

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

## Scandza AS

### 1. Introduction

This Environment, Social and Governance Policy (**ESG Policy**) is adopted by the Board of Directors (**Board**) of Scandza AS (**Company**).

This ESG Policy shall support the Code of Conduct in building a culture and set of expectations and responsibilities that are recognised by all employees, officers, and directors of the Company and its subsidiaries (jointly the **Group**).

We expect our suppliers, customers, business partners and other third parties (jointly **Business Partners**) to be acquainted with and systematically comply with our ESG Policy.

#### 1.1. Our approach to ESG

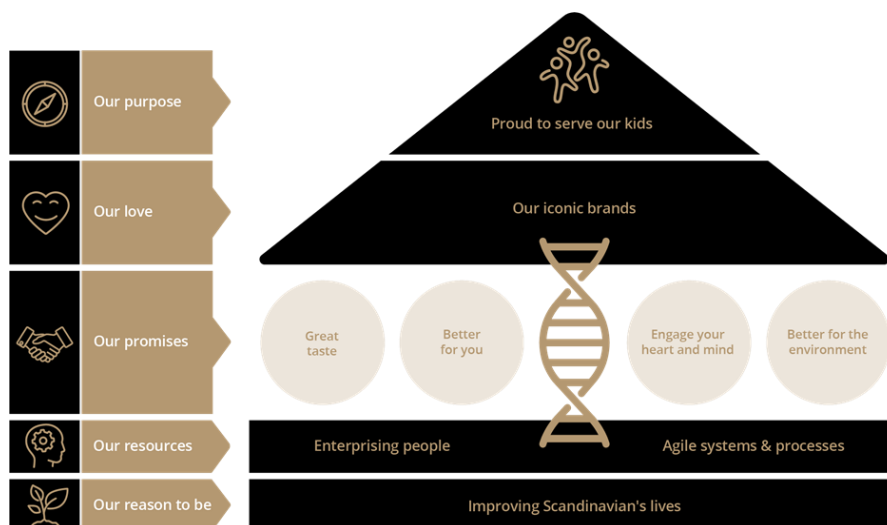
Our purpose is to be proud to serve our kids. An important part of this purpose is acting responsibly and working towards being sustainable across all parts of our business and efficiently managing environmental, social and governance (ESG) risks and opportunities. This enables us to provide great products that are better for the consumer and better for the environment across the Nordic markets.

We aspire to ensure that our business is conducted in an ethical, legal, socially, and environmentally responsible manner. We shall all be proud of who we are and how we conduct our business.

We continually strive to improve within the areas of human and animal rights, labour standards and to work against any form of corruption.

Scandza shall conduct due diligence for responsible business conduct as described in our Code of Conduct.

Our ESG Policy reflects our respect of the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the International Bill of Human Rights, as well as the core conventions of the International Labor Organization (ILO).



### **1.2. UN Sustainable Development Goals**

The Company has identified four UN sustainability goals on which the Group will focus attention when conducting business.

- Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- Goal 8: Promote inclusive and sustainable economic growth, employment, and decent work for all.
- Goal 9: Build resilient infrastructure, promote sustainable industrialization, and foster innovation; and
- Goal 12: Ensure sustainable consumption and production patterns.

### **1.3. Company's strategic goals towards 2030**

- Consumers will trust and prefer our brands because they are better for them and the environment.
- All our brands shall contribute to making the Scandinavian consumer healthier and greener.
- Our brands shall be sustainably produced by default.

## **2. Environment – Be better for the environment**

Scandza is committed to minimizing the impact of its activities on the environment. As an international food producer and distributor, Scandza has a responsibility to contribute to a sustainable food system. We consider the environment in everything we do. Our goal is to reduce our emissions, protect the environment and empower consumers to choose sustainable food by providing low-impact products with smart packaging solutions.

### **2.1. Better for the environment – our production**

We believe that a high level of environmental performance will be essential to succeed as a food producer in the years to come. Enhancing resource efficiency in our operations is therefore one of our main priorities.

The manufacturing, processing, and packaging of products contributes to air, soil, and water pollution and GHG emissions.

All companies in the Group shall measure and set reduction goals on carbon emissions, food waste and non-environmental packaging.

### **2.2. Better for the environment - our products**

Scandza wants to meet consumers' expectations and positively influence their dietary choices by offering environmentally sustainable products, health and environmental wise.

### 2.3. Animal rights / Animal welfare

Scandza is committed to improve the welfare of animals. Animal welfare is to be respected by all our suppliers. All suppliers must uphold national and international animal welfare regulations.

If our suppliers do not comply with our standards, we are committed to help them reach our standards before we are forced to end the relationship.

The Company is committed to develop own policies on animal welfare, related to animals used in our production, that will surpass national welfare regulations.

## 3. Social – Contributing to society

As a manufacturer and distributor of fast-moving consumer goods, we impact the societies in which we operate in many ways. Our aim is to provide healthier and more sustainable products to the Nordic markets and to contribute positively to society at large. As an employer our main responsibility is to ensure our employees' health, safety, and wellbeing.

### 3.1. Contributing to the society – being a responsible employer (ILO Convention No. 155 and ILO Recommendation No. 164)

Our employees are the foundation and continuing reason for our success. Valuing and ensuring their wellbeing are core sustainability pillars for the Company. Our main priorities are to provide safe and healthy working environments, to be an inclusive organization and to every day make sure they are given the opportunity to evolve and excel.

There are several aspects of health and safety relevant to the Group, both occupational health and safety and the health and safety of consumers.

#### 3.1.1. Occupational health and safety

The Company is committed to properly assessing and managing potential risks to the health and safety of all our employees, contractors and visitors, and anyone else who may be directly affected by our business operations.

To reduce health and safety risks, we specifically aim to

- a) promote awareness through education and training
- b) maintain proactive emergency preparedness and response; and
- c) measure and evaluate health and safety performance through regular audits, inspections and internal reporting.

The Company has quality management systems where all incidents are reported, evaluated, and subject to improvement procedures.

### 3.2. Labour and Human Rights (ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women)

The Company is committed to providing a safe environment for all its employees and has a policy of zero tolerance regarding discrimination of any employee or job applicant based on an individual's gender, gender identity, age, family or marital status, language differences, nationality, ethnic or national origin, education or socio-economic status, political views,

disability or medical condition, religion, or sexual orientation, or any other attribute protected by national or international laws. This policy applies to all stages of employment.

### **3.3. Respectful Disciplinary Actions**

Disciplinary actions shall comply with applicable laws, rules, regulations, and business standards. Disciplinary actions shall fully respect an employee's rights and dignity.

### **3.4. Proactive Measures**

Parental leave is available to all employees in order to strengthen the protection of workers with family responsibilities.

### **3.5. Sexual harassment (UN Covenant on Civil and Political Rights, Art. 7)**

The Group operates a zero-tolerance policy with regards to any form of sexual harassment in the workplace. We treat all incidents seriously and will promptly investigate all allegations of sexual harassment.

Any person found to have sexually harassed another will face disciplinary action, including potential termination of their employment. All complaints of sexual harassment will be taken seriously and treated with respect.

### **3.6. Forced labour (ILO Conventions Nos. 29 and 105)**

The Company strictly prohibits the use of forced labour and human trafficking in all company operations and in our global supply chain.

This ESG Policy demonstrates a commitment to mitigate any risk of slavery or human trafficking in our operations or within the supply chain.

To support honesty and integrity, we provide our staff with the opportunity to report any concerns they may have regarding slavery and human trafficking through a whistle-blower system.<sup>1</sup>

### **3.7. Child labour (UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)**

The Group does not employ any person below the legal minimum age for employment. Breaches of this will not be tolerated under any circumstances.

### **3.8. Work-life balance (ILO Convention No. 1 and 14)**

The Group promotes a healthy work-life balance for all our employees. We comply with all laws and regulations regarding both normal working hours and overtime.

We encourage all employees, male and female, to take the maximum parental leave prescribed by law.

### **3.9. Compensation (ILO Convention No. 131)**

The Group observes the statutory minimum wage set by the government of the country in which it has local operations. Where this is not sufficient to meet basic needs, we strive to compensate employees with remuneration that allows for an adequate standard of living. We maintain a

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<sup>1</sup> Refer to 3.11 for more information.

remuneration policy that emphasizes the internal equity and external comparability within a defined labour market. The key elements within our remuneration and rewards policy are pay for responsibility and pay for performance.

### **9. Regular Employment (ILO Convention No. 95, 158, 175, 177 and 181)**

The Group is obligated to follow international conventions, national law and regulations concerning regular employment. These shall not be avoided through the use of short-term contracting (such as contract labor, casual labor or day labor), sub-contractors or other labor relationships. All workers are entitled to a contract of employment in a language they understand, and the duration and content of apprenticeship programs shall be clearly defined.

### **10. Marginalized Populations (UN Covenant on Civil and Political Rights, art. 1 and 2)**

The Group shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

### **3.10. Freedom of Association and Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)**

The Group shall freely allow workers lawful rights to associate with others, form, and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment.

We uphold the freedom of association of our employees and the effective recognition of the right to bargain collectively.

### **3.11. Whistle-blower System**

Employees and other stakeholders are encouraged to ask questions, raise comments and concerns in the case of concern over questionable ethical standards or breaches of applicable laws, rules, this ESG policy, or other internal guidelines as soon as practicably possible.

The Company expects any such matters to be raised in good faith.

Employees can report matters internally via their line manager, the health and safety representative, employee representative or VP General Counsel, or externally via Scandza's external, anonymous whistle-blower channel, WhistleB <https://report.whistleb.com/scandza>

External stakeholders can report via the whistle-blower channel accessible on our website.

All matters reported and all whistleblowing reports will be taken seriously and handled with respect. The Company will not accept any retaliation against employees or directors who have reported, in good faith, a violation or suspected violation of applicable laws or of this ESG policy.

## **G – Ensuring business integrity**

4. The Company supports a business culture where we shall all be proud of who we are and how we conduct our business. Our business has significant effects on the societies in which we operate and in the areas from where we source our products. We are committed to ensuring the integrity of our products and to responsibly manage the risks in our value chain.

### **4.1. Anti-corruption**

To achieve sustainable economic growth, anti-corruption work is essential. The Group has a zero-tolerance policy towards corrupt behaviour.

Corruption is the abuse of entrusted power for personal gain, dishonest or illegal behaviour particularly by people in leading positions. Dishonest behaviour of entrusted power for personal gain may not always be regarded as criminal behaviour as laws and regulations vary between jurisdictions but may still be a violation this ESG Policy.

Corrupt behaviour and unacceptable behaviour include, but is not limited to, the following:

- the improper use of gifts and favours in exchange for personal gain.
- using one's influence with persons of authority to obtain preferential treatment in return for payment.
- nepotism, i.e., favouring someone based on personal relations, such as a family member, friend, or member of a particular association.

The Group shall comply with all applicable laws and regulations to prohibit corruption in our operations.

### **4.2. The Company's anti-corruption checklist**

We are committed to the following:

#### **4.2.1. Commitment**

The Group shall under no circumstances participate in corruption of any kind. The Company expects all employees, members of management, officers, and directors to report violations of this ESG Policy.

#### **4.2.2. Assessment**

The Company is a Norwegian based company with businesses located mainly in the Nordics. The Nordic countries are assessed to be among the top seven least corrupt countries worldwide in Transparency International Corruption Perceptions Index 2020<sup>2</sup>. Although corruption is less likely to occur in these countries than other places in the world, we are committed to continually assessing the risk of corruption in our business and supply chain.

#### **4.2.3. Plan**

Those who believe a violation of this ESG Policy may have occurred or may be likely to occur are expected to report the concern, either internally to the VP General Counsel, or anonymously through Scandza's whistleblower system (described in a 3.11). All employees in the Group can report through the whistleblower system.

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<sup>2</sup> <https://www.transparency.org/en/cpi/2020/index/>

Scandza provides employees with channels to report complaints or concerns. All persons involved in processing complaints are responsible for ensuring that the person involved does not suffer prejudice or retaliation because of submitting a complaint. All complaints must be investigated and, if appropriate, preventive, corrective, and disciplinary actions must be taken.

#### 4.2.4. Act

Any Group representative at any level who fail to comply with this ESG Policy or to support guidelines and procedures or relevant legislation will be subject to internal disciplinary action, which may result in termination of their contract.

#### 4.2.5. Monitoring

The Board will review and evaluate the anti-corruption work in the Company on an annual basis.

### 4.3. The health and safety of consumers

The Company's food and drink production lines all have BRC (or equal) certification. Hazard analysis and critical control points based on the Codex Alimentarius are at the core of our quality system. All cosmetic products follow the European Regulation (EC) 1223/2009 and the European regulation (EC) No 1907/2006 (REACH).

### 4.4. Taking control over our supply chain

Governing the social and environmental risks in our supply chain is our responsibility. Ensuring control and reducing negative impacts is pivotal to our integrity as a company. As a producer and distributor of foods and to everyday consumer goods, the Company is in a key position to improve the sustainability of relevant supply chains.

The Company expects full compliance from all its Business Partners regarding areas such as anti-corruption, health and safety, labour and human rights, and environment. All our suppliers are expected to sign our supplier standards, our Code of Conduct and our ESG policy, and to systematically comply with them

We expect of our suppliers to:

- implement an annual due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by your actions. If the supplier is responsible for the negative impact/damage, they are responsible for providing remedy.
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of Scandza, be able to document how they, and potential subcontractors, work to comply with the guidelines.
- If the supplier, after several requests by Scandza, does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.
- Have a system in place to manage complaints related to human rights, labour rights, the environment and corruption.

- Avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

At our request the supplier must also be able to document how they, and any potential subcontractors, work to comply with the Guidelines for Suppliers.

The Company is committed to continually assessing the risks related to all the topics above concerning our Business Partners.

#### **4.5. Remedy**

The Company is obliged to ensure that remedy is provided where harm to employees, animals or the local environment has occurred by us or our suppliers.

#### **5. Annual Review**

This ESG Policy is subject to annual review by the Board.

#### **6. No rights created**

This ESG Policy is a statement of fundamentals to the Group's principles and culture. It does not create any rights for any third party, such as customers, suppliers, competitors, shareholders, stakeholders, regulatory authorities or any other person or entity.

*The Board of Directors  
Scandza AS*

*November 2021  
(Revised April 2022)*