SUSTAINABILITY POLICY

Policy adopted by	The board of directors at Søuld
Date of adoption	15.05.2026
To be revised	Annually
Policy owner	Søuld Aps

Søuld

SUSTAINABILITY POLICY

Introduction

Søuld's mission is to utilize eelgrass to produce functional, sustainable and beautiful alternatives to traditional building materials and aims to providing forward-thinking designers, builders and end-users with healthy, recyclable and carbon-storing building materials.

We are committed to ensuring that our business works to maximize positive impact on people and the planet, while delivering appropriate returns to our shareholders. We will work actively with Environmental, Social and Governance (ESG) issues (both risks and opportunities), as we believe this will contribute to greater value-creation, decrease operational and financial risks, and contribute to a more sustainable world.

This Sustainability Policy (the "Policy") sets our commitments and how we will work to fulfill these. It spans across three dimensions:

- Environmental sustainability: building and developing societies within the limitations set by the planet without compromising the ability of future generations to meet their needs.
- Economic sustainability: securing long-term growth while minimizing any negative consequences for ecological and social sustainability.
- Social sustainability: developing a society that values the equality of all people, and which places human needs and wellbeing in central focus.

Our sustainability commitments are integrated in our business processes and enterprise performance management process. Sustainability focus is an integrated part of the business and supported by the overall governance model and internal guidelines.

1. Our business ethics

Søulds Code of Conduct serves as a high-level guidance to our policies and outlines the key rules, expectations and values that govern our behavior. The principles are based on fair, sound and ethical business practice, responsibility and common sense and are intended to encourage a high degree of personal and professional integrity.

a. External suppliers and stakeholders
Søuld strives to include sustainability standards described in this policy in its agreements with stakeholders. Søuld should always consider the extent to which actions of its investors, business partners, suppliers and customers impact the company's ability to achieve its ESG objectives.

2. Environmental Sustainability

Søuld will promote environmental awareness and sound practices in order to minimize adverse effects on the environment, and ensure alignment with the OECD Guidelines for Multinational Enterprises guidelines for Environment[1] and the Cradle to Cradle Certified® Product Standard Version 4.1. This includes but is not limited to:

- Complying with current environmental conventions and legislation.
- Taking action to reduce greenhouse emissions and pollution and limit the emissions of harmful substances and harmful waste.
- Applying sound resource management, limiting the consumption of environmentally scarce resources and actively working with waste management.

Søuld will ensure to apply the 'do no significant harm' principle[2] through the whole life cycle of our products and services, by doing no significant harm to:

1. Climate mitigation: not engaging in activities that lead to significant greenhouse gas emissions;

2. Climate change adaptation: not engaging in activities that lead to an increased adverse impact of the current climate and the expected future climate, on the activity itself or on people, nature or assets;

3. Sustainable use and protection of water and marine resources: not engaging in activities that are detrimental to the good status or the good ecological potential of bodies of water, including surface water and groundwater; or to the good environmental status of marine waters;

4. Circular economy (including waste prevention and recycling): not engaging in activities that lead to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources[3] ;

5. Pollution prevention and control: not engaging in activities that lead to a significant increase in the emissions of pollutants into air, water or land, as compared with the situation before the activity started;

6. Protection and restoration of biodiversity and ecosystems: not engaging in activities that are significantly detrimental to the good condition and resilience of ecosystems, or detrimental to the conservation status of habitats and species.

In support of above commitment, Søuld will establish and maintain an environmental management system to assess and mitigate EMS impacts of operations, and promote transparency on the potential environmental, health and safety impacts of our activities. This includes targets and objectives, a process for regularly monitoring these targets, and forms the basis for training/consulting with employees and other stakeholders, including communities affected by the company's activities. Søuld has a explicitly commitment to address any high-risk issues identified in the environmental risk assessment.

3. Economic Sustainability

Søuld aims to achieve long-term sustainable economic growth without compromising environmental and social sustainable development goals. This includes but is not limited to:

- Adhering to high standards of business ethics.
- Developing the business with a long-term and sustainable mindset, and to not prioritise short-term gains to the detriment of long-term sustainability.
- Operating the business with business ethics, sound business practice, accountability and impartiality.
- Efficiently utilising economic and human capital resources.

4. Social Sustainability

Søuld aims to promote sound labor and human rights practices, including awareness and compliance with international human rights standards under the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. This also includes implementing procedures to ensure the alignment with the OECD Guidelines for Multinational Enterprises.

We are therefore committed to adhere to all local and state laws covering human rights. Where national law and international human rights standards differ, the higher standard must be followed; and where they are in conflict, Søuld will seek to respect internationally recognized human rights to the greatest extent possible.

This includes, but is not limited to:

a. Employee relations and labor rights

Søuld is committed to respecting labor rights and ensuring constructive employee relations across all workplaces. This includes:

- Complying with labor laws and encourage competitive employee remuneration, safe and healthy workspaces in line with local legislation

including access to water, sanitation, and hygiene, emergency preparation and response, hazardous materials handling procedures, and appropriate building construction, electrical, and fire safety.

- Provision of the legal minimum wage and all legally mandated benefits including employer contributions for social security benefits and services.
- Aspirations for the provision of a living wage that covers the necessities for life as defined in its local context (e.g., food, water, housing, health care, education, clothing, transportation, child care, discretionary income).
- Prevention of excessive working hours.
- Promoting employees' right to freedom of association and collective bargaining.
- Positive community relations and involvement.
- Complying with applicable antitrust and competition laws.

b. Diversity, equity and inclusion

Søuld is committed to creating a diverse and inclusive working environment, providing equal opportunities for all, regardless of their gender, age, race, religion, sexual orientation, disability or socio-economic background. As such, Søuld upholds a zero-tolerance policy against discrimination, harassment, bullying and abusement in all its forms, and a grievance mechanism for incidents to be reported. Søuld has a process in place to take appropriate action when needed, taking care to protect the safety and wellbeing of reportees.

c. Human rights

Søuld aims to support the protection of all human rights, in accordance with internationally acknowledged standards. It will not knowingly engage directly or indirectly in any activity which harms the human rights of others. It will take appropriate and reasonable steps to ensure against this and take remedial action on any identified human rights issues which it is directly or indirectly linked to. Accordingly, Søuld will not accept the use of child labour nor forced or compulsory labour in any of its direct or indirect operations. This includes our supply chain. All measures to prevent child labor shall be implemented taking into account the best interest of the child. Søuld will also seek to secure adequate protections for workers above the legal working age and below age 18.

The approach of Søuld to human rights due diligence builds on the principles outlined in the OECD Due diligence guidance for responsible business conduct:

- Once a year, Søuld conducts a human rights risk assessment based on the industries and geographies in which we and our suppliers operate.
- The risk assessment is presented to and evaluated by the company's senior management. We acknowledge that conditions around human rights risk can change, and we will adjust our practices for due diligence appropriately if material risks are identified by the annual review]

d. Corruption & bribery

Søuld takes a firm stance against the use of bribery and corruption in all its forms, and does not directly or indirectly give or receive bribes. This includes not permitting hidden commissions or other similar benefits, and to not accept or give improper benefits in the forms of gifts, travel, entertainment or services. Søuld works actively and systematically to prevent bribes and corruption to ensure alignment with 'Combating Bribery, Bribe Solicitation and Extortion' guidelines in the OECD Guidelines for Multinational Enterprises[3]; by informing and educating the organization and its stakeholders. Risk assessments are conducted continuously, and presented to the senior management for review at least once yearly. Internal controls are maintained and updated based on the conclusions of the annual risk assessment.

Søuld expects all business partners, including suppliers and sub-contractors, to apply principles of responsible business conduct, including but not limited to the principles stated in this policy. Before entering into any final agreement, we evaluate the business partner on their ability to meet the principles stated in this policy, and we monitor compliance with the supplier code of conduct through annual self-assessment and audits.

5. Supporting Frameworks

To support the ESG principles mentioned above, Søuld strives to operate in accordance with the:

- UN Sustainable Development Goals;
- UN Guiding Principles for Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- ILO Declaration on Fundamental Principles and Rights at Work
- Universal Declaration of Human Rights
- Cradle to Cradle Certified® Product Standard Version 4.1

6. Approval and implementation of this policy document

This Sustainability Policy (the "Policy") is reviewed at least on a yearly basis, and is approved by the Board of Directors. The Board has the overall responsibility for sustainability and the CEO is responsible for reporting and follow-up on Søuld sustainability objectives. If the objectives are not met, the CEO is responsible for taking action, and provide a summary of the compliance activities conducted under this policy and any identified violations and remediations.

This policy is always kept publicly available. All employees and company agents, i.e., part-time, consultants, contractors, Board Members etc., acting on behalf of the company are expected to follow the principles and intentions stated in this policy. Ongoing training and monitoring of the awareness of the policy is provided.

This policy is approved and signed by the direction of Søuld and is reviewed and re-approved at least once per year.

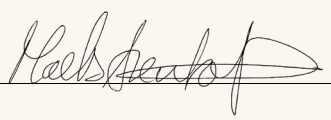
References

[1] when implementing the procedures Søuld shall adhere to the principle of 'do not significant harm' referred to in point (17) of Article 2 of Regulation (EU) 2019/2088

[2] in accordance with Article 17 of Regulation (EU) 2020/852

[3] This includes non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products, including in terms of durability, reparability, upgradability, reusability or recyclability of products; nor activities that lead to a significant increase in the generation, incineration or disposal of waste, with the exception of the incineration of non-recyclable hazardous waste; nor activities where the long-term disposal of waste may cause significant and long-term harm to the environment.

15.05.2026 

15.05.2026 

15.05.2026 