

SproudTM

Code of Conduct Sproud International AB and subsidiaries

At Sproud International AB, we are change-makers with a purpose and we are strongly committed to driving positive change today, not tomorrow. That is why we seek to engage with suppliers and partners (“The Company”, “Companies”) who are committed to the same principles, derived from internationally accepted initiatives and standards.

The Sproud Code of Conduct describes our policies and view on responsibilities related to ethics, social standards, the environment and economic issues with a long-term and global perspective. Partners must comply with all applicable laws and our Code of Conduct, even when this Code of Conduct exceeds the requirements of applicable law.

While we expect our partners to meet all applicable standards outlined in this document, the size and structure of each Company will be taken into consideration when implementing these policies. We reserve the right to terminate a relationship at any time for refusal to adhere to our code or for lack of progress on code violations in a timely manner. However we are committed to working with our partners to help them understand and implement our policies so that we can collectively drive positive change for the future.

1. Protection of Young Workers

Child labor is not accepted. The Company is required to engage employees who are: (a) 15 years old, (b) the age of completion of compulsory education or (c) the minimum age to work in the country where work is performed, whichever is greater. Young people who reach the age of at least 16 during the current calendar year may work but not hold a job that involves special risks. The Company must ensure that working hours do not affect young people's ability to attend or participate in school and education. Young workers must not perform tasks that are harmful to their health and safety or compromise their education (i.e. night shifts, overtime).

2. Prohibition of Involuntary Labor, Slavery and Human Trafficking

The Company may not be involved in any form of forced or involuntary work or in any other way exploit workers by means of force, coercion, abduction or fraud. The Company may not withhold any part of the staff's salaries, benefits, assets or documents. This also applies to subcontractors and other partners to the Company. An employee must be free to voluntarily terminate his employment with reasonable notice. The Company must not require workers to give up identity documents or other important original documents as a condition of working. The Company must ensure that employees are always treated fairly and reasonably, without the risk of abuse. The requirements and expectations that the Company places on employees must be communicated in writing and clearly explained so that the employee can understand them.

3. Wages

The Company must respect the right of employees to receive a fair wage in a timely manner that, at a minimum, satisfies applicable laws. Unlawful or disciplinary wage deductions are not allowed. The Company must ensure that employees regularly receive clear and unambiguous information about salaries and benefits. The company must also ensure that salaries and benefits are paid in a way that is practical for the employees. In addition, we encourage our partners to regularly evaluate whether workers earn enough to meet their basic needs and the needs of their family.

4. Working Hours

Sproud expects our partners to comply with applicable national legislation and industry standards regarding working hours and public holidays to ensure the health, welfare and safety of its workers. With regard to the maximum permitted working hours, the working hours may not regularly exceed 48 hours per week. In all circumstances, working hours must not exceed the maximum permitted by law.

5. Anti-discrimination

In accordance with the 2010 Equality Act, Company must not discriminate on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. In the case of employment, this includes but is not limited to job applications, wage setting, training, promotion, benefits, termination or retirement. The Company recognizes the Equality Act and is committed to complying with fair and equitable treatment of all its employees. We encourage our partners to provide maternity leave and training on non-discrimination and harassment.

6. Freedom of Association

Sproud expects that Company respects the rights of workers to establish and join an organization of their own selection, including forming and being part of a trade union. In cases where the freedom of association and the right to enter into collective agreements is restricted by law, the Company shall not in any way impede the establishment, maintenance or administration of such workers' organizations or collective bargaining. The Company may not take disciplinary or discriminatory measures against staff for the non-violent exercise of their right to join or refrain from joining such legal organizations.

7. Health and Safety

Sproud expects the Company to provide workers with a safe and healthy work environment which at a minimum complies with all applicable laws regarding working conditions. The Company must take measures to prevent the risk of workplace accidents and establish and follow clear rules and routines for safety and health in the workplace including:

- (a) personal safety equipment must be provided and readily available for use,
- (b) emergency exits must be located on all floors and be clearly marked, have good lighting, must not be blocked and must be able to be used for evacuation during working hours,
- (c) all employees must have access to clean toilets, drinking water and, if necessary, well-adapted spaces for storing food,
- (d) all staff must receive regular and documented training on health and safety at the workplace,
- (e) there must be a person in the Company's management with special responsibility for the health and safety of the staff and
- (f) the Company must offer the employee adequate reasonable adjustments in the event of accidents, injuries or illnesses.

In addition, Sproud encourages Company to monitor the workplace for health and safety risks that may impact pregnant women and nursing mothers and take reasonable steps to reduce these risks and inform them of any hazards.

8. Employment Conditions

Company must ensure that the conditions of employment do not cause insecurity and social or economic vulnerability for employees and that the work is carried out in accordance with conditions contained in national legislation or international standards. Before commencing employment, the Company shall provide the employee with information about their rights, areas of responsibility and terms of employment, including working hours, remuneration and eligibility for benefits, in a way that the employee can understand and accept. The Company should strive to offer reasonable working conditions that also support workers in their roles as parents or guardians. Company may not use employment contracts in a way that does not comply with the legal rights of employees. This applies to types of work such as short-term employment, seasonal work and contingency work. This also applies to apprenticeship systems where there is no intention to provide continued employment. Temporary employment agencies may not be used in such a way that they infringe on workers' rights.

9. Business Ethics

The Company must comply with national laws and must work against all forms of corruption, including extortion, fraud and bribery. The Company shall establish and follow a policy against bribery and corruption that covers all activities conducted by the Company and all its possible subcontractors and suppliers. The Company's operations must be conducted in accordance with good business practice, promote

free competition and maintain a high ethical standard. No form of money laundering or unauthorized restriction of competition is permitted. Representation and gifts must be disclosed and therefore characterized by openness, moderation and transparency within the business. Lastly, Sproud expects Company to protect worker whistleblower confidentiality and prohibit retaliation against workers who report workplace grievances.

10. Environment

As a minimum standard, the Company must comply with applicable environmental laws. Methods and standards for waste management including ambitions to reduce wastage in the production stage, handling of hazardous waste and the treatment of emissions to air and water must at least meet the minimum requirements set by law. Information on the substances that are hazardous to health and the environment must be available to everyone who comes into contact with them. Particularly dangerous substances should be used as little as possible with the aim of being phased out completely. These are defined as those that are difficult to degrade and accumulate in living organisms, carcinogenic, genome-affecting, reproductive disorders, endocrine disruptors, severe allergens and those with similar severity such as mercury, cadmium and lead.

Going further, Sproud encourages our partners to move beyond compliant obligations and set goals and make progress towards integrating sustainable practices throughout their operations. We encourage our partners to implement systems designed to measure their environmental impact and use insights from these systems to implement preventative measures that will minimize energy, water waste and greenhouse gas emissions, while finding ways to use renewable sources of energy, minimize the use of natural resources and promote re-use and recycling. We encourage our partners to join us by engaging in sustainability and environmental initiatives that promote awareness and continuous improvement.

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