



Spiber Group

Sustainable Sourcing Policy

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Introduction

Mission

Spiber's reason for being is to contribute to the sustainable well-being of humankind, both now and for generations to come. This defines Spiber's existence and what we hope to achieve throughout our time as a company. Although the development of Brewed Protein™ materials represents the primary means by which we strive to make this contribution, the principle of sustainable well-being permeates every aspect of how we conduct business. Given this purpose, sustainable supply chains in particular are key to the realization of Spiber's vision.

Objective

We have developed this Sustainable Sourcing Policy ('Policy') in order to ensure that we act in alignment with our mission when it comes to sourcing activities. Spiber commits to adhere to the requirements written within this Policy, and we apply this Policy to guide our sourcing decisions and ensure long-term sustainable procurement of the products and services involved in the creation of our materials and products. We intend readers of this Policy to understand these terms as a promise to society concerning the procurement standards we commit to uphold and implement.

Spiber's Policy focuses on the three pillars of sustainability: Environment, Social, and Governance (ESG) principles. It builds on and contributes to the implementation of widely-applicable and internationally-recognized standards for ethically, socially, and environmentally responsible conduct, including the International Labor Organization's conventions, the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, and the United Nations Sustainable Development Goals (SDGs).

Maintaining transparency within business activities is essential to achieving Spiber's mission, while also being a crucial tool for understanding sustainability risks and opportunities throughout the different regions in which we conduct business. As these risks and opportunities are dependent on factors such as geography, socioeconomic conditions, and stakeholder perception, building collaborative relationships with our suppliers and partners and promoting transparency allows us to create a cycle of feedback that helps better identify what society and our stakeholders deem as sustainable.

This is why we aim to maintain high traceability within our supply chains, so that we can identify our relationships and stakeholders.

Note that if the standards outlined in our Policy differ from the laws and regulations that govern the countries or regions in which our suppliers operate, we follow the higher standard. Where national or regional laws and regulation and Spiber's standards are in conflict, we respect laws and regulations while striving to honor the higher standard. This means we anticipate cooperation between Spiber and suppliers to design and implement a parallel means to achieving the spirit of the higher standard while striving to create positive change within the respective supply chains or regions when the conflict creates unacceptable conditions within our supply chain.

Scope

This Policy applies to any supplier or manufacturer involved in the creation of Spiber's Brewed Protein™ polymer and Spiber's end products. This includes suppliers of goods and services used in Spiber's polymer and materials production, as well as manufacturers contracted to make end products (collectively referred to as "Suppliers" below).

At this stage, direct suppliers of Spiber are asked to commit to this Policy. For supply chains and materials with higher impact, we intend to implement dedicated policies and/or guidelines as well as initiatives to trace suppliers and address material issues, with the intent of reaching compliance with this Policy to point of origin. In such cases, we may seek the cooperation of suppliers or stakeholders with significant leverage within a supply chain to engage their upstream suppliers to implement the principles of this policy.

We welcome feedback on our sustainable sourcing efforts from all stakeholders of our supply chain.

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Policy for Suppliers

The following chapters list requirements which all Suppliers must comply with in order to enter or maintain business relationships with Spiber.

Human Rights & Labor

1.1 Human Rights

Human rights are respected at all times, which means infringement on the human rights of others is avoided and adverse human rights impacts are addressed in the unlikely event of occurrence. Even if an adverse human rights impact was not caused or contributed to through the Supplier's own activities, ways to prevent or mitigate adverse human rights impacts that are linked to a Supplier's business operations must be sought.

Adopting a human rights due diligence process for prevention and mitigation of adverse impacts (see Appendix A-1), and a grievance mechanism or reporting channel to address such occurrences are standardized procedures that are strongly recommended. In cases where such processes and/or mechanisms are not yet in place and are deemed necessary by Spiber, the Supplier will cooperate in good faith to set, disclose, and execute roadmaps for implementation.

1.2 Land Rights

Clear title to land and water in accordance with national practice and law is demonstrated for greenfield expansions. Transparent, consultative, and participatory processes with all relevant stakeholders that anticipate and address all relevant cumulative and induced effects of the proposed land use is further ensured via a publicly available Environmental and Social Impact Assessment (see Appendix A-2 for definitions).

Customary land ownership of local communities are to be respected and activities related to greenfield expansions on local people's land are to be subject to the principle of Free, Prior, and Informed Consent (FPIC, appendix A-3) of the affected local communities, including indigenous peoples.

1.3 Remediation

In case of direct or indirect causation or contribution to adverse human rights impacts, remediation and cooperation through legitimate processes is proactively provided. This includes constructive dialogue with those affected. For those that are vulnerable or subject to human rights infringements, refer to “4.3: Reporting Grievances”.

1.4 Child Labor

Employed individuals are over the age of 15, the local legal minimum age for work, or are over the required age for compulsory education, whichever is highest. Legitimate workplace apprenticeship programs for educational benefit may be provided to younger individuals, given that they are consistent with Article 6 of ILO Minimum Age Convention No. 138, and light work may be engaged in given adherence to Article 7 of ILO Minimum Age Convention No. 138.

For cultural and socio-economic reasons, children under the minimum working age by national laws may further help their parents on farms as long as the corresponding standards by the ILO have been met. In short, it will be ensured that they are not forced to work, do not work long hours, and are not exposed to hazardous or heavy work. Work shall not prevent children from attending school or accessing other forms of education. Further details are outlined in Appendix A-4.

1.5 Forced Labor

No form of forced or compulsory labor is used. This includes any possible slave, forced, bonded, indentured, or compulsory prison labor, including services extracted from individuals under threat or without remuneration. Any contracts between our Suppliers and their employees clearly convey the conditions of employment in a language that is understood by the employee. In addition, there is no confiscation of workers' personal documents such as IDs, passports, or financial documents and cards as a condition of employment.

1.6 Remuneration

All workers are provided with appropriate wages as guided by the principles of equality of opportunity and non-discrimination against workers with respect to nationality, race, religion, gender, age, sexual orientation, disability, marital status, political affiliation, or any other status protected by applicable law.

All workers are provided with at least minimum wages based on national, regional, or local requirements at all times. In locations where the estimated living wage — which can be calculated by standardized methods such as the Anker method — is deemed by Spiber to have a significant gap with the legal minimum wage, the Supplier will cooperate in good faith to ensure that all workers are provided with at least a living wage.

In addition, wages will be paid in a timely manner and will not be deducted as a form of disciplinary measure, and all other deductions must have written consent from the worker. Deductions must not take place if the implication leads to a worker's salary going under minimum wage.

1.7 Freedom of Association

The rights of all workers to associate with others and to establish or join trade unions and representative organizations of their own choosing are respected. Workers may join any organization and engage in collective bargaining without fear or retaliation, intimidation or harassment. Where the right to freedom of association or collective bargaining is restricted or scrutinized under law, we require the supplier to adopt a parallel means for workers to effectively promote and defend their labor rights and interests.

1.8 Health and Safety

All workers are provided with safe and healthy working environments that comply with all applicable legally mandated standards for workplace health and safety in the countries and communities in which the Supplier operates. Adequate steps are taken to prevent work-related injuries, accidents, and illnesses, including regular assessment and management of key risks.

1.9 Respect and Dignity

All workers are treated with respect and dignity. No form of psychological, physical, sexual, or verbal abuse, intimidation, or harassment is tolerated. There shall be no discrimination based on nationality, race, religion, gender, age, sexual orientation, disability, marital status, political affiliation, or any other status protected by applicable law.

1.10 Working Hours & Contracts

All workers are provided with contracts and reasonable working hours according to applicable laws and regulations. Workers are not required to work more than the regular and overtime hours allowed by the laws and regulations of the country or region where the workers are employed. Welfare is also provided according to the applicable laws and regulations for all workers.

The Supplier will not take advantage of irregular employment schemes to avoid obligations around employment contracts and social security laws and regulations. Such schemes or programs include labor-intensive or labor-only sub-contracting, forced or unmanaged remote or home working, and internships or apprenticeships with no actual intent of providing long-term value (such as technical skills, well-being, or regular employment) for the employee.

Environment

2.1 Environmental Management and Conservation

All relevant laws and regulations relating to environmental protection are complied with, including the preservation of biodiversity on and around the Supplier's site. Based on ISO 14001:2015 or that of an equivalent standard, continuous improvements are made in environmental performance, and policies and procedures are in place to systematically identify, manage, reduce, and responsibly control, dispose of, or

recycle hazardous and non-hazardous waste, wastewater, stormwater, water consumption, air emissions, and energy consumption, where applicable.

If Spiber has proposals for ways our Suppliers can improve the environmental impact of their processes, the Supplier will consider them in good faith and engage constructively.

2.2 Protection of Legally Protected and High Conservation Value Land

Land is not exploited if it is internationally or nationally legally protected or classified as land of High Conservation Value (HCV, categories 1-6), and plans are in place to prevent future occurrences of doing so. If no HCV maps or databases are available, credible independently-derived evidence will be provided to demonstrate no HCV land is converted. Specifications for the six included HCV categories are described in Appendix A-5.

2.3 Environmental Transparency

Transparency is provided to Spiber, Spiber's customers and other relevant stakeholders concerning the environmental impacts of products and production processes, taking into account concerns about confidentiality and the protection of intellectual property rights. Such transparency could involve reporting on progress in improving environmental performance, as well as timely and adequate communication and consultation with the communities that are directly affected by the environmental policies of the Supplier.

To provide transparency on the environmental performance mentioned above, we strongly recommend implementing ESG or sustainability related commitments and/or KPIs, and disclosing a roadmap to showcase these potential improvements.

Existing Information regarding environmental impacts of products and services (including Life Cycle Assessment data of raw materials and production processes from upstream supply chains when available) will be provided to Spiber on request.

In cases where such information requested by Spiber is not readily available for the Supplier to provide, the Supplier will cooperate in good faith with Spiber to identify and measure environmental impacts and to set, disclose, and implement commitments and/or KPIs with roadmaps to make such information available.

2.4 Environmental Permits

All applicable requirements for environmental licenses and permits are met, and the reporting requirements of said permits are complied with.

Governance

3.1 Anti-Competition

Suppliers will refrain from entering into or carrying out anti-competitive agreements among competitors. This includes agreements to fix prices, make rigged bids, establish output restrictions or quotas, and share or divide markets by allocating customers, suppliers, or territories or lines of commerce.

3.2 Business Integrity

All forms of bribery to obtain or retain business are prohibited. This extends to any and all forms of corruption, extortion, or embezzlement, including illegal contributions to candidates for public office or to political parties or other political organizations. All applicable anti-corruption laws and regulations of relevant countries are abided by, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions. Adequate procedures are in place to prevent bribery in all its forms in all commercial dealings.

3.3 Gifts and Hospitality

Any business entertainment or hospitality conducted by the Supplier is kept reasonable in nature, is performed solely for the purpose of maintaining good relationships, and is not intended to influence decisions regarding the awarding of contracts in any way. The exchange of gifts beyond gifts of incidental value, including cash or cash equivalents, is similarly prohibited. Any violations regarding this standard must be made known or duly recorded if they do take place.

3.4 Transparency and Traceability

Spiber intends to disclose as much information about its supply chain as possible, as it gets built. Suppliers will cooperate in good faith based on Spiber's requests to provide as much information and support as possible in order to allow effective tracing of materials and processes further down the chain. For this purpose, we ask for our suppliers to proactively manage and identify suppliers further upstream.

3.5 Complaint Mechanism & Protection

All workers are provided with a complaint mechanism where they can anonymously and safely voice concerns. The confidentiality of whistleblowers is protected and retaliation is prohibited.

Compliance with this Policy

4.1 Signing and Agreement

All suppliers under the scope of this Policy will commit to this Policy or will demonstrate commitment through compliance with their internal codes of conduct or company policies that align with the standards described herein. Suppliers will provide documents attesting to compliance with this Policy if requested by Spiber. Suppliers are not only required to comply with this Policy, but are highly encouraged to share, extend, and communicate the contents of this document with their own suppliers, with the intent of applying the standards in this policy back to the point of origin of raw materials.

4.2 Evaluations and Assessments

Suppliers will perform periodic evaluations of facilities and operations that provide goods or services to Spiber to ensure compliance with this Policy and the law. Suppliers will also permit Spiber and/or third parties designated by Spiber to evaluate Supplier's facilities and operations and assess Supplier's compliance with the applicable principles and requirements of the Policy when deemed necessary.

4.3 Reporting Grievances

Any breach of this Policy of which Suppliers are aware of must be reported immediately to allow for appropriate resolution.

Suppliers, their employees, workers, contractors, or stakeholders in relevant communities may report actual or suspected breaches of this Policy directly to Spiber or anonymously through our Grievance System:

<https://spiber.speakup.report/raiseyourconcern>

Spiber encourages our suppliers to foster a culture of transparency and support for their workers to speak up. There will be no retaliation against those who report actual or suspected breaches.

In the case of reported grievances, Spiber will investigate relevant issues and discuss its findings with the Supplier. The Supplier shall cooperate with such investigations and provide access to any information when requested and within reason.

In the event of a confirmed breach of any item of this Policy at one or more facilities belonging to the Supplier, the Supplier may be requested to present a remediation plan with defined milestones to be signed by both parties. If the Supplier does not present this plan or does not demonstrate steps towards resolution and improvement according to an agreed-upon timeline, Spiber will take action towards termination of its business relations with the Supplier.

Appendix A – Definitions

A-1 Human Rights Due Diligence

Human Rights Due Diligence (HRDD) is a process that was referred to by the United Nations Guiding Principles (UNGPs) as a standard action to respect human rights. According to the OHCHR (Office of the United Nations High Commissioner for Human Rights), HRDD is an ongoing management process that a sizable and/or respected enterprise shall take on to ensure the respect of human rights within their business. A common HRDD process will look like the following:

1. Identify and assess impacts within business activities to understand the extent and severity of human rights risks;
2. Act to prevent and mitigate the identified human rights risks, especially through the integration of human rights in existing internal resources and processes;
3. Monitor and track the effectiveness of the actions taken;
4. Appropriately communicate and report on how human rights impacts were addressed and the results/performance of such actions.

In reality, the gravity and scale of the HRDD process will change according to factors such as the size, industry, organizational structure, and timeline/circumstances of the enterprise. The positioning of the enterprise within a given context such as industry, supply chain, and financial stability may also determine how the 4 steps above are implemented.

A-2 Environmental and Social Impact Assessment

Environmental and Social Impact Assessment (ESIA) is a tool to provide environmental and social information for decision-makers who authorize/manage land expansion projects. It enables local socio-economic and environmental issues to be taken into account during all phases of project design and implementation.

Although the details of an ESIA vary based on the nature and scale of the operations, an ESIA should include at least the following stages:

1. Screening and scoping to identify areas and community potentially affected by the potential impacts;
2. Identify the potential impacts;
3. Consider alternatives;
4. Identify appropriate mitigation measures (to avoid, minimize, or compensate risk);
5. Monitor and evaluate the measures and their actions.

In the absence of relevant national legislation regarding the carrying out of an ESIA, it is recommended to follow the guidelines from IFC or the WBCSD.

A-3 Free, Prior, and Informed Consent

The definition of Free, Prior, and Informed Consent (FPIC) can be given as follows:

Free: Implies no coercion, intimidation, or manipulation;

Prior: Implies consent has been sought sufficiently in advance of any commencement of activities and with respect for the time-based requirements of the consultation processes;

Informed: Implies that information is provided that covers the following:

- Nature, size, duration, reversibility, and scope of any projects;
- Reason or purpose of the project;
- Location of areas that will be affected;
- A preliminary assessment of the possible economic, social, cultural, and environmental impacts (positive and negative), including potential risks and benefits;
- Personnel likely to be involved in the implementation of the project.

Consent: Parties must establish a dialogue allowing them to identify appropriate and workable solutions in an atmosphere of mutual respect and full and equitable participation with ample time to reach decisions. This process may include the option of withholding consent. Potentially affected people must be able to participate through their own freely chosen representatives and customary and other institutions. The participation of women, youth, and children are preferable where appropriate.

A-4 Family Farm Work – Parental Exception

In accordance with international labor standards, a minor between the age of 12 and 15 may work, in parallel with studying, on a farm owned or operated by their parent or person standing in place of their parents [a guardian] as long as the following conditions are met:

- The minor freely reports their wish to help and learn at the family farm if interviewed outside the farm;
- Work takes place outside of schooling;
- Work is supervised at all times by a parent or guardian;
- Work does not take place at night and does not consist of heavy lifting duties or hazardous work conditions, defined as:
 - Operating or assisting to technically operate any type of machine, including tractors and power engines;
 - Felling, bucking, skidding, loading, or unloading timber;
 - Working from a ladder or scaffold (painting, repairing, or building structures, pruning trees, picking fruit, etc.) at a height of over 2 meters;
 - Working in a confined space (such as a silo or a storage space designed to contain an oxygen deficient or toxic atmosphere);
 - Handling or applying any type of agricultural chemicals;
- The above requirements apply as well to apprentices and students that can be present on farms in the context of agricultural schools.

A-5 High Conservation Value Land

High Conservation Values (HCVs) are biological, ecological, social, or cultural values which are considered outstandingly significant or critically important, at the national, regional, or global level. Land that could be defined as HCV land according to any of the following HCV values (as defined by the HCV Resource Network) is excluded from exploitation and development.

- **HCV 1 – Species diversity:** Concentrations of biological diversity including endemic species, and rare, threatened, or endangered species, that are significant at global, regional, or national levels.

- **HCV 2 – Landscape-level ecosystems and mosaics:** Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional, or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- **HCV 3 – Ecosystems and habitats:** Rare, threatened, or endangered ecosystems, habitats, or refugia.
- **HCV 4 – Ecosystem services:** Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.
- **HCV 5 – Community needs:** Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.
- **HCV 6 – Cultural values:** Sites, resources, habitats, and landscapes of global or national cultural, archeological, or historical significance, and/or of critical cultural, ecological, economic, or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.