Sustainability declaration

SIS/TS 2:2025, Corporate social responsibility of organisations - Maximising the contribution to sustainable development – Sustainability declaration

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This sustainability report follows the ISO 26000:2025 standard and provides guidance for organisations to work on Corporate Social Responsibility (CSR) in order to maximise their contribution to sustainable development.

An important component of this work is credible communication of CSR with the stakeholders. SIS/TS 2:2025, Corporate social responsibility of organisations - Maximising the contribution to sustainable development – Sustainability declaration specifies open corporate social responsibility questions that an organisation answers and makes publicly available.

The requirements and questions in this sustainability declaration have been designed so that an organization using the document demonstrates that it has used the guidelines in SS-EN ISO 26000:2025. It has been designed to strengthen organization's social responsibility, prioritise the core subjects in SS-EN ISO 26000:2025, maximize its contribution to the Sustainable Development Goals and describe the process.

This document is written so that its verification programme meets the requirements of SS-EN ISO/IEC 17029. Verify Agency has been accredited by SWEDAC, Sweden's national accreditation body, to conduct the verification of this sustainability declaration.

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5.1 Organization's assumptions and strategy

Organization's assumptions and strategy

The answers to the questions in this area should highlight the organization's fundamental assumptions, business model, actions, and materiality assessment in order to provide the reader with a good understanding of the starting point for the declaring organization's sustainability work.

Question 1

What is the main purpose of this sustainability declaration? Several purposes can be stated. Voluntary commitments in relation to legislation can be mentioned.

The purpose of this sustainability declaration is to provide a structured and transparent description of how Sproud manages its social, environmental and economic responsibilities in line with ISO 26000.
The declaration is used to:
- Describe the company's sustainability strategy, priorities and governance
- Present key goals, actions and follow-up mechanisms
- Provide stakeholders with insight into performance and progress
- Support internal decision-making by linking sustainability to business strategy and KPIs

The declaration also serves as a basis for external verification and continuous improvement of Sproud's sustainability work.

In addition to complying with applicable legal requirements in its markets, Sproud makes voluntary commitments that go beyond compliance. These include:
- Maintaining ISO 26000 verification
- Achieving and maintaining B Corp certification (achieved in 2025, with re-certification planned in 2026 due to updated standards and upcoming EU regulation)
- Developing sustainability reporting and data quality
- Reducing product climate impact and increasing fossil-free transport

Question 2

If the organization, according to legal requirements or voluntarily, makes a commitment to use this sustainability declaration in order to meet specific applicable requirements under the law, what level of applicable requirements does the organization intend to comply with?

Sproud intends to comply with all applicable legal and regulatory requirements in the countries where it has a legal presence, namely Sweden, the United Kingdom, Poland, the United States and Canada.

Operational activities are primarily conducted from Sweden, the United Kingdom and Poland. Sproud's entities in the United States and Canada function as sales entities without local employees, and activities in these markets are managed by the organization's international team.
This includes compliance with requirements related to:
- Food safety and product compliance
- Environmental and climate-related regulations
- Labour and workplace standards (in countries with employees)
- Financial reporting and corporate governance

In addition, Sproud sells products in a broader set of international markets through local distributors. In these markets, distributors are responsible for compliance with local regulatory requirements, while Sproud ensures that its products, documentation and specifications meet relevant market entry and product safety requirements.

Compliance is supported through internal policies, external expertise (e.g. food law specialists), and structured processes within quality, finance and operations.

In addition to mandatory requirements, Sproud voluntarily aligns its operations with recognized frameworks such as ISO 26000 and the B Corp standard to strengthen its approach to social responsibility.

Question 3

Which parts of the organization, organizational units, or groups of people are covered by the self-declaration? Why have any limitations been made?

This sustainability declaration covers Sproud International AB and all its subsidiaries, including operations in Sweden, the United Kingdom, Poland, the United States and Canada.

The declaration applies to:
- All employees and consultants within the group
- All functions, including sales, marketing, finance, operations and sustainability
- Activities under Sproud's direct control and management

Organisational size (2025)
- 16 full-time employees and 4 consultants, managed centrally across markets
- Employees are distributed across Malmö (headquarters), London and Poland, with the majority located in Malmö

Organisational structure
Sproud operates through:
- Sproud International AB (headquarters, Malmö, Sweden)
- Sproud Ltd. (UK)
- Sproud Sp. z o.o. (Poland)
- Sproud Inc. (USA – no employees)
- Sproud North America Ltd. (Canada – no employees)

Limitations
The declaration covers activities where Sproud has direct operational or managerial control.
Impact occurring in the broader value chain (e.g. upstream agriculture or downstream distribution not directly controlled by Sproud) are addressed through:
- Supplier requirements and partner engagement
- Product climate footprint calculations covering the full value chain from agriculture to store shelf

Question 4

What is the organization's business or operational model and its areas of activity (processes)? What is the size, number of employees, and geographical location of the organization?

Sproud is a plant-based dairy company that develops, markets and sells high-protein, low-sugar pea protein-based dairy-alternative drinks.

Business Model
- Core focus: product innovation, brand development and commercial sales to retail, foodservice (HoReCa) and export markets through distributors
- Manufacturing and packing are outsourced to co-packing partners
- The organisation operates as a centrally managed international team

Key processes include:
- Research and development
- Operations (including sourcing and procurement, quality, sustainability and logistics coordination)
- Sales and distribution
- Marketing and communications
- Finance

Geographical footprint
- Headquarters office: Malmö, Sweden
- Commercial offices: London (UK) and Warsaw (Poland)
- Operational presence: products available in over 35 markets, with main markets in Sweden and the United Kingdom.
- Co-packers (manufacturing partners): located in Sweden, Finland and Canada
- Distribution and storage hubs: Sweden, Poland, the United Kingdom, Canada and the United States

The company focuses product innovation, brand and commercial activities, while collaborating in a network of partners, co-packers, suppliers and logistics partners for manufacturing and distribution.

Question 5

What certifications, tools, or guidelines that support work with social responsibility and sustainable development does the organization use?

Sproud uses a combination of external frameworks, certifications, tools and internal working methods to structure, implement and follow up its work on social responsibility and sustainable development.

Frameworks
Sproud's sustainability work is guided by:
- ISO 26000 (verified sustainability framework)
- B Corp standard (certified in 2025, with re-certification planned in 2026 due to updated standards and upcoming EU regulation)
- UN Sustainable Development Goals (SDGs)
These frameworks support governance, accountability and continuous improvement of sustainability performance.

Product quality, safety and supply chain-related certifications
To ensure product quality, safety and responsible sourcing:
- IP Food Processing is applied at company level
- BRC or FSSC 22000 certifications are required for co-packers
- Non-GMO certification applies to all products (including certification in North America)
- Fairtrade certification is used for relevant ingredients (e.i. coffee)
- Sugarwise certification is applied across the product portfolio

Environmental and data tools
Sproud uses:
- CarbonCloud to calculate and verify product climate footprint using life cycle assessment methodology (from farm to store)
- Product data and traceability systems such as GS1, Validoo, Dabas and ProSync

Internal working methods and tools
Sproud applies defined internal working methods to manage and follow up its sustainability work. The Board has approved an internal sustainability document (Sustainability program 2030) as a guide for the team.
The Sustainability Manager uses a digital tool (Futureproof) to structure, document and track sustainability initiatives, data and progress. Outputs from this work are translated into:
- Sustainability KPIs
- Reports and performance follow-up
- Decision support for management and the Board
Sustainability performance and priorities are communicated through structured reporting, KPIs and regular updates, ensuring alignment across the organization without requiring all employees to use the tool directly.

Regulatory alignment

Sproud monitors and aligns its work with relevant regulatory developments in the markets where it operates, including legislation related to sustainability, food safety, product compliance and marketing.
This includes EU sustainability legislation such as the EU Green Deal and related directives, as well as applicable national regulations in other markets.

Packaging and producer responsibility
Sproud participates in national producer responsibility systems for packaging (e.g. NPA in Sweden), supporting collection and recycling of packaging materials.

Question 6

What does the organization's value chain look like forward and backward, including markets and customer groups, supplier chain with geographical distribution and number of levels of subcontractors?

Sproud's value chain focuses on product development, sourcing, brand and commercial activities, while production and logistics are carried out by external partners. The company works with a limited number of key partners to support scalability, quality and consistency.

Value chain (overall perspective)
Sproud's value creation is based on:
- Product innovation and development
- Sourcing decisions and supplier selection
- Brand building and market development
- Coordination and management of partners

Supply chain (physical product flow)
Upstream
- Agricultural raw materials (primarily yellow split peas and other ingredients)
- Suppliers of ingredients and packaging materials
- Sourcing is primarily regional to production sites

Production
- Manufacturing and packing are carried out by co-packers in Europe and North America, reflecting the company's regional production setup.
- Co-packers are responsible for day-to-day production and packing operations

Sproud defines product specifications, including packaging type and design, while co-packers procure packaging materials and carry out production and packing in accordance with these specifications.

Downstream
- Products are transported to regional warehouses in Sweden, Poland, the United Kingdom, Canada and the United States
- Distribution is managed through logistics partners and distributors
- Products are sold through:
    - Distributors
    - Retailers
    - Foodservice (HoReCa)
    - Direct-to-consumer channels

Customer groups
Primary customer groups include:
- Distributors
- Retail chains
- Foodservice operators (e.g. coffee shops)
- End consumers

Geographical distribution
- Production: Europe and North America
- Warehousing: Sweden, Poland, United Kingdom, Canada and the United States
- Markets: 35 global markets

Structure and levels of subcontracting
The supply chain consists of:
- Suppliers (ingredients and packaging)
- Co-packers (production and packing)
- Logistics and distribution partners

Management and oversight
Sproud manages its value chain through:
- Partner selection and onboarding
- Defined requirements, including the Code of Conduct and Supplier Code of Conduct
- Ongoing follow-up, including regular and risk-based audits
While Sproud defines requirements and works closely with partners, implementation and day-to-day operations are carried out by independent partners.

Approach to environmental considerations
- Regional sourcing and production are prioritised where feasible to reduce transport distances and associated climate impact.
- Environmental impacts are assessed through product climate footprint calculations covering the full supply chain from agriculture to store shelf.

Boundaries
Sproud's direct control covers its own operations and direct partner relationships.
Impacts across the broader supply chain are addressed through:
- Supplier requirements and engagement
- Product-level climate assessments and data

Question 7

In what way does the organization align its work according to the seven principles of SS-EN ISO 26000:2021? The principles are accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior, and respect for human rights.

Sproud aligns its work with the seven principles of ISO 26000 through its governance structure, policies and operational practices. These principles are integrated into decision-making, partner relationships and sustainability management.
The principles are implemented through:
- Code of Conduct and Supplier Code of Conduct
- Internal policies and procedures
- Sustainability management, including KPIs and reporting
- Requirements and follow-up in partner relationships

Accountability
Sproud identifies and follows up on its environmental, social and economic impacts through:
- Sustainability KPIs developed by the Sustainability Manager, monitored by management and approved by the Board
- Performance follow-up
- Defined and delegated responsibilities across functions

Transparency
Transparency is ensured through:
- Annual Impact Report and external communication
- Sustainability declaration and public reporting
- Use of verified data, including third party audited product climate footprint calculations

Ethical behaviour
Ethical behaviour is guided by:
- Code of Conduct and internal policies
- Supplier Code of Conduct for partners
- Internal controls in finance and operations
- Employee awareness and training

Respect for stakeholder interests
Stakeholder interests are considered through:
- Materiality assessment
- Ongoing dialogue with key stakeholders
- Feedback channels and surveys
- Integration of stakeholder input into decision-making

Respect for the rule of law
Compliance with applicable laws and regulations is supported through:

- Internal policies and procedures
- Use of external expertise (e.g. food law specialists)
- Established processes in quality, safety and financial management

Respect for international norms of behaviour
Sproud aligns its work with internationally recognized frameworks, including:
- ISO 26000
- B Corp standard
- UN Sustainable Development Goals
These frameworks guide the approach to responsible business conduct.

Respect for human rights
Human rights are addressed through:
- Supplier Code of Conduct
- Employee policies and working conditions
- Supplier onboarding and follow-up processes

Overall, the seven principles are embedded in Sproud's governance and daily operations and are reflected in how the company manages its impacts, engages with stakeholders and develops its sustainability work.

Question 8

Which stakeholders for social, economic, and environmental sustainability has the organization identified?

Sproud identifies stakeholders as individuals or groups that affect, or are affected by, the company's activities across its value chain. This stakeholder identification is used to inform stakeholder engagement, materiality assessment and prioritization of sustainability topics.

Identified stakeholder groups
Upstream stakeholders
- Suppliers (ingredients, packaging and services)
- Co-packers (manufacturing partners)

Downstream stakeholders
- Distributors and logistics partners
- Retailers and foodservice (HoReCa) customers

Internal stakeholders
- Employees and consultants

External stakeholders
- Consumers and end customers
- Owners and investors
- Public authorities and regulators
- Industry peers and partners
- NGOs and civil society organizations
- Academic and research partners

Environmental stakeholder
Sproud recognizes the environment as a key stakeholder, reflecting its responsibility to manage climate and environmental impacts across its value chain.

Question 9

Of the identified stakeholders, which stakeholders have been assessed as prioritized and how has this process been carried out? In which forum have decisions been made? What consideration is given to the stakeholder groups that may have difficulty being heard and therefore may need to be included in special consideration?

Sproud prioritises stakeholders based on direct influence on business operations and sustainability performance, as well as exposure to the company's environmental and social impacts.

Prioritised stakeholder groups
These stakeholders are prioritised due to their central role in business operations and their connection to the most significant environmental and social impacts in the value chain:
- Employees and consultants
- Suppliers and co-packers
- Key distributors and customers
- The environment

These stakeholders are prioritised due to their central role in business operations and their connection to the most significant environmental and social impacts in the value chain.

Process for prioritisation
Stakeholder prioritisation is carried out as part of Sproud's materiality assessment.
The process includes:
- Mapping stakeholders across the value chain
- Assessing their level of influence on operations and decision-making
- Assessing how they are affected by Sproud's activities
- Identifying links between stakeholders and key sustainability topics

Input is based on:
- Ongoing business relationships and operational experience
- Internal cross-functional knowledge
- Feedback from partners, customers and employees
- Insights from sustainability frameworks and reporting

The outcome is documented and used to guide sustainability priorities and decision-making.

Decision-making forum
Stakeholder prioritisation is carried out as part of the materiality assessment process.
- The Sustainability Manager prepares the materiality assessment, including stakeholder mapping and analysis
- The management team discusses and evaluates stakeholder relevance, impacts and priorities together with the Sustainability Manager
- Final prioritisation is agreed within the management team based on this assessment

The outcome of the materiality assessment is used as a basis for sustainability priorities, KPIs and targets, which are reviewed and approved by the Board as part of the company's

overall governance and sustainability program.

Consideration of less-heard stakeholders
Sproud recognises that certain stakeholders may have limited ability to directly influence or communicate with the company, including:
- Workers in upstream supply chains
- End consumers
- Environmental interests
These stakeholders are considered through:
- Supplier requirements and follow-up processes
- Indirect feedback channels (e.g. consumer insights and partner dialogue)
- Use of external frameworks and standards (e.g. ISO 26000, B Corp)
- Product-level environmental assessments

Other stakeholders
Other identified stakeholders, such as public authorities and regulators, are important for compliance and are managed through structured processes, but are not part of the core prioritised stakeholder group.

Use in decision-making
Stakeholder prioritisation is used for:
- Materiality assessment
- Sustainability priorities and goal-setting
- Risk identification and management
- Business strategy with key stakeholder expectations

Question 10

Must be answered every year

Which sub-areas, see Appendix B, based on the main areas of business management, human rights, working conditions, environment, good business practices, consumer issues, community engagement, and development, are deemed to be of crucial importance to the organization and therefore have been prioritized, and why.

Sproud prioritises sustainability topics based on its materiality assessment, taking into account the company's business model, value chain and stakeholder prioritisation.
The following sub-areas have been identified as most relevant due to their direct link to environmental and social impacts, as well as their importance for business operations and stakeholder expectations.

1) Environment
- Climate impact and emissions: Climate impact is a central sustainability topic, as the majority of Sproud's environmental footprint occurs in its supply chain, particularly in raw material sourcing, production and transport. Managing and reducing product-level emissions is therefore critical for both environmental performance and maintaining the company's product positioning.
- Transport and logistics: Transport is a key contributor to product climate impact. Improvements in transport efficiency and increased use of fossil-free alternatives are prioritised to reduce emissions associated with distribution across international markets.
- Packaging: Packaging is prioritised due to its environmental impact and regulatory relevance. Material choices, recyclability and compliance with producer responsibility requirements are central to reducing environmental impact and meeting market expectations.

2) Good business practices (supply chain responsibility)
- As Sproud relies on external partners for production and sourcing, supplier and co-packer management is critical. This includes setting requirements, onboarding, follow-up and audits to ensure product quality, safety and alignment with social and environmental expectations.
- Sourcing practices are prioritised due to their link to environmental and social impacts in upstream supply chains, where a significant share of the company's impact occurs.

3) Consumer issues
- Product quality and safety: Ensuring product quality and food safety is fundamental to Sproud's operations and regulatory compliance, and is essential for maintaining customer/consumer trust and market access.
- Transparency and product information: Clear and accurate communication regarding product content, sustainability performance and usage is prioritised to meet consumer expectations and regulatory requirements.
- Health and nutrition: Product composition and nutritional value are central to Sproud's offering and influence consumer choice, product positioning and long-term brand credibility.

4) Working conditions and human rights
- Internal working conditions: Although the organisation is small, employee well-being, working conditions and engagement are important for maintaining effective operations and implementing the company's strategy, and are supported by internal policies.
- Human rights in the supply chain: Human rights risks are primarily located in upstream supply chains and are addressed through the Supplier Code of Conduct, contractual requirements and follow-up processes.

5) Business management and governance
- Sustainability governance and integration: Sustainability is integrated into business decision-making through KPIs, reporting and management processes, ensuring that prioritised topics are followed up and linked to business performance.

Question 11

How has the organization's materiality assessment been conducted, see question 10, appendix C, and section 7.3 in SS-EN ISO 26000:2021, and describe how risks or opportunities for negative and positive impacts on sustainable development have been weighed in.

Sproud's materiality assessment is a defined internal process to identify and prioritise sustainability topics based on the business model, value chain and stakeholder prioritisation.

Materiality assessment process
The materiality assessment is carried out through a structured internal process led by the Sustainability Manager and conducted together with the management team.
The process includes:
- Identification of relevant sustainability topics based on ISO 26000, industry standards and regulatory developments
- Mapping of impact across Sproud's value chain
- Consideration of prioritised stakeholders and associated expectations
- Evaluation of the relevance and significance of identified topics
The outcome is documented and used to define prioritised sustainability areas.

Inputs and sources
The assessment is based on:
- Internal knowledge across functions
- Ongoing dialogue with key stakeholders
- Data from sustainability reporting and product climate footprint calculations
- External frameworks and regulatory developments
The assessment is supported by internal analyses, including SWOT-based risk identification and operational risk assessments (e.g. food safety and vulnerability analysis).

Assessment of risks and opportunities
Risks and opportunities are evaluated across operations and the value chain.
Risks (negative impacts) include:
- Climate impact from sourcing, production and transport
- Packaging and resource use
- Human rights and working conditions in upstream supply chains
- Product-related risks such as quality, safety and compliance
Opportunities (positive impacts) include:
- Providing plant-based products with lower climate impact
- Supporting more resource-efficient food systems
- Contributing to improved consumer choices

Weighing and prioritisation
Topics are evaluated based on:
- Significance of environmental and social impacts

- Relevance to Sproud's business model
- Level of influence over the impact
- Importance to prioritised stakeholders

For operational and safety-related topics, likelihood and consequence are assessed using documented risk assessment methods.

This evaluation supports the selection of prioritised sub-areas described in Question 10.

Question 12

What operational or financial risks and opportunities, and any other consequences for the organization, have been identified in connection with the establishment of prioritized sustainability areas (sub-areas)?

These are identified through strategic planning and risk management processes, including SWOT analysis, operational reviews and evaluation of market, regulatory and value chain developments.

Operational risks
Operational risks are primarily linked to the value chain and product-related requirements:
- Supply chain dependency: Reliance on suppliers and co-packers may lead to disruptions in sourcing, production or logistics.
- Product quality and safety: Risks related to food safety, product consistency and regulatory compliance.
- Sustainability performance in the supply chain: Risks related to environmental and social performance of suppliers and co-packers, including human rights and working conditions.
- Packaging and resource use: Risks linked to material availability, recyclability requirements and regulatory changes.

Financial risks
Financial risks are mainly related to cost development, compliance and market conditions:
- Cost increases: Changes in raw material prices, packaging costs or supplier requirements may impact margins.
- Regulatory and compliance costs: New or updated sustainability and product-related regulations may increase costs and administrative requirements.
- Market and macroeconomic risks: Changes in demand, global trade conditions, tariffs and economic factors may affect costs, pricing and market development.
- Reputational risks: Failure to meet regulatory requirements or stakeholder expectations may affect brand value and sales.

Opportunities
Opportunities are closely linked to the business model and market positioning:
- Market growth: Increasing demand for plant-based products with lower climate impact supports business expansion.
- Product and packaging development: Opportunities to improve product formulation, packaging solutions and sustainability performance.
- Operational efficiency: Improvements in sourcing, logistics and resource use can reduce costs and environmental impact.
- Strengthened brand and customer trust: Transparent communication and credible sustainability performance support competitiveness.

Other consequences for the organization
The prioritised sustainability areas also result in broader organisational implications:
- Increased requirements on supplier management: Greater need for structured follow-up,

audits and engagement with suppliers and co-packers.
- Higher demands on governance and coordination: Including clear responsibilities, internal alignment and structured follow-up of sustainability priorities.

Overall assessment
The identified risks and opportunities reflect Sproud's position as an asset-light company, where a significant share of impacts and risks are located in the supply chain.
Managing these risks and opportunities is important for maintaining product quality, regulatory compliance, business continuity and long-term competitiveness.

5.2 Leadership

Leadership

The answers to the questions in this area should provide a clear picture of the management's approach to sustainable development and how this is manifested at the management level (see specifically also Appendix A1 - Management's statement).

Question 13

Which policies for social, economic, and environmental sustainability does the organization work according to?

Sproud works according to a structured set of policies and governing documents that address social, environmental and economic sustainability across the organisation and its value chain.
The policy framework is aligned with recognised frameworks, including ISO 26000 and the B Corp standard, and is maintained within Sproud's governance structure. Policies are updated and reviewed periodically, and approved by management and the Board annually.

Core governance and ethical policies
- Code of Conduct: Defines principles for ethical behaviour, business integrity, human rights and responsible business practices.
- Supplier Code of Conduct (SCoC): Sets requirements for suppliers and co-packers regarding working conditions, human rights, environmental performance and business ethics.
- Anti-bribery and corruption and whistleblower policies: Support ethical conduct, accountability and reporting of concerns.

Environmental and sustainability policies
- Sustainability policy and sustainability programme: Define Sproud's approach to environmental management, climate impact, resource use and long-term sustainability objectives.
- Policies related to packaging, waste and regulatory compliance: Support responsible resource use and alignment with applicable environmental regulations.

Product quality and consumer-related policies
- Food quality and safety policies (IP Food Processing): Define requirements for product safety, traceability, recall procedures and regulatory compliance.
- Ethical marketing and communication principles. Ensure that product and sustainability-related communication is accurate and not misleading.

Working conditions and social responsibility
- Employee handbook and HR-related policies: Define working conditions, employee rights, non-discrimination, health and safety, and organisational practices.

Data protection and business integrity
- IT, data protection and privacy policies. Define requirements for handling personal and business data, information security and regulatory compliance.

Implementation and governance
These policies are implemented across Sproud and its subsidiaries and integrated into operational processes such as supplier onboarding, product development, quality management and internal governance.
Responsibilities are defined across functions, and implementation is supported through

training, communication, audits and follow-up processes.

Question 14

How has the sustainability perspective been integrated and made visible in the organization's strategy, operational management, and other governing documents?

Sustainability is integrated into Sproud's strategy, operational management and governing documents through defined priorities, governance processes and operational routines.

Integration into strategy
Sustainability is integrated into Sproud's business strategy and supports long-term direction and decision-making.
This includes:
- Prioritised sustainability areas identified through the materiality assessment
- Sustainability KPIs and targets linked to business objectives
- Board-approved sustainability programme and policies
Material sustainability topics are translated into strategic priorities and business planning.

Integration into operational management
Sustainability is integrated into daily operations across functions.
This includes:
- Supplier selection, onboarding and follow-up based on defined requirements
- Product development, including nutritional and environmental considerations
- Quality and food safety management (IP Food Processing)
- Logistics and sourcing decisions, including climate impact considerations
Environmental performance, including product climate impact, is measured using product-level climate footprint calculations.
Responsibilities are assigned across functions, and sustainability work is coordinated and followed up through KPIs and reporting.

Integration into governing documents
Sustainability is embedded in governing documents, including:
- Code of Conduct and Supplier Code of Conduct
- Sustainability policy and sustainability programme
- Quality and food safety policies
- Employee handbook and relevant internal policies
These documents define requirements for environmental, social and economic responsibility across operations and the value chain.

Governance and roles
The Board provides oversight of sustainability matters, while the CEO is responsible for operational implementation. Sustainability work is coordinated and followed up at management level, with responsibilities distributed across functions.

Visibility and follow-up
Sustainability performance and priorities are made visible through:

- Internal reporting and KPIs
- Management follow-up and decision-making processes
- External communication, including sustainability and impact reporting

This supports ongoing monitoring and integration into business operations.

Question 15

How has the management distributed the sustainability responsibility within the management team? What other roles or individuals within the organization have a special responsibility for sustainability work? How has this been communicated?

Sustainability responsibilities are distributed across Sproud's management team and organisation through defined roles and functional responsibilities.

Management responsibility
The management team is responsible for integrating sustainability into their respective areas.
- The CEO is responsible for overall implementation and ensuring that sustainability is integrated into business planning and decision-making.
- Members of the management team are responsible for sustainability-related activities within their functions, including areas such as sourcing, product development, logistics, marketing and finance.
- Sustainability objectives and KPIs are assigned to relevant functions and followed up as part of management processes.

Specific roles and responsibilities
- The Sustainability Manager coordinates sustainability work, including monitoring, data collection, KPI follow-up and reporting.
- Operational roles across the organisation have defined responsibilities linked to sustainability performance, such as supplier follow-up, product development, logistics and data reporting.

Communication and internal alignment
Sustainability responsibilities and expectations are communicated through:
- Assignment of responsibilities and KPIs within functions
- Regular management discussions and follow-up processes
- Internal communication, including onboarding, updates and training
This ensures that roles and responsibilities related to sustainability are understood and applied across the organisation.

5.3 Planning

Planning

The answers to the questions in this area should provide the reader with a clear picture of how the organization has operationalized its work with social responsibility and contributions to sustainable development.

Question 16

How and when does the collection of stakeholders' expectations and opinions take place? What insight is given to stakeholders in the sustainability work? Describe the method for stakeholder dialogue.

Sproud collects stakeholders' expectations and opinions through a combination of recurring processes and ongoing dialogue across its value chain.

How and when input is collected
Stakeholder input is collected from key groups including suppliers, customers, distributors, employees and consumers through:
- Surveys and questionnaires (e.g. supplier and employee surveys)
- Ongoing dialogue in business relationships and daily operations
- Meetings, events and industry interactions

Stakeholder dialogue takes place continuously throughout the year, with formal input processes conducted regularly and consolidated as part of the annual materiality assessment. Relevant input may also be addressed on an ongoing basis.

Method for stakeholder dialogue
Sproud applies a mixed-method approach combining:
- Quantitative input (surveys and questionnaires)
- Qualitative input (meetings, feedback, events and day-to-day interactions)

Input is compiled and reviewed to identify expectations, risks and areas of importance, and is used to support prioritisation of sustainability topics and decision-making.

Insight and transparency to stakeholders
Stakeholders are provided with insight into sustainability work through:
- Public sustainability and impact reporting
- Communication in business relationships and stakeholder interactions
- Sharing of relevant performance data, including product-related sustainability information

This ensures that stakeholders receive information on priorities, progress and performance.

Question 17

How are risks and opportunities identified in sustainability work managed, questions 11 and 12?

Risks and opportunities identified in sustainability work are managed through integration into operational processes, defined responsibilities and ongoing follow-up.

Operational management
Risks and opportunities are managed within relevant functions as part of daily operations.
- Each function is responsible for managing sustainability-related risks and opportunities within its area, such as sourcing, product development, logistics and quality management
- Established processes are used to manage operational risks, including quality and food safety systems (e.g. IP Food Processing routines, traceability and recall procedures, BRC or FCSS 22000 requirements for suppliers and co-packers) and supplier follow-up (including audits and performance monitoring)

Coordination and follow-up
Sustainability-related risks and opportunities are coordinated and followed up through:
- Sustainability KPIs and targets
- Regular management follow-up and reporting (e.g. KPI reviews and progress tracking)
- Ongoing monitoring of performance and progress
The Sustainability Manager coordinates follow-up and reporting, supporting alignment across functions.

Integration into planning and improvement
Risks and opportunities are integrated into:
- Business planning and prioritisation
- Continuous improvement of processes, products and supplier requirements (e.g. product development, supplier engagement and logistics adjustments)
This ensures that identified risks are addressed and that opportunities are developed as part of ongoing operations.

Question 18

How does the organization minimize risks in the value chain with a focus on the supply chain, for example in countries with high corruption risk or when it comes to human rights violations, if it has not already been described under question 17?

Sproud minimizes risks in the value chain, with a particular focus on the supply chain, through a structured, risk-based due diligence approach covering supplier requirements, onboarding, sourcing practices and ongoing follow-up.

Supplier requirements and onboarding
- Ingredient suppliers and co-packers are required to comply with Sproud's Supplier Code of Conduct, which covers human rights, working conditions, environmental practices and business ethics.
- The Code of Conduct is incorporated into supplier agreements and forms the basis for supplier selection and continued cooperation.
- New suppliers are subject to onboarding and risk-based approval processes, including assessment of geographic, operational and product-related risks.

Risk-based sourcing and safeguards
- A risk-based sourcing approach is applied, where suppliers, raw materials or regions with higher risk exposure (e.g. related to human rights or corruption) are subject to enhanced due diligence.
- Certified materials are used where relevant to mitigate risks, for example Fairtrade-certified ingredients and FSC-certified packaging materials.
- Sourcing is primarily carried out in regions with established regulatory frameworks, with additional controls applied where higher risks are identified.

Monitoring and corrective actions
- Supplier compliance is monitored through self-assessments, sustainability questionnaires and structured follow-up processes.
- In higher-risk cases, targeted follow-up such as audits or additional assessments is conducted.
- Identified deviations are managed through corrective action plans and follow-up within procurement processes.
- Product quality and safety-related risks are further managed through established systems and external verification (e.g. IP Food Processing).

Review and continuous improvement
- Supplier performance and risk exposure are reviewed regularly as part of procurement and sustainability processes.
- The approach is continuously developed to strengthen prevention, detection and mitigation of risks related to human rights, labour conditions, environmental impact and business ethics across the supply chain.

Question 19

How does the organization ensure knowledge of and compliance with applicable laws, other requirements, and international standards in the countries covered by this self-declaration?

Sproud ensures knowledge of and compliance with applicable laws, regulations and relevant standards through a combination of external expertise, internal responsibilities, monitoring and verification processes.

Identification and monitoring of requirements
- Sproud works with external specialists in food legislation and regulatory compliance to identify and interpret applicable requirements in relevant markets
- Employees in relevant functions receive updates on regulatory developments (e.g. food safety, labelling and sustainability legislation) through monitoring services and industry engagement
- Local distributors and market-specific partners support identification of country-specific regulatory requirements

Implementation in operations
- Legal and regulatory requirements are integrated into operational processes, including product development, sourcing, labelling and quality management
- Responsibilities for compliance are assigned within relevant functions and applied in daily operations

Training and competence
- Employees in relevant roles maintain competence through training, courses and industry participation related to food legislation, quality, sustainability and business practices
- This ensures that regulatory requirements are understood and applied in practice

Control and verification
- Compliance is supported through internal controls and quality management processes (e.g. IP Food Processing routines for food safety and traceability)
- External audits, certification processes and specialist reviews are used to verify compliance
- When new or updated requirements are identified, necessary adjustments are implemented in products, processes and documentation

Question 20

Which of the UN's global goals for sustainable development, both goals and targets, have been identified and selected? Also describe how this part of the maximization analysis has been conducted, see Appendix C.

Sproud has identified and selected a focused set of UN Sustainable Development Goals (SDGs) and associated targets based on its value chain, material impacts and ability to contribute to sustainable development.

Selected SDGs and targets
The following SDGs and selected targets have been prioritised:
Goal 2: Zero Hunger
Target 2.3: Sustainable food production systems
Target 2.4: Biodiversity in agriculture
Goal 3: Good Health and Well-being
Goal 5: Gender Equality
Goal 9: Industry, Innovation and Infrastructure
Target 9.4: Resource-efficient and sustainable production
Target 9.5: Innovation and technological development
Goal 10: Reduced Inequalities
Goal 12: Responsible Consumption and Production
Target 12.2: Sustainable resource use
Target 12.3: Reduction of food waste
Target 12.4: Management of chemicals and waste
Target 12.6: Sustainable business practices and reporting
Target 12.8: Consumer awareness
Goal 13: Climate Action
Target 13.2: Integration of climate measures into strategy
Target 13.3: Climate awareness and capacity
Goal 16: Peace, Justice and Strong Institutions
Goal 17: Partnerships for the Goals
Targets 17.16–17.17: Multi-stakeholder partnerships

Method for maximization analysis (Appendix C)
The selection of SDGs and targets is based on a maximization analysis combining:
- Value chain mapping
- SDGs and targets are mapped across the value chain to identify where Sproud has the greatest impact and ability to influence outcomes

Assessment of social responsibility topics
- Priority topics are identified based on environmental, social and governance impacts
- The results are combined to identify SDGs and targets where Sproud can contribute most significantly, considering both positive impact potential and responsibility for negative impacts.

Outcome
The selected SDGs and targets reflect areas where Sproud's activities have the most significant impact and where the company can contribute to sustainable development through its products, supply chain and business practices.

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Question 21

Must be answered every year

Which action plan for sustainability has been developed based on materiality assessment, question 10, and/or based on maximization analysis, question 20, that is to say both based on identified sub-areas as prioritized and sub-goals based on the UN's global goals for sustainable development?

Sproud has developed a sustainability action plan based on prioritised sub-areas identified in the materiality assessment and selected SDGs and targets from the maximization analysis. The action plan forms the basis of the company's sustainability programme.

Structure of the action plan
The action plan includes:
- Prioritised objectives: Objectives are defined based on material sustainability topics and aligned with selected SDGs and targets
- SDG-aligned sub-goals: Sub-goals are linked to relevant SDGs to connect company priorities with global sustainability objectives
- Actions and initiatives: Defined actions are linked to each objective and sub-goal.
Examples include:
    - Development of products with improved nutritional and environmental performance
    - Reduction of climate impact in logistics
    - Strengthened supplier requirements and follow-up processes
    - Improvements in packaging and resource use

Implementation
The action plan is integrated into business planning and operational work:
- Actions are implemented within relevant functions
- Sustainability priorities are reflected in ongoing activities such as product development, sourcing and logistics

Follow-up and updates
- Progress is monitored through defined targets and internal follow-up processes
- The action plan is reviewed and updated regularly based on results and changes in priorities

Question 22

Must be answered every year

What operational-related sustainability goals have been set up related to the selected sub-areas, question 10, or sub-goals, question 20, for the upcoming period, for example, a 12-month period?

Sproud has defined operational sustainability goals for the period up to 31 December 2025 based on the prioritised sub-areas (question 10) and selected SDGs and targets (question 20). The goals are integrated into operations and followed up through KPIs and management review.

Environment and climate
- Reduce average product climate footprint (kg CO_2e/kg) year-on-year, measured through LCA (baseline: 0.301 kg CO_2e/kg in 2025).
- Maintain 100% fossil-fuel-free transport for contracted flows within Europe and monitor total share of fossil-free transport.
- Increase share of bio-based and recyclable packaging beyond current level (~92%), including increased recycled content.
- Maintain low Scope 1–2 carbon intensity in line with the 2030 target (<0.2 tCO_2e per million USD revenue).

Product and consumer
- Launch new plant-based products during the period, supporting resource-efficient food production (SDG 2, 9, 12).
- Maintain that 100% of products meet defined low/no sugar criteria (e.g. Sugarwise-certified).
- Maintain and improve avoided emissions compared to dairy alternatives, based on product climate data.

Value chain (supply chain responsibility)
- Increase the share of key suppliers aligned with the Supplier Code of Conduct (baseline 2024: 25% of suppliers and 33% partners downstream).
- Conduct annual or risk-based supplier sustainability assessments covering environmental and social criteria.
- Improve availability of verified sustainability data across the value chain (e.g. emissions, sourcing, compliance).

Governance
- Maintain ISO 26000 verification and integrate sustainability into operational decision-making and KPIs.
- Maintain B Corp certification and implement required improvements ahead of recertification.
- Follow up and implement actions defined in the sustainability programme and materiality assessment.

Working conditions and human rights

- Maintain fair working conditions and responsible pay structures, including monitoring of pay equity.
- Maintain progress towards balanced gender representation.
- Continue implementation of initiatives related to employee well-being, inclusion and workplace safety.

Progress is monitored through defined KPIs, internal follow-up and annual review.

5.4 Support

Support

The answers to the questions in this area should provide the reader with a clear picture of the organization's supporting structures for sustainability work in order to support practical efforts.

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Question 23

Must be answered every year

How is it ensured that the necessary economic and personnel resources are available to carry out sustainability work?

Sproud ensures that the necessary economic and personnel resources for sustainability work are available through integration into business planning, defined responsibilities and ongoing follow-up.

Economic resources
- Sustainability activities are financed as part of the annual budgeting and business planning process.
-Investments are prioritised based on identified material topics and operational needs, such as climate footprint measurement (LCA), supplier follow-up and certification processes.
- Resource needs (e.g. tools, external verification, training) are reviewed at least annually and adjusted based on KPI performance and planned activities.

Personnel resources and organisation
- The CEO is responsible for overall implementation and ensures alignment with business priorities.
- Sustainability work is coordinated by the Sustainability Manager, who is responsible for structure, data collection and follow-up.
- Relevant sustainability areas are assigned to operational functions (e.g. sourcing, product development and logistics), where employees are responsible within their roles.
- Sustainability objectives and KPIs are integrated into relevant roles and performance expectations, ensuring allocation of time and accountability.
- This approach ensures both central coordination and distributed ownership across the organisation.

Competence and capacity
- Employees receive regular internal training and onboarding related to sustainability, enabling implementation in daily work.
- External expertise is used where specific competence is required, for example in climate calculations and verification processes.

Follow-up and adjustment
- Resource allocation is reviewed through KPI monitoring, management follow-up and the annual materiality assessment.
Adjustments are made based on performance and priorities, for example reallocating resources to supplier assessments or transport improvements where impact is highest.

Question 24

Must be answered every year

What skills development has been carried out in the sustainability area over the past year?

Sproud developed sustainability-related competence during 2025 through internal training, targeted external learning and practical implementation linked to ongoing operations.

Internal training and organisational learning
- All employees participated in internal training and workshops covering topics such as ethical business practices, workplace sustainability, safety, and diversity and inclusion.
- Sustainability is integrated into onboarding and daily work practices, supporting application in operational roles.

Specialised training and regulatory competence
- Relevant employees attended external seminars and courses on topics such as packaging regulation (PPWR), sustainability reporting (CSRD/ESRS, VSME) and carbon footprint methodology.
- Training focused on areas directly linked to operations, such as packaging requirements and climate data.

Certification-related competence development
- The B Corp certification process required cross-functional training and formalisation of processes, including supplier due diligence, environmental measurement and governance practices.
- This resulted in increased internal competence across multiple functions.

External engagement and knowledge sharing
- Employees participated in external workshops, industry forums and partner collaborations to stay updated on sustainability practices and regulatory developments.

Research and collaboration
- Ongoing collaboration with research institutions (e.g. RISE and Lund University) contributed to knowledge development in sustainable food systems and product development.

These activities supported implementation of sustainability work in operations during the year.

Question 25

Must be answered every year

What skills development is planned in the sustainability area in the short, medium, and long term?

Sproud has defined planned skills development in sustainability across short-, medium- and long-term horizons, aligned with operational needs and regulatory developments.

Short term (next 12 months)
- Deliver annual company-wide sustainability training covering key topics such as ethics, climate impact and internal responsibilities.
- Maintain role-based onboarding to ensure sustainability requirements are integrated into new employees' roles.
- Conduct targeted workshops for relevant functions on topics such as business ethics, workplace sustainability and safety.
- Continue participation in external seminars and industry forums to maintain up-to-date knowledge (e.g. packaging regulation and climate data).

Medium term (12–24 months)
- Provide training linked to upcoming regulatory requirements (e.g. packaging regulation, sustainability reporting and claims).
- Develop role-specific training for functions with operational responsibility (e.g. sourcing, logistics and product development).
- Strengthen practical competence through project-based learning, such as supplier follow-up, transport improvements and sustainability data collection.

Long term (beyond 24 months)
- Maintain competence related to certification and verification processes (e.g. B Corp and ISO 26000), including audit and reporting requirements.
- Develop knowledge in advanced methodologies, such as environmental footprinting and materiality assessments.
- Continue collaboration with research and industry partners to support long-term competence development linked to product and value chain improvements.

Question 26

Must be answered every year

How is the organization's sustainability work communicated?

Sproud communicates its sustainability work through structured external reporting, verified data, stakeholder dialogue and internal communication processes.

External communication and reporting
- Sustainability performance is communicated annually through the Impact Report, including KPIs, climate data and progress against defined targets.
- Sustainability information is also communicated through the company website and product-related communication (e.g. climate footprint data and product information).

Verified data and certifications
- Product climate footprint data is published via third-party platforms (e.g. CarbonCloud), where methodology and data are externally verified.
- Certifications and verifications (e.g. ISO 26000, B Corp, Sugarwise) are communicated to provide transparency and credibility.

Stakeholder dialogue
- Ongoing communication with stakeholders (e.g. customers, suppliers and partners) takes place through business relationships, meetings and collaborations.
- Communication activities include campaigns and information related to product impact and sustainable consumption.

Internal communication
- Sustainability is communicated internally through regular updates, meetings and KPI follow-up.
- Employees receive information through internal channels and management communication, supporting implementation in daily operations.

Value chain communication
- Requirements and expectations are communicated to suppliers and partners through the Code of Conduct and Supplier Code of Conduct, including follow-up processes.

Question 27

Must be answered every year

If any area has been excluded from the communication, for example with regard to the organization's or stakeholders' need for privacy, explain why.

Sproud has not intentionally excluded any material sustainability topics from its communication.

Where information is not disclosed, this is due to limited and justified constraints:
- Confidentiality and reporting timing: Certain information (e.g. commercially sensitive data or financial details) is disclosed in line with formal reporting processes and may not be included in sustainability communication if not yet public.
- Privacy and stakeholder protection: Information that could identify individuals or disclose sensitive partner data is not published. In such cases, aggregated data is used instead (e.g. workforce or supplier-related information).
These limitations are limited in scope and are managed to ensure overall transparency and compliance.

Question 28

How is the governance for sustainability organized, including governance mechanisms for work on prioritized specific areas for sustainability, see prioritized sub-areas, question 10.

Sproud's sustainability governance is organised through steering documents, defined roles, integration into operational functions and follow-up mechanisms.

Overall governance structure
- The Board of Directors holds overall responsibility, decides on sustainability programme, oversees sustainability strategy, risks and performance.
- The CEO is responsible for implementation and integration into business planning.
- The Sustainability Manager coordinates documents, policies and sustainability programme, including KPI follow-up and reporting.

Integration into prioritized sustainability areas
- Each prioritized sub-area (question 10) is assigned to relevant operational functions and integrated into business processes.
- Responsibilities are linked to objectives and KPIs within each function.
Examples:
  - Environment (climate and transport): managed within sourcing and logistics (e.g. climate footprint measurement and fossil-free transport).
  - Product and consumer: managed within product development and marketing (e.g. nutritional criteria and product information).
  - Value chain responsibility: managed within procurement (e.i. Supplier Code of Conduct and supplier follow-up).
  - Working conditions: managed by HR-related processes.

Monitoring and follow-up
- Performance is monitored through defined KPIs linked to prioritized areas defined in Sustainability programme and reviewed regularly by management.
- Results are consolidated and reported to the Board and externally through sustainability reporting.
- Control mechanisms include supplier follow-up, internal processes and external verification (e.g. certifications and audits).

Frameworks and control mechanisms
- Governance is supported by frameworks such as ISO 26000 and B Corp, which define structure, documentation and third party verification.
- Sustainability is integrated into risk management and operational decision-making processes.

Continuous improvement
- Governance and controls are reviewed and updated based on KPI results, audits and materiality assessments to ensure continued integration into operations.

5.5 Operations and activities

Operations and activities

The answers to the questions in this area should give the reader a good picture of the organization's activities for social responsibility during the period and for achieving set goals for sustainable development.

Question 29

Must be answered every year

Describe the organization's activities carried out and ongoing during the recent period based on the prioritized sub-areas in question 10, and identified goals and sub-goals from the UN's global goals for sustainable development, see question 20.

During 2025, Sproud implemented and continued activities, defined in the Sproud strategic sustainability programme, aligned with selected SDGs and integrated into operations.

Governance
- Achieved B Corp certification in 2025 and maintained ISO 26000 verification.
- Integration of sustainability into governance, KPI tracking and reporting processes, reporting progress on 6 month basis.

Environment (climate and resource use) KPI's
- Measured and reduced product climate footprint across the value chain, reaching 0.301 kg CO_2e/kg (−11.45% vs 2022), and expanded scope for climate reporting to cover all markets, including North America.
- Worked with suppliers and logistics partners to reduce Scope 3 emissions.
- Increased share of fossil-fuel-free transport to 64.1% and achieved 100% fossil-free transport in Sweden and Poland.
- Continued packaging improvements, reaching ~92% bio-based material and reducing material use.

Product and consumer
- Launched new plant-based products (e.g. Cooking/Whipping, Matcha) with lower climate impact compared to dairy alternatives.
- Maintained product portfolio aligned with defined nutritional criteria (100% Sugarwise-certified).
- Conducted communication activities to support informed consumer choices on climate and health.

Value chain (supply chain responsibility)
- Increased supplier alignment with the Supplier Code of Conduct (~68% of key partners).
- Implemented structured supplier sustainability assessments with risk-based follow-up.
- Continued work on traceability, responsible sourcing and emissions reduction together with suppliers and co-packers.

Working conditions and human rights
- Maintained practices supporting fair working conditions, inclusion and non-discrimination.
- Conducted pay equity analysis (pay ratio 4.83:1) and monitored gender distribution (~60% women / 40% men).

- Integrated sustainability into employee work plans, training and internal initiatives.

These activities are linked to prioritized sub-areas and contribute to relevant SDGs, particularly within climate action, responsible consumption and production, health, and partnerships.

Question 30

What potential collaborations and partnerships does the organization have in the sustainability area? Indicate any connections to specific prioritized sub-areas or sub-goals.

Sproud collaborates with external partners and stakeholders to support implementation of its prioritised sustainability sub-areas and related SDGs.

Research and innovation
- Universities and research institutions (e.g. Lund University and RISE): collaboration on product development, sustainable food systems and process improvements.
- Innovation-driven food companies: knowledge exchange and joint development related to plant-based products and sustainability performance.

Value chain (supply chain partnerships)
- Suppliers, co-packers and partners: collaboration on product development, quality improvements and reduction of climate impact across the value chain.

Product and consumer communication
- Commercial partners: collaboration on product availability and positioning, where sustainability aspects are part of the value proposition.
- Communication partners, campaigns and media profiles: collaboration to communicate product attributes, including climate and health-related aspects of plant-based products.

Systems, data and development collaborations
- B Lab community: participation in peer learning, exchange of best practices and development of sustainability practices.
- Futureproof: sustainability management platform for, KPI tracking and documentation
- CarbonCloud: ongoing dialogue and input on climate data methodology and product footprint calculations.

Question 31

What preparedness does the organization have for emergencies and for crisis management in the field of sustainability?

Sproud has established structured processes for identifying, managing and responding to sustainability-related risks and potential crises, integrated into quality management and operational routines.

Risk identification and prevention
- Sustainability-related risks are identified and assessed across key areas such as product quality and food safety, supply chain, workplace conditions and ethical conduct.
- Risks are evaluated based on likelihood and impact, with defined mitigation actions, responsibilities and follow-up.

Emergency preparedness and response
- Documented procedures are in place for relevant scenarios, including product safety incidents and recalls, supply disruptions and operational interruptions.
- Traceability systems enable effective product recall if required.
- Roles, escalation paths and communication routines are defined, including notification of authorities, customers and partners where relevant.

Monitoring and control
- Preparedness is supported through regular audits (e.g. IP Food Processing), management follow-up and ongoing monitoring of risk indicators.
- Key procedures, such as traceability and recall, are tested periodically to ensure functionality.

Continuous improvement
- Processes and risk assessments are updated based on audit results, internal follow-up and changes in operations or external conditions.

5.6 Evaluation of performance

Evaluation of performance

The answers to the questions in this area should provide a clear picture of the organization's ability to evaluate its sustainability work, for example, the use of reporting points based on international practices and regulations (see Appendix D).

Question 32

Must be answered every year

What metrics, KPIs, or similar are used to show the status of sustainability work? How are the prioritized areas followed up? Does the organization use any specific frameworks for monitoring or reporting such as ESRS, GRI, or others?

Metrics, KPIs and frameworks for monitoring sustainability work
Sproud uses a structured KPI framework to monitor sustainability performance and follow up on prioritized sustainability areas.

KPIs and metrics used
- A combination of environmental, social and governance indicators is tracked, including:

Environment and climate
- Product climate footprint (kg CO_2e/kg product), calculated and verified through life cycle assessment tools (CarbonCloud)
- Company climate footprint (Scope 1–3 emissions)
- Share of fossil-free transport
- Share of bio-based (renewable) and recyclable packaging

Value chain responsibility
- Share of suppliers and partners aligned with the Supplier Code of Conduct
- Supplier follow-up metrics (e.g. surveys, risk-based assessments and compliance tracking)

Product and consumer-related areas
- Share of products meeting defined nutritional criteria (e.g. low/no sugar)
- Product development indicators linked to sustainability performance

Social sustainability
- Workforce composition (e.g. gender distribution)
- Pay equity ratio

Follow-up of prioritized areas
Prioritized sustainability areas (see question 10) are followed up through:
- Defined KPIs linked to each area and integrated into relevant functions
- Regular monitoring and follow-up within departments
- Consolidation of results by the Sustainability Manager
- Review of KPI outcomes in management processes and reporting to the Board
- Use of results to adjust actions, priorities and resource allocation

Supplier-related areas are followed up through Code of Conduct requirements, surveys, contractual obligations and ongoing engagement.

Frameworks, tools and reporting
Sustainability performance is structured and monitored using:
- ISO 26000 as the overarching framework
- B Corp framework for governance, performance and continuous improvement

- UN Sustainable Development Goals (SDGs) for alignment of priorities

Supporting tools include:
- CarbonCloud for product-level climate data and methodology
- Futureproof for KPI tracking, documentation and internal follow-up

Sproud reports sustainability performance through its annual Impact Report and internal KPI framework. The company is not required to report under ESRS but is developing its structure and data in line with VSME to support future regulatory alignment.

Question 33

Must be answered every year

Has the organization chosen to use any of the indicators linked to the selected global UN goals and sub-goals for sustainable development? If so, which ones? What did the results look like for these in the latest measurement?

Yes. Sproud uses indicators linked to selected UN Sustainable Development Goals (SDGs) and targets. These are operationalised as KPIs within the sustainability framework and used to monitor performance.

Environment (SDG 12, SDG 13)
- Product climate footprint: 0.301 kg CO_2e/kg (2025), reduced compared to previous years
- Share of fossil-free transport: 64.1% (2025)
- Share of bio-based packaging: ~92% (2025)

Value chain (SDG 12, SDG 17)
- Supplier Code of Conduct alignment: ~68% of key partners (2025)

Product and consumer (SDG 2, SDG 3)
- Share of products meeting defined nutritional criteria: 100% Sugarwise-certified (2025)
- Product development: continued launch of new plant-based products

Social sustainability (SDG 5, SDG 8, SDG 10)
- Gender distribution: ~60% women / 40% men (2025)
- Pay equity ratio: 4.83:1 (2025)

These indicators are measured annually and used to track progress within the prioritized sustainability areas.

Question 34

Must be answered every year

What did the latest follow-up of the organization's sustainability work show according to the selected KPIs and metrics, see questions 32 and 33?

The latest follow-up shows continued progress across key sustainability KPIs, with improvements in environmental performance, value chain engagement and stable social indicators.

Environment and climate
- Product climate footprint reached 0.301 kg CO_2e/kg (2025), showing continued improvement compared to previous years.
- Share of fossil-free transport increased to 64.1%, with full fossil-free transport achieved in certain markets.
- Packaging performance remained high, with approximately 92% bio-based material.

Value chain
- Share of suppliers aligned with the Supplier Code of Conduct reached approximately 68%, indicating progress in supplier engagement, while not yet fully complete.

Product and consumer
- Product portfolio continued to develop with new launches.
- All applicable products met defined nutritional criteria (e.g. 100% Sugarwise-certified).

Social sustainability
- Gender distribution and pay equity remained stable, indicating maintained performance in workplace-related KPIs.

Overall, the follow-up indicates improved performance in key environmental indicators and continued development in value chain alignment, while maintaining stable results in social areas.

Question 35

Must be answered every year

Has internal audit been conducted in the organization itself and how have any deviations been handled?

Internal audits and structured follow-up are carried out as part of Sproud's sustainability governance.

Internal audit and follow-up
- Internal reviews are conducted in connection with the annual ISO 26000 self-declaration process and ongoing KPI follow-up.
- Sustainability performance, policies and procedures are reviewed through management processes and regular follow-up.
- Food safety and quality processes are also reviewed annually in line with IP Food Processing requirements.

Identified deviations and handling
- Deviations are identified through KPI monitoring, internal reviews and audit processes.
- Examples include:
    - Supplier alignment with the Supplier Code of Conduct remain a focus area to onboard all partners
    - Need for improved data collection and coverage
- Deviations are handled through:
    - Defined corrective actions with responsible owners
    - Updates to processes, tools and data collection methods
    - Strengthened supplier follow-up and contractual requirements
- Deviations are documented and followed up through management review and KPI monitoring until closure.

Question 36

Must be answered every year

Has a review been conducted with, or by, stakeholders in the value chain, or both? Have any deviations been addressed?

Reviews are conducted both together with stakeholders in the value chain and through external audits.

Value chain reviews and engagement
- Suppliers and co-packers are followed up through structured evaluations, sustainability questionnaires, documentation reviews and ongoing dialogue.
- Reviews cover areas such as product quality and safety, regulatory compliance and sustainability-related requirements (e.g. Code of Conduct alignment and data reporting).

External Reviews/Audits
- The organisation is subject to external audits and inspections, including IP Food Processing audits and verification- and certification-related reviews (e.g. B Corp, ISO 26000).
- The organisation is also subject to sustainability and quality-related evaluations by customers, including requirements, assessments and follow-up as part of commercial relationships.

Identified deviations and handling
- Reviews have identified improvement areas, including:
  - Increase number of partners signing Code of Conduct and Supplier Code of Conduct
  - Gaps in primary sustainability data from parts of the value chain
- Deviations are addressed through:
  - Strengthened partner engagement and follow-up
  - Updated data collection processes extended scope
  - Integration into KPI monitoring and management review
- Deviations are documented and followed up until closure.

Question 37

Must be answered every year

What conclusions has the management drawn about the results and effectiveness of the sustainability work in connection with the latest follow-up? As a consequence, have there been any reprioritizations in the sustainability work, for example, a change of selected sub-areas or sub-goals, and if so, which ones? If the answer is yes, how have the deprioritized areas been handled?

Management concludes that sustainability work is delivering measurable results across key KPIs, with continued improvement in environmental performance, strengthened value chain engagement and stable social indicators.

Management conclusions
- Environmental performance has improved, particularly in reduced product climate footprint and increased share of fossil-free transport.
- Value chain engagement has progressed, with increased alignment to the Code of Conduct, while further improvement is ongoing.
- Data coverage and quality has improved, improving data scope to follow-up across markets.
- Social indicators remain stable, indicating maintained performance in workplace-related areas.

Reprioritisation of sustainability work
- No changes have been made to the overall prioritised sub-areas or selected SDGs.
- Follow-up has led to adjustments in focus, including:
  - Increased focus on improving data collection and scope across the value chain
  - Continued focus on supplier and partner alignment with Code of Conduct requirements
  - Emphasis on scalable implementation of sustainability initiatives across markets

Handling of deprioritised or delayed areas
- No sub-areas have been deprioritised.
- Certain activities have been adjusted or rescheduled based on data availability and organisational readiness.
- Further development of double materiality assessment (DMA) has been rescheduled to 2026 pending evaluation of tools and methods to support a structured and scalable implementation.
- Identified gaps are incorporated into ongoing action plans and followed up through KPI monitoring and management review.

Question 38

Must be answered every year

To the extent that this sustainability statement is to function as a sustainability report according to national law or international standards, are there any commitments, or activities linked to such commitments, that have not been declared or answered above? If the answer is yes, please provide additional information here.

No. The organisation assesses that all material sustainability commitments, activities and results have been disclosed in this statement.
The statement covers governance, prioritized sustainability areas, KPIs, performance results, value chain engagement and relevant frameworks and certifications. Known limitations and improvement areas have been addressed through ongoing actions and follow-up.

5.7 Improvements

Improvements

The answers to the questions in this area should clarify the organization's continuous improvement work.

Question 39

Does the organization use any specific method or approach to identify, manage, and follow up on improvements? If the answer is yes, which ones?

Yes. The organisation applies a structured approach to identify, manage and follow up on improvements as part of its sustainability governance.
Identification of improvements
- Improvements are identified through KPI monitoring, internal audits, value chain reviews and stakeholder engagement.
- Materiality assessments and sustainability frameworks (e.g. B Corp and ISO 26000) are used to identify and prioritise relevant areas.

Management of improvements
- Identified improvement areas are translated into actions with defined responsibilities.
- Actions are integrated into operational processes and, where relevant, managed through structured systems (e.g. sustainability management tools).

Follow-up of improvements
- Progress is followed up through KPI monitoring, management review and internal audit processes.
- Actions are documented and tracked until implemented, with adjustments made based on results and identified gaps.

Question 40

Must be answered every year

Have there been any further improvements in sustainability efforts that have not already been mentioned, if the answer is yes, which ones?

Yes. A structured employee charity and community engagement day has been introduced, enabling employees to participate in social initiatives during working hours.

Question 41

Must be answered every year

How are complaints from stakeholders handled and used in the ongoing improvement work (for example, results from stakeholder dialogues or complaint cases)?

Stakeholder complaints and feedback are collected, managed and used as input for continuous improvement.

Handling of complaints
- Complaints are received through customer service channels (e.g. website, email and direct contact) and are documented and handled in accordance with established procedures.
- Each case is reviewed to identify root causes and required corrective actions, particularly in areas such as product quality, safety and value chain performance.

Use in improvement work
- Identified issues are translated into corrective and preventive actions with defined responsibilities.
- Actions are tracked and followed up until resolved.
- Insights from complaints and stakeholder dialogue are used to update processes, supplier follow-up and operational practices.

Follow-up and learning
- Complaints and outcomes are recorded in internal systems and reviewed as part of management follow-up.
- Trends and recurring issues are used to prioritise improvements and support ongoing development of sustainability work.

Question 42

Must be answered every year

Is there any additional information about the organization's sustainability work that is important to share in order for a reader of the sustainability declaration to get a complete and accurate picture of the organization's work with social responsibility in order to maximize its contribution to sustainable development? If the answer is yes, please provide additional information here.

Sproud assesses that this sustainability declaration includes all material information necessary to provide a complete and accurate picture of its social responsibility work.