



# Probi Sustainability Policy

Approved by the Board of Directors, 8<sup>th</sup> December 2022.

## 1. Introduction

Sustainability is at the core of Probi AB's (hereinafter "**Probi**", "**we**" or "**us**") business. To clarify this, a new sustainability strategy and new long-term sustainability goals have been adopted. The starting point for Probi's new sustainability strategy is the company's vision to improve people's well-being around the world. The strategy aims to ensure that sustainability is part of all our activities and is at the cornerstone of our strategic business development.

We are committed to contribute to the UN's global sustainability goals by 2030. Our sustainability work focuses mainly on three goals:



- (No. 3) Good Health and Wellbeing,
- (No. 12) Responsible Consumption & Production, and
- (No. 13) Climate Action.

It is important for us for our sustainability work to be integrated with the entire business and our three strategic focus areas within growth, innovation and development, and manufacturing. Previous work focused on identifying where in our processes and in the business, we can make the greatest impact. We have now taken an important step forward and will continue to develop our sustainability work, supplementing it with clear and concrete goals and measure the outcomes. The overarching governing document will be this Sustainability Policy.

### 1.1 Purpose

The purpose with this Policy is to define the framework for sustainability within Probi and provide a governing platform for Probi's sustainability work for all business decisions.

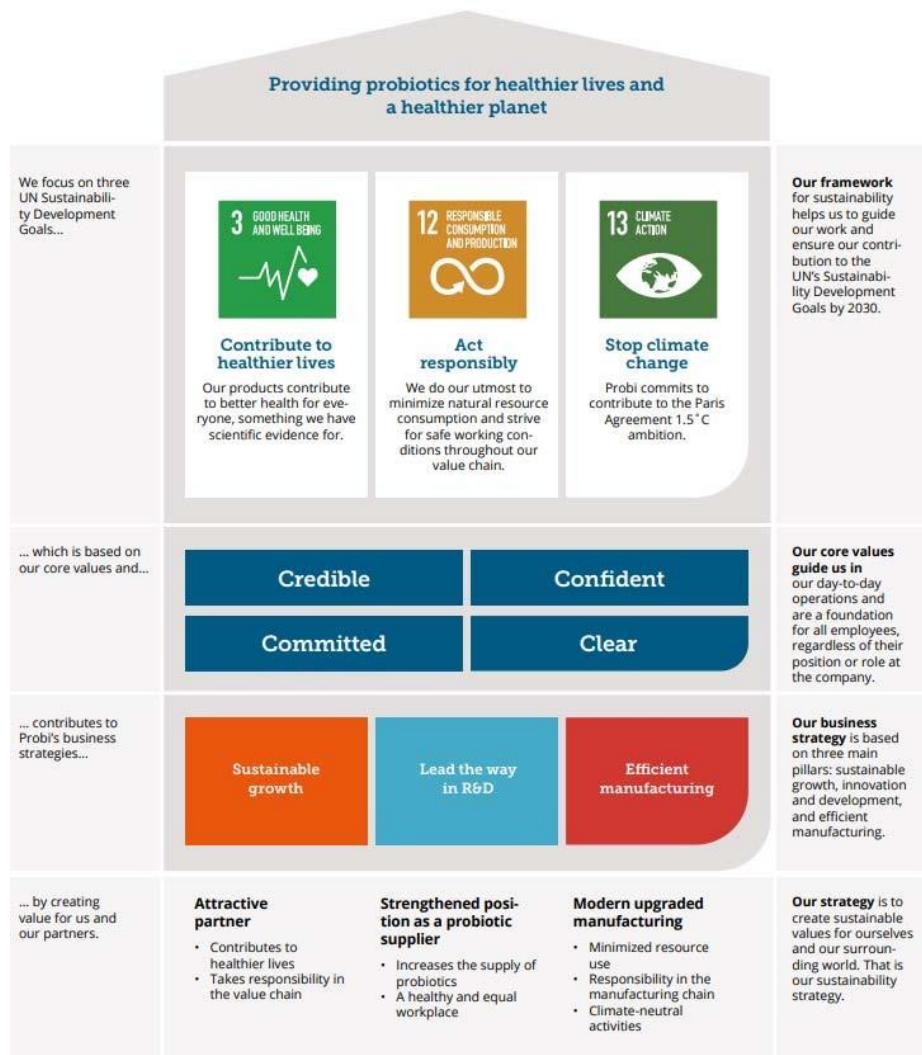
### 1.2 Scope

This Policy, whose purpose and commitments are complemented and developed through Probi's various regulatory instruments, shall be implemented in all parts of Probi, taking local rules into account where relevant.

## 2. Policy statement

For Probi to contribute to the health of people around the world through our probiotics, the company must also pay attention to what affects people and communities, such as the environment, social justice and the way business is conducted. We also need to focus on attracting the talent of the future so that the company can continue to be at the forefront of probiotics research and a leading partner to international players in the probiotics industry. Probi's work in providing probiotics to contribute to healthier lives and a healthy planet, along with fighting social injustice and corruption, is thus a

prerequisite for our business. At the same time, our manufacturing, research and development, partnerships with our customers and the profits we generate from our operations are central to our ability to continue to contribute to a sustainable society. Profitability is an important prerequisite for survival, which means, among other things, that Probi will be able to grow, employ more people and continue to invest in the business. To meet the needs and demands of our stakeholders, create a strong brand, and gain competitive advantages now and in the future, Probi's business must be sustainable. Sustainability therefore goes hand in hand with profitability for Probi.



### 3. International commitments

Probi recognizes the importance of participating in and supporting international commitments that enable businesses to operate in a more sustainable way. Probi supports the following international agreements and frameworks:

- UN Sustainable Development Goals,
- UN Guiding Principles on Business and Human Rights,
- The ILO Core Conventions on Labor Standards,
- OECD Guidelines for Multinational Enterprises

## 4. Strategy

All companies, both large and small, must work to protect social and environmental community values. At Probi we take our responsibility seriously. Our strategy is based on our stakeholders and UN goals.

Being sustainable means acting on the three pillars of sustainability;

- environmental,
- social, and
- governance

This must be done in a balanced way to contribute to sustainable development. The strategy and governance of our sustainability work is based on the key issues (“**material sustainability issues**”) that our stakeholders have identified and that Probi is able to influence. The key sustainability issues have been divided into three key areas of communication, following UN’s Sustainable Development Goals.



### 4.1 Good Health & Wellbeing

Our products contribute to better health for everyone, something that is scientifically proven.

Our long-term ambitions are to:

- By 2030, increase the impact on well-being for everyone through the availability of scientifically-proven probiotic products.

We work with quality in our clinical trials. Probi’s studies are performed in accordance with ethical principles, which stem from the Declaration of Helsinki and are consistent with the International Conference on Harmonization (ICH)/Good Clinical Practice (GCP), EU Clinical Trials Directive and applicable local regulatory requirements. As the bacterial flora is different in animals compared to humans, it is seldom relevant to test probiotics on animals. We are entering into partnerships with independent researchers, contract research organizations and universities to innovate and take initiatives for the future.

- In partnership, increase our effect on communities in need, through education, development, lending scientific expertise for research and development to promote health and well-being.

We are working in partnership with our customers, suppliers and other relevant actors around the world to increase the availability of Probi Products.

## 4.2 Responsible Consumption & Production

Our long-term ambitions are to:

- Minimize wastage in resource use, especially water and energy, in manufacturing in the USA.
- Have responsibility in the value chain
  - By 2025, all our suppliers will adhere to the established principles of safety, security, diverse and inclusive environments for employees.
- Have a healthy and equal workplace where we promote the DEI (Diversity, Equity, Inclusion) agenda and a safe and secure working environment for all employees.
- Have 100% compliance with the Code of Conduct and all other policies and guidelines to maintain the highest possible standards in anti-corruption, ethics, integrity, honesty and fairness.

A clear commitment in terms of the environment and human rights and Probi's impact on the world around us is fundamental to public confidence in Probi's contribution to human health and well-being. This is also relevant to Probi's continued development and ability to retain and recruit the best talent, and to meet the requirements that partners have of suppliers like Probi.

Compliance with our policies<sup>1</sup> together with employee training and the implementing of a whistleblowing function is key for the strategy to succeed with this area.

We are making sure manufacturing facilities comply with OSHA (Occupational Safety and Health Administration) standards.

All our client-facing employees undergo annual anti-corruption training to ensure ethical business practices. Selected employees also receive training in Trade Sanctions and insider trading regulations. All our employees are required to sign Probi's internal Code of Conduct.

We have implemented an action plan with measures in the event of discrimination.

Our Quality Assurance team perform regular audits of Probi's contractual suppliers, making sure that the suppliers meet Probi's standards. The contractual suppliers must complete a "Supplier Questionnaire" where aspects concerning, for instance, sustainability are highlighted. Our Supplier Code of Conduct is sent out for signature to all contractual suppliers. This work will continue.

Our clinical trials are conducted in accordance with ICH/Good Clinical Practice (GCP), the EU Clinical Trials Directive and applicable national law.

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<sup>1</sup> [Environmental Policy, Supplier Code of Conduct Policy, Employee Code of Conduct, Diversity Policy and Discrimination Policy, Anti-Corruption Policy, Trade Sanctions Policy, Insider Policy.]

## 4.3 Climate Action

We are committed to contributing to the 1.5 degree Celsius aim of the Paris Agreement and curbing the climate change.

Our long-term ambitions are to:

- Reduce CO<sub>2</sub> emissions throughout the value chain by
  - Doing our utmost to halve emissions in our operations and value chain by 2030.
  - Reduce energy consumption per product manufactured.
  - Reduce emissions from freight.
- Achieve net zero or negative climate emissions by 2040, but no later than 2050.
- Scale up our waste reduction in operations through prevention, reduction, recycling, and reuse, by 2030.

Protecting the climate and the environment is a focus area for all our existing and potential partners, and Probi's commitment and monitoring is a prerequisite for growth. Our work originates from our environmental policy. It lays the foundation for our strategy.

Probi continuously evaluates the company's processes with the aim of continuing to streamline and digitize various functions of the business. We take the initiative to hold meetings digitally when face-to-face meetings are not necessary. We continue to work in partnership with ZeroMission to offset our carbon emissions from air travel. We are encouraging and implementing cycling schemes for employees, both for the environment and for the health and well-being. All electricity used at Probi's offices in Lund, Sweden, is 100% renewable. Part of the electricity consumed in the manufacturing facility in Redmond, Washington, is fossil-free.

To transport products to our customers, we employ professional freight carriers with efficient transport systems. By doing so, the company can access more efficient transportation methods, thus reducing its environmental impact.

Probi's production facilities in Redmond, Washington, and Lafayette, Colorado, are GMP certified and hold all licenses required under US environmental law. In terms of resource consumption, electricity and gas are primarily used in manufacturing. Water is mainly used in the fermentation process in the manufacturing unit in Redmond. An increased focus on water reduction reduced consumption by around 60% thanks to the installation of a new cooling system in our facilities in Redmond. The work will continue.

## 5. Roles and Responsibilities

### 5.1 Employees

All Probi employees are individually responsible for reading, understanding, and complying with this Policy. Each employee is responsible for acting in line with the sustainable values expressed in this Policy and the Probi Code of Conduct.

## 5.2 Line managers and Business functions

Every line manager is responsible for promoting the Sustainability strategy and make sure that the related governance is in place. Equally, each Probi business function and employee is responsible for prioritizing activities that promote our Sustainability approach and the Sustainability strategy.

## 5.3 Violations

Violations against the Policy can result in disciplinary action, up to and including termination.

## 5.4 Approval and monitoring

This policy is approved by the Probi Board of Directors annually.

## 6. Report violations

We want our employees to express opinions and concerns. Any Probi employee who suspects violations of this Policy is expected to raise the issue to their line manager, Human Resources, Sustainability team, or to use the Probi whistleblowing system. Both internal and external parties can use this last channel to report irregularities or problems that have caused or could cause serious damage to the company and its stakeholders. [Whistleblower \(complylog.com\)](https://www.complylog.com)

At Probi, we do not accept any form of retaliation against someone who expresses concerns or opinions.

## 7. Framework

This Policy is part of Probi's Governance Framework, which includes:

- The Annual Sustainability Report
- Code of Conduct
- Supplier Code of Conduct
- Climate and Environmental Policy
- Anti-Corruption Policy
- Trade Sanctions Policy
- Insider Policy
- Diversity Policy
- Discrimination Policy

## 8. Guidance and Assistance

If you have questions regarding this Policy or you are uncertain which rules apply, please contact: VP HR & Sustainability at [sustainability@probi.com](mailto:sustainability@probi.com)

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