

Pursuant to the Companies Act and the Slovene Corporate Governance Code for Public Limited Companies, on 13<sup>th</sup> December 2018 the Supervisory Board of Petrol d.d., Ljubljana adopted the following

## **DIVERSITY POLICY FOR MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS OF PETROL D.D., LJUBLJANA**

-In the Petrol Group's opinion, the diversity among the members of its management and supervisory bodies contributes to the Group's competitive advantages and ensures the successful implementation of its strategy, its excellent performance and sustainable operations. In providing access to employment, promotion and development opportunities, the diversity principle is adhered to and equal opportunities are given to all individuals, regardless of their gender, age, nationality and any other personal characteristics. In the process of personnel recruitment and development, particular emphasis is placed on providing equal opportunities for candidates of both sexes.

### **POLICY PURPOSE AND SCOPE**

The purpose of this Policy is to promote diversity among the Management and Supervisory Board members, including a balanced representation of both sexes in the company's bodies.

Based on the provisions of the Companies Act and the adopted Slovene Corporate Governance Code for Public Limited Companies, Petrol's Articles of Association and Governance Code, this Policy of selecting appropriate candidates for membership in the Management and Supervisory Boards sets the foundations for the composition of the company's Management and Supervisory Boards in such a manner as to enable each body as a whole to possess, acting in accordance with this Policy, an appropriate set of **competences and skills, expertise and experience necessary for long-term and sustainable operations of the company.**

### **DIVERSITY GOALS**

The key goal of the Diversity Policy is to ensure a composition of the Management and Supervisory Boards that would provide each of them with a set of competences and skills, expertise and experience necessary for a good understanding of current events as well as long-term business-related risks and opportunities, which would contribute to successful and sustainable business operations.

## DIVERSITY ASPECTS

Relevant diversity aspects are selected taking into consideration the economic environment in which the company and its subsidiaries operate, long-term trends in energy and trade, and the strategy the company has adopted. Based on analyses of long-term trends in energy, trade and related services (taking into account political and legal, economic, socio-cultural and demographic, technological and natural forces as well as specific forces within the branch), it can be established that the following aspects of diversity will be of key importance to efficient and sustainable operations: professional diversity, professional experience, diversity of competences, gender and age diversity, and continuity.

**PROFESSIONAL DIVERSITY:** As a result of diversification of the company's activity and long-term trends in its business, a diverse range of skills should be provided ensuring a balance between fast technological development, growing regulatory demands, sustainability implementation and numerous socio-cultural and demographic changes, which is crucial to successful business operations of the company.

**PROFESSIONAL EXPERIENCE:** The strategy of the company envisages a wide range of professional and vocational experience necessary for successful business operations of the company.

**GENDER DIVERSITY:** The energy sector is characterised by low female representation in managerial positions, although women are often the creators of innovative and inclusive solutions. Gender balance in its management and supervisory bodies is an important diversity aspect for the company.

**DIVERSITY OF COMPETENCES:** Ensuring the diversity of competences, skills and characteristics of individuals is fundamental to the successful functioning of the Management and Supervisory Boards.

**AGE DIVERSITY:** The importance of this aspect will grow in the future due to the aging of population and increase in the years of service.

**CONTINUITY:** This aspect is important for the implementation of the company's strategy, particularly as regards managing its business-related risks.

The selected quality aspects will together and to the greatest extent contribute to ensuring the heterogeneity of the Management and Supervisory Boards as well as the sufficient number of diverse opinions important for optimal functioning of both bodies.

## MEASURABLE GOALS OF THE SELECTED DIVERSITY ASPECTS

The measurable goals of this Diversity Policy are as follows:

GOAL No. 1: To ensure, by 2022, at least a 30% representation of the less represented gender among the representatives of capital in the Supervisory Board.

GOAL No. 2: All participants in the processes of appointing members of the Management Board should endeavour that gender balance is maximised by appointing an appropriate set of candidates taking into account adequate representation of the less represented gender.

GOAL No. 3: To endeavour not to change the entire composition of the Supervisory Board, ensuring a one-third continuity.

## DIVERSITY POLICY IMPLEMENTATION

The participants undertake to implement the goals of the Diversity Policy using current best practices relating to the policy of diversity in the board composition, combined with the requirement to provide adequate continuity in the composition of the boards and the requirement for the boards to master the areas and skills within their competence. Further, in combination with the above-mentioned requirements, particular importance is placed on the company's activities defined in its strategy, as well as any requirements of the Supervisory Board's committees. All the selected diversity aspects and any other recognisable aspects will be taken into consideration when forming proposals and deciding on the appointment of candidates for Management or Supervisory Board members, with the purpose of providing the optimal structure of the Management and/or the Supervisory Board necessary for successful business operations of the company.

The required complementarity and diversity in the composition of the Management and Supervisory Boards is reflected in:

- different experience, age, gender, education and expertise at the level of individual Management and Supervisory Board members, and, consequently, at the level of the Management Board and/or the Supervisory Board as a whole;
- knowledge of the branch and of the legal and regulatory environments in which the company operates; and
- appropriate communication, co-operation and critical judgement in decision-making processes carried out by the Management Board and/or the Supervisory Board.

The Diversity Policy is implemented through appropriate processes of recruiting and selecting candidates for members of the Supervisory and Management Boards.

The Policy is particularly applied to the following activities:

- recruitment, selection and proposal of candidates for members of the Supervisory Board at general meetings of shareholders of the company;
- appointment of members of the Management Board;
- appointment of Supervisory Board committees;
- self-assessment of the Supervisory Board's work, including the assessment of composition of the Management and Supervisory Boards from the aspect of diversity.

The following bodies and individuals endeavour to implement the Diversity Policy in the company:

- the Supervisory Board and the Committee for Personnel Issues and Evaluation of the Management Board's Work;
- president of the Management Board as a mandatary; and
- Works Council.

## INFORMATION

The Diversity Policy and its updated versions shall be publicly announced on the website of the company. If necessary, its contents and goals shall be additionally presented to any relevant participants in personnel processes carried out to appoint members of the management and supervisory bodies (e.g. president of the Management Board as a mandatary, Works Council, majority shareholders, etc.).

## MONITORING POLICY IMPLEMENTATION, REPORTING AND UPDATING

The administrator of this Policy is the Committee for Personnel Issues and Evaluation of the Management Board's Work.

The implementation of the Policy shall be monitored by the Committee for Personnel Issues and Evaluation of the Management Board's Work, and reported to the Supervisory Board. The Committee shall monitor whether the Policy is still adequate for the actual needs of the company as regards the composition of the management and supervisory bodies, and shall propose changes and/or updates.

The Supervisory Board shall report, on an annual basis, on the implementation of the Policy in the context of the Corporate Governance Statement which forms an integral part of the company's Annual Report.

## POLICY ADOPTING AND UPDATING

The Diversity Policy shall be adopted and updated by the Supervisor Board of the company.

Ljubljana, 13<sup>th</sup> December, 2018

Nada Drobne Popović

President of the Supervisory Board