees should not work or be present in the working environment whilst under the influence of alcohol, drugs or other prohibited substances. Smoking is prohibited in all Krka locations. Our work must be implemented carefully so as **not to endanger our lives and health, and the lives and health of other people**. Working equipment, safety devices and personal protection equipment must be used in accordance with their purpose and instructions of the employer, they must be handled with care and maintained in perfect condition.

**Regular education** and **training** related to health and safety at work, fire safety and protection of property are the obligation of every employee, as is informing superiors about any shortcomings and dangers in the working environment and workplace.



# Cooperation

In the environments in which we operate, we cooperate with various stakeholders – shareholders, employees, suppliers, customers, institutions, civil society organisations and individuals. We encourage cooperation based on **mutual respect** and **consideration of different opinions**, focused on increasing Krka's value.

All relations with **medical, pharmaceutical** and **veterinary** fields are focused on providing professional and objective information about our products, ensuring greater benefits for the patients and users, improving medical care, and enabling the exchange of expert knowledge and skills. They are also subject to strict regulations, internal rules and high ethical standards.

**The professional public** is given objective information about Krka's products, their quality, safety and efficiency. The development, production, sale and promotion of our products include **cooperation with health organisations** such as hospitals, clinics, universities and other educational institutions, regulatory authorities and public agencies dealing with medicines, whereby we abide by all regulations and ensure transparent documentation.

We are committed to **comprehensive and transparent reporting on company operations**, and to providing complete, fair, timely and relevant information to regulatory authorities, shareholders, investors, the media, analysts and the general public. All reports, financial and business information are prepared and published in accordance with regulations and international reporting standards. In conducting business and reporting, we are aware that our success is based on a wider social community, and that we must always act in ways that are beneficial to our stakeholders.

# Excellence

We provide **efficient, quality and safe products**. Product efficiency, quality and safety are monitored in all phases of a product's life cycle, from development to use, and through feedback. We have an established system of reporting and collecting information about adverse reactions to medicinal products, which enables immediate action.

Our **research and development** and our cooperation with the medical field and business partners help us improve our knowledge in the field of pharmacy, on the basis of which we can consequently contribute to the development of quality medicinal products. We ensure that the research we conclude is independent and professional, that the research results are properly stored and reported, and that feedback is always taken into consideration.

We are committed to providing **fair, complete and timely information** about our products to patients, users, health workers, the professional public, regulative authorities, business partners and buyers.

All information that comes to our knowledge during the course of our work represents company assets, which we are obliged to protect even after terminating our employment at Krka. The disclosure of **sensitive and confidential internal information** or dealing on their basis is prohibited and can result in employment, administrative, civil and criminal procedures against the company and the individual disclosing the information.

Employees must **keep safe information** classified as confidential or by nature deemed confidential, they must not exploit them for personal use and disclose them to a third party inside or outside the company without prior approval. This is particularly true of particularly sensitive business information, technical data and commercial information, other information about the company and employees, and third party information. Employees must adhere to all **rules and procedures related to preserving and protecting information**. Confidential information and intellectual property of business partners and third

parties must also be carefully protected. (*Business secret and data confidentiality*)

When in doubt whether certain information is sensitive and confidential, we must treat it as highly confidential and **consult about it with its owner** or Legal Affairs. We respect the clean desk and clear screen policy. If sensitive content is being sent by e-mail, we must ensure that the attachment containing such content is properly protected against unauthorised access.

We do not send chain letters, jokes or other inappropriate content by e-mail. We do not click on unverified web links or open attachments from unknown sources in e-mails from unknown senders, as we could become victims of a cyber attack. Krka's **Information Security Officer** organises, leads and coordinates activities for ensuring information security. Employees can approach the Information Security Officer with incentives and opinions or if we observe any deficiencies in this area. (*Rules on appropriate use of information technology*)

Any **personal data** must be handled with care, in a transparent and safe manner, and in accordance with the applicable personal data protection regulations. Personal data should only be collected in a scope necessary for fulfilling legislative requirements and Krka's legitimate interests, or upon personal consent of an individual that may be withdrawn at any time. If you believe that your personal data protection rights have been violated, turn to your superior for advice or contact the **Data Protection Officer**. A personal data breach must be immediately, and no later than in 24 hours, communicated to the Data Protection Officer ([dataprotection.officer@krka.biz](mailto:dataprotection.officer@krka.biz)). Contact data of Data Protection Officers at individual subsidiaries are available on the internal website. (*Rules on personal data protection*)

We protect the **company's reputation**. All employees must familiarise themselves with Krka's strategically important objectives, its mission, vision and values. In light of these, employees must help create a **culture of mutual trust, respect, lifelong learning, and responsible and efficient work**. Information is shared at internal meetings (gatherings, regular cycle trainings) and workers' assemblies, via internal web pages, internal magazines and electronic communications.

For all photographs, videos and sound recordings, and also for all texts created in the Krka area, a written approval from Public Relations (public.relations@krka.biz) must be obtained prior to their publication in printed or digital media for advertising or private purposes. Only persons authorised to represent Krka publicly may communicate with the media on behalf of the company.

**Electronic communication** is an integral part of our business relations; it is used for building Krka's reputation, the reputation of Krka's products, and increasing Krka's visibility. E-mail must be used reasonably and rationally so that Krka's reputation is not harmed in any way.

We are aware of the fact that **social networks** do not provide any privacy, therefore we adhere to Krka's values and strengthen our personal integrity when using them. When engaging in social media, we are aware of the fact that information shared on such networks about ourselves or Krka remain published on such networks indefinitely and are available to everyone. (Instructions on the use of online social media for employees)

**Company assets** must be handled with care, they must be used for the intended purpose and rationally, in accordance with internal regulations and instructions. All employees must manage company assets with due diligence and prevent their loss, theft or unauthorised use. Company assets are intended for company needs and may only be used for personal needs in exceptional circumstances and within the agreed scope. (Instructions for establishing personal liability when handling equipment)

We must refrain from any actions which, with regard to the nature of work carried out, cause material or moral damage or could cause damage to Krka's business interests and reputation. In our work, we **protect the overall company image** and always adhere to Krka's instructions, protocols and business etiquette.

# Integrity of Management

Executive managers take into account their personal integrity and core principles of Krka's business operations when carrying out their work and tasks. The **company management and senior managers set an example** with their work and management style, and they are essential in creating a business and working environment in which employees and other stakeholders can act in accordance with regulations and ethical norms. The management and senior managers are responsible for informing employees about their rights, obligations, duties and all relevant regulations and company internal rules, and that they act in accordance with Krka's rules, principles and values. The company management and all senior managers **act responsibly towards owners, employees and company assets** when carrying out their work and tasks.

At Krka, we are creating a culture of trust, respect, cooperation and teamwork, lifelong learning, and responsible and efficient work. Our knowledge, competences, innovations, good working habits and creativity help us to **act fast and be flexible**. We are operating in a changing business environment, therefore we must respond quickly to market demands, follow progress, adapt to different work process requirements and find flexible solutions. Krka employees foster good relationships. **Partnership and trust** form the basis for respectful relations among all employees and partners. We strive to create a working environment in which employees feel encouraged to be **creative and efficient**. We encourage employees to always search for new ideas, talk about them and realise them if they prove to be the right ones. We carry out our tasks to the best of our abilities, as effectively and quickly as possible.



**CORPORATE  
INTEGRITY**



# Prohibition of Fraud and Corruption

The basic principle of all employees in regard to carrying out their work and tasks is to act in accordance with fundamental ethical principles and provisions of this Code, and all applicable Krka's regulations and internal rules. **Any fraudulent and corrupt acts are prohibited.**

Fraud and corruption prevention are regulated by special rules. (*Rules on fraud prevention, detection and investigation*)

All Krka employees consistently act ethically, professionally and in accordance with regulations. At Krka, the following applies:

- We apply the **principle of zero tolerance** in regard to fraud, corruption or corporate non-compliance. This means that no unethical, unprofessional or unlawful conduct on the part of employees and business partners is allowed;
- We do not exploit Krka's business opportunities, company assets and information in order to gain personal and economic advantages or advantages from any third party;
- We do not promise any advantages and do not give gifts in order to influence the decisions of national authorities, public officials, business partners or any other entity, and we do not except gifts or any other advantages that may influence our decisions in relation to our work;
- We only permit occasional, symbolic or promotional gifts of small value, and buffet receptions that are traditional or common and accompany events, such as business, cultural, sports, educational and other events or meetings, however they must not exceed the basic purpose of the event;
- We avoid any situations which might give the impression of illegal giving, promising or receiving gifts of greater value and other advantages, and we do not enter into business relations which include a potentially serious risk of such a reaction from our business partners.

We make sure that the persons who have access to **internal information** are aware of the confidentiality levels and sensitivity of such information. We have valid internal rules on trading in financial instruments of the company and we have set up control mechanisms for employees and third parties that handle such information. In this manner, we can prevent possible abuses and insider trading. A time period is specified for all persons with access to internal information, within which they are forbidden from trading in financial instruments of the company.

## Conflict of Interests

A **conflict of interests** exists when personal interests of an individual affect or could affect the ability of an employee to carefully and objectively make decisions and carry out work to the benefit of Krka. This may be economic interest of an individual, their personal interest, their family members' interest or the interest of other persons related to such an individual. A conflict may also be a consequence of an individual's participation in entrepreneurial, scientific, political or other associations.

The basic principle is that **decisions made** by employees must be **in the best interest of Krka**, therefore all employees should avoid situations where they could be perceived as if their decisions were made primarily on the basis of their personal interests and not the interests of Krka.

We should immediately inform our superior if we become aware of the fact that our personal or other circumstances could influence our work and judgement or the work and judgement of our fellow employees. **Any conflict of interests must be reported** and we must exclude ourselves from the process of making business decisions under such circumstances.



A conflict of interests is deemed to exist especially in the following situations:

- When an employee is the dominant owner of a competing company or Krka's business partner;
- When an employee is a member of supervisory or managerial bodies in competing companies or companies which are Krka's business partners;
- When an employee performs work or provides services for a competing company or Krka's business partner on the basis of a contract or any other basis (whether in return for payment or free of charge);
- When an employee makes decisions about employment and rewarding of their close family members.

Where there **is doubt** about a conflict of interests, consult with your superior, Legal Affairs or Chief Compliance Officer.

During our time of employment at Krka and without a written approval obtained from Krka, we must not perform any work or conclude any business on our own behalf or on the behalf of any other party, which falls within activities performed by Krka, and which could constitute or be perceived as Krka's competition.

## Promotion of Products

The relations between the pharmaceutical industry and the medical field are governed by strict ethical standards, regulations and guidelines. **Advertising or promoting Krka's medicines and other products** is carried out in accordance with regulations on advertising and in a manner that encourages reasonable and safe use

of medicines and other products. Medicines are presented objectively without exaggeration of their properties. Each individual element of advertising and all its parts, which the recipient of the message views as a coherent whole, are in accordance with the approved summary of product characteristics. All product characteristics are presented in a balanced way and are not misleading. **Marketing representatives** carry out their work in accordance with regulations and are appropriately trained for the promotion of products. *(Krka's Code of promotion)*

We participate at **congresses, symposiums and professional events**, organise tours of our production and development facilities, and arrange educational events intended for providing expert information about Krka's products, communicating the latest medical discoveries and presenting Krka as a reliable partner to the professional public.

We support **scientific, medical and pharmaceutical research** and educational programmes aimed at improving the knowledge of healthcare professionals, and providing general and objective information about health, disease preventive measures, signs and symptoms of disease, and possible treatment methods.

**Donations** and other financial and non-financial assets granted to healthcare professionals and health organisations are intended for obtaining up-to-date medical knowledge and supporting the healthcare system and research. They are documented, **transparent** and implemented in a manner that excludes the possibility of exerting influence over healthcare professionals, staff and organisations in relation to prescribing, recommending, dispensing, selling or purchasing our products.

All financial and non-financial assets, granted to healthcare professionals, health organisations, associations and societies, and intended for their participation at professional congresses, lectures etc., are transparent and since 30 June 2018 published on Krka's website on a yearly basis.

# Suppliers and Business Partners

We regularly verify our customers, suppliers and other business partners, and **efficiently manage risks** related to our business relations with them. In this manner, we can prevent possible harm to Krka's reputation, and business losses.

We expect the following from our suppliers and business partners:

- They must respect human rights and provide a working environment in which an individual's dignity and privacy are respected;
- They must reject all forms of illegal work;
- They must have established internal controls, risk management systems and systems for detecting conflicts of interests, and they must immediately inform us about a conflict of interests that could directly or indirectly influence Krka;
- They must act in accordance with anti-corruption legislation and competition laws, and they must manage risk related to any frauds and abuses.

# Fair Competition

We respect regulations governing **competition protection**, and do not, in any way, prevent, limit or distort competition.

We do not disclose sensitive business information to competitors. We do not engage in concerted practices with other companies concerning the prices of competitive products, production limitations, sales, technical development or investments, division of sales territories or trade markets, enlargement strategies, new products, consumers, general sales conditions etc.

If we hold the **dominant position** within a market, we do not take advantage of that position and do not directly or indirectly impose unfair purchase or selling prices or other unfair trading conditions, do not limit production, markets or technical development to the prejudice of consumers, do not apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage, and do not conclude contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.



# SOCIAL RESPONSIBILITY



We are aware that our business successes also depend on the successes of our broader social community.

We practise our social responsibility by **supporting different activities within the environment we live in**, by participating in humanitarian activities and by **taking part in activities promoting advancements** in the fields of science, education, art and culture, and which help protect our natural environment. Priority is given to groups, individuals and long-term projects focused on general social progress, better quality of life for as many people as possible, working with young people, and are in line with Krka's mission **"Living a healthy life."**

In accordance with our mission, Krka also allocates funds to renovations and provides various institutions and societies with modern equipment, which leads to them being able to realise higher quality activities. We support many cultural projects in the local environment and outside the country.

We **take care of the environment** and respect environmental regulations, and we also cooperate with the narrower and broader local community. We have included our concerns about the **efficient use of energy** into our current business operations, development strategy and investment projects. In this way, we can contribute to reducing negative impacts on the environment, which is in line with our sustainable development guidelines. Priority is given to equipment and processes that can help decrease and improve the consumption of primary energy sources.

We can each of us ensure to reduce and properly sort the waste we produce within our working position and during the work we perform, to use water and all working assets rationally, and to cause as little water pollution as possible. Correct and safe use of chemicals reduces risks for the occurrence of extraordinary events.



**CHIEF  
COMPLIANCE  
OFFICER**

**The Chief Compliance Officer**, together with the relevant Directors and Heads of organisational units in the company, is responsible for continuous assessment of corporate compliance risks, coordination of appropriate activities related to individual business processes, proposing and establishing an efficient internal control system, raising awareness, training and consulting about enhancing business integrity, addressing reports on inappropriate conduct and violations of applicable regulations, internal rules and ethical principles, and for reporting to company management about corporate compliance at Krka.

The Chief Compliance Officer supervises and guides the implementation of corporate compliance, the enforcement of provisions from this Code, and the rules on reporting violations at Krka. **Directors of divisions, departments and independent services** cooperate with the Chief Compliance Officer, and they are responsible for establishing appropriate activities, and for compliant business operations under their competence. Directors of subsidiaries and representative offices are responsible for the compliance of their business operations, and they report to the Chief Compliance Officer. Depending on the size of the subsidiary and representative office, local Chief Compliance Officers may be appointed in them.





**REPORTING  
INAPPROPRIATE  
CONDUCT**



A violation of this Code may constitute a violation of work duties and may lead to disciplinary action and/or ordinary or extraordinary termination of the employment contract. Violation of rules of ethical and business conduct by any Krka's partner may lead to the termination of business cooperation with that partner.

As Krka employees we must always take care to comply with principles, rules and guidelines, and we must always conduct ourselves in a responsible way. In case of doubt whether your conduct, the conduct of a colleague or a third party is in accordance with the Code, regulations and internal rules, seek the advice of your superior or the director of your organisational unit. If the nature or circumstances do not permit this, seek the advice of Legal Affairs or the Chief Compliance Officer.

### **Contact persons and telephone numbers**

- Chief Compliance Officer in the Krka Group: **+386 7 331 26 00**
- Head of Legal Affairs in the Krka Group: **+386 7 331 95 95**
- Contact details of local authorized persons, if appointed, are available on local websites.

Any person who reasonably suspects that a violation of this Code, Krka's internal rules or regulations has occurred, must report such a violation to the Chief Compliance Officer. Reports can also be sent by e-mail ([compliance.officer@krka.biz](mailto:compliance.officer@krka.biz)).

Each employee must suspend the execution of an instruction or a contract that is not in accordance with the regulations, Krka's internal rules and this Code, and immediately inform the responsible person. All violations will be investigated and given serious consideration.

Krka undertakes to treat the informer's data confidentially, professionally and with due care, and to protect the informer properly against any retaliatory measures.

Voluntary disclosure may decrease, eliminate or even prevent consequences of unethical and non-compliant conduct, and Krka encourages voluntary disclosure by employees.



# FINAL PROVISIONS



Krka's *Code of conduct* was adopted by the Management Board of Krka, d. d., Novo mesto, at its session on 15 March 2018, and is effective as of 1 May 2018 onwards.

Krka's Code of conduct is published on Krka's internal website (Krkanet) and on Krka's public website.

On the date of entry into force of this Code, the *Code of ethics* of Krka, tovarna zdravil, d. d., Novo mesto of 2 December 2009, expires, and the Code replaces it in its entirety. Krka's *Code of conduct* is thus the legal successor of the *Code of ethics*.

Every new employee is informed about the contents of Krka's *Code of conduct* at an introductory seminar.

All Krka employees should familiarise themselves with Krka's *Code of conduct* within one year of its effective date.

Krka's *Code of conduct* must be revised once every two years and amended if necessary.

Reviewed on January 2023.