

Sustainability Policy

Policy adopted by	Board of Kvasir Technologies
Date of adoption	01.11.2024
To be revised	Annually
Policy owner	Anders Bak Kristoffersen

Introduction

Kvasir Technologies' business consists of developing its novel biofuel technology and aims to bring it to market as a climate friendly substitute for fossil derived marine fuel, thereby reducing the carbon intensity of a very hard to abate sector.

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

Kvasir's 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 sound business

practice, responsibility, and common sense and are intended to encourage a high degree of personal and professional integrity.

a. External suppliers and stakeholders

Kvasir strives to include sustainability standards described in this policy in its agreements with stakeholders. Kvasir 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

Kvasir 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 Environment¹. 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.

Kvasir will ensure the application of a 'do no significant harm' principle² 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 resources³.

¹ when implementing the procedures [Company x] 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.

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, Kvasir will establish and maintain an environmental management system⁴ 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.

3. Economic Sustainability

Kvasir 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

Kvasir 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](#).⁵ This includes, but is not limited to:

a. Employee relations and labor rights

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

⁴ Defined as a collection of documents that contains this policy, and all associated procedures and descriptions that are relevant to document how the company is actually implementing this policy.

⁵ When implementing the procedures Kvasir shall adhere to the principle of 'do no significant harm' referred to in point (17) of Article 2 of [Regulation \(EU\) 2019/2088](#)

- Complying with labor laws and encourage competitive employee remuneration, safe and healthy work spaces in line with local legislation.
- Considering employee working conditions such as minimum wages, working hours, health and safety of workforce
- Promoting employees' right to collective bargaining
- Positive community relations and involvement
- Complying with applicable antitrust and competition laws.

b. Diversity, equity and inclusion

Kvasir 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, Kvasir upholds a zero tolerance policy against discrimination, harassment, and bullying in all its forms, and a grievance mechanism for incidents to be reported. Kvasir has a process in place to take appropriate action when needed, taking care to protect the safety and wellbeing of reportees.

c. Human rights

Kvasir 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, Kvasir will not accept the use of child labour nor forced 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.

The approach of Kvasir to human rights due diligence builds on the principles outlined in the OECD Due diligence guidance for responsible business conduct. This requires: i) that a procedure is developed which describes how the company is taking actions to cease, prevent, mitigate, and remediate adverse impacts, e.g. if an adverse impact is identified, what is the company's course of action, and ii) that a grievance mechanism (whistle-blower) is provided.

- Once a year, Kvasir 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 i.e. the procedure described under "supplier code of conduct" is kept appropriate for the risk level identified in this assessment. For companies which identify risks related to human rights in its initial risk assessment, a more extensive approach should be outlined and implemented.

d. Corruption & bribery

Kvasir 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. Kvasir 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.

Kvasir 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 self-assessment and audits.

e. Taxation and competition

- *Taxation:* Kvasir is committed to complying with both the letter *and* the spirit of the tax laws and regulations of the countries in which we operate. We are committed to treating tax governance and tax compliance as important elements of our oversight and risk management.
- *Fair competition:* Kvasir is committed to complying with both the letter and the spirit of the competition laws and regulations of the countries in which we operate. We are committed to treating fair competition as important elements of our oversight and risk management.

5. Supporting Frameworks

To support the ESG principles mentioned above, Kvasir 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](#)

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 COO is responsible for reporting and follow-up on Kvasir’s sustainability objectives. If the objectives are not met, the COO is responsible for taking action and providing 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. All current staff members will be introduced to the policy at an all staff meeting and new employees will receive an introduction and training as part of the onboarding process.

This policy is approved and signed by Anders Bak Kristoffersen, COO on 01.11.2024 and is reviewed and re-approved at least once a year.