

# LEO Foundation Principles for engaged ownership

The LEO Foundation is a Danish commercial foundation established in 1984 with the primary purpose of ensuring the continuance of the global pharmaceutical company LEO Pharma.

In accordance with our charter, the LEO Foundation is the permanent controlling owner of LEO Pharma and we exercise engaged ownership to support the company's long-term development and success.

Our engaged ownership is based on three main principles that guide our actions and behavior.



LEO FOUNDATION

## Dedicated

We take a long-term strategic view on the business and are strongly committed to ensuring the successful development of LEO Pharma.

- We facilitate and contribute to constructive shareholder interactions to ensure alignment on the long-term strategic direction of the company.
- We assess, challenge and support the company's strategic development and performance.

## Responsible

We want to make a sustained difference and consider sustainability and integrity prerequisites for LEO Pharma's long-term success.

- We uphold and protect the company's fundamental values and promote a culture of integrity and positive corporate behavior.
- We work to promote responsible business practices throughout the company.

## Ambitious

We set the bar high and support LEO Pharma in reaching its full potential and advancing the standards of care for patients around the world.

- We encourage the company to be at the forefront of scientific discovery and drive continuous innovation.
- We work to ensure a strong focus on competitive operations and financial performance.

### How we work

The Board of Directors of LEO Pharma sets the company's overall strategic direction and supervises the management of the company, which is executed on a day-to-day basis by the executive leadership team. As majority shareholder, we ensure the Board has the collectively knowledge, professional competencies, and experience to best safeguard the company's interests and ensure sustainable value creation.

Further, the Foundation is directly represented by two Board members and as part of the Board membership, the LEO Foundation is permanently represented on the Remuneration & Nomination Committee.

We engage actively with the company on a wide range of topics including strategy, financial and non-financial performance, risk management, people, culture, remuneration, sustainability, and corporate governance.

### About the LEO Foundation's ownership

LEO Pharma is a privately owned company, and the LEO Foundation (via LEO Holding A/S) owns in excess of 75% of the shares and voting rights in LEO Pharma. The remaining shares are owned by Nordic Capital, an active and experienced private equity investor in healthcare globally.

The LEO Foundation has established a wholly owned subsidiary, LEO Holding A/S, to manage the Founda-

tion's investment activities, incl. the ownership of LEO Pharma. LEO Holding is governed by the same Board and Executive Management as the LEO Foundation, and all references to the LEO Foundation in this document include LEO Holding.

[www.leo-foundation.org](http://www.leo-foundation.org)