

Sustainability at Probi

The Probi sustainability report

This sustainability report refers to the financial year 2023 and concerns the parent company Probi AB (corporate ID number 556417-7540) and all units consolidated in Probi's consolidated accounts for the same period. The sustainability report has been prepared in accordance with the provisions of the Swedish Annual Accounts Act, chapters 6-8. The report consists of pages 26-39 and the account of Probi's business model and its links to sustainability on pages 9-10.

Probi continues to prioritize health and well-being by focusing on sustainable activities. In 2023, the company doubled its efforts to create a profitable and sustainable future. This influences decisions, guides strategies and shapes the corporate culture. The goal extends beyond meeting the needs of stakeholders today; it is about ensuring a thriving future for all people. Placing the sustainability strategy at the core of our business ensures that it permeates every aspect of Probi.

Our main goal is to strengthen human health

At Probi, our mission is to promote healthy lives with probiotics. We believe that a company's role in society is connected to its social responsibility. Companies must take responsibility for both social and environmental values; this is crucial in today's world.

In 2023, Probi continued its mission to promote health and demonstrated a strong commitment to health, sustainability, well-being and innovation. Launching Probi® Sensia, a breakthrough psychobiotic, reinforces our focus on sustainable health solutions. This product improves mood, memory, sleep and learning ability while supporting holistic well-being and the UN Sustainable Development Goal for good health and well-being.

Clasado, our partner, led to the introduction of new symbiotic products in our portfolio: Bimuno® GOS and Probi Defendum® as well as Bimuno® GOS and Probi Digestis®. These products are the result of expertise from both companies and offer improved health while supporting sustainability goals for health and well-being.

By prioritizing health, well-being, sustainability and innovation, Probi promotes not only individual health, but also a healthier, more sustainable world. We are committed to attracting talent in order to remain a leader in probiotics research and industry.

Our business is focused not only on improving health and contributing to a thriving planet, but also on ethical business principles. We strive for long-term sustainability and competitive advantages that support our contribution to a healthier world. Profitability facilitates investments in research, improved manufacturing processes and creating innovative products. This ensures not only our long-term prosperity, but also our positive influence on a healthier world.

"Sustainability is at the heart of Probi's mission to improve health with probiotics. This commitment is reflected in our innovative products and ethical practices. We aim to have a positive impact on global health and to contribute to a sustainable world, and we believe that profitability and responsibility are intertwined for the good of society."

Anita Johansen
CEO Probi

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Probi AB (publ) corp. ID 556417-7540

Engagement and responsibility

The Board of Directors is responsible for the sustainability report for the year 2023 on pages 26-39 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in

accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Lund, Sweden, 21 March 2024
Ernst & Young AB

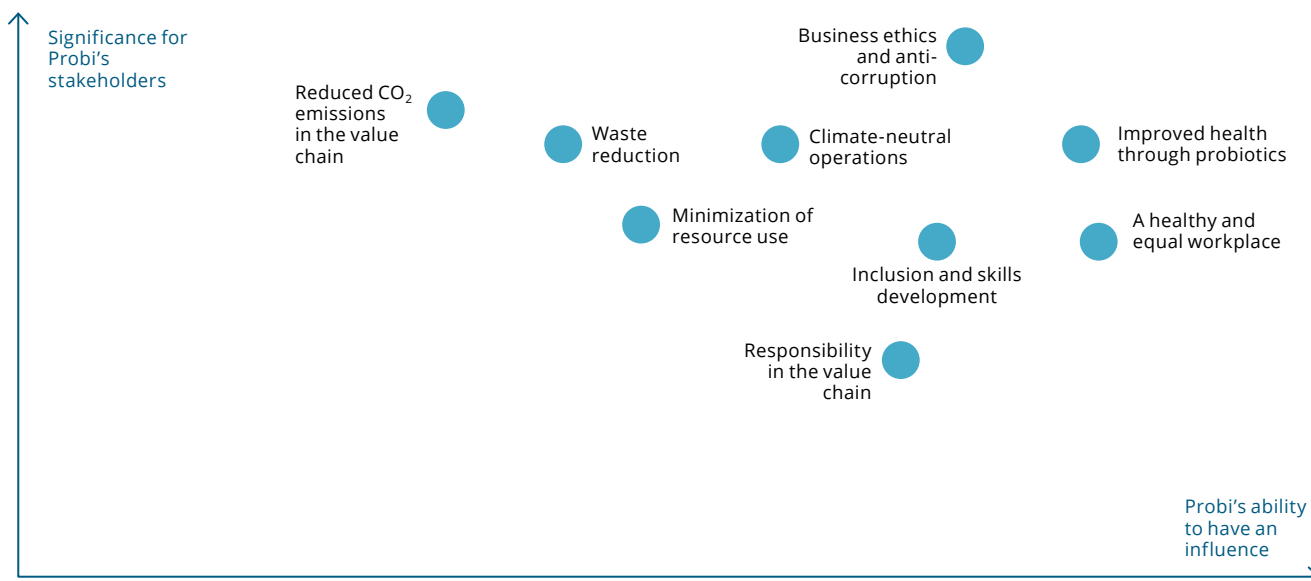
Peter Gunnarsson
Authorized Public Accountant

Our strategy is based on our stakeholders and UN goals



Probi's strategy is deeply rooted in our commitment to our stakeholders and to the UN Sustainable Development Goals. In 2021, we bolstered our sustainability initiatives and adopted a strategy in line with the UN's Global Goals for 2030. Our sustainability efforts are guided by key issues identified by our stakeholders and areas in which Probi can make a meaningful impact. These issues are categorized into three main areas: Contributing to healthier lives, Stopping climate change and Acting responsibly.

Materiality analysis results



Probi's stakeholders	IMPORTANT ISSUES	ANALYSIS
Consumers	Consumers appreciate suppliers that share their values and that endeavour to achieve clear sustainability goals, with a reduced carbon footprint. In 2023, Probi has started working on a global sourcing policy that standardizes the company's guidelines for sustainable relationships with its supply chain.	At Probi, we value dialogue with our consumers and work to minimize emissions, waste and resource use from our operations. Through innovation and continuous investments in our products and production facilities, we aim to have a positive impact on social and environmental issues.
Customers/ Partners	Customers and partners want to work with suppliers who share their values and ambitions. They expect suppliers to have clear sustainability targets, to aim to minimize their carbon footprint and to be transparent about labour conditions. In 2023, Probi has started working on a global sourcing policy that standardizes the company's guidelines for sustainable relationships with its supply chain.	Probi's quality assurance team ensures that our contract suppliers meet our standards. In 2023, we started the work of a global sourcing policy to standardize our guidelines for sustainable relationships with our supply chain. This is consistent with our partners' desire for suppliers with similar values, ambitions and a minimized carbon footprint.
Employees	Employees value a safe working environment and good working conditions. They expect their employer to take a stand on social and environmental issues and to provide opportunities for skills development. Probi regularly reviews and assesses working conditions and promotes initiatives to improve employee health, safety and well-being.	Probi prioritizes the health and safety of its employees. We review and assess working conditions continuously and promote initiatives to support health, safety and well-being. In 2023, we worked on the implementation of ISO 45001 at our Colorado site, which further demonstrates our dedication to providing a physically and psychologically safe workplace.
Investors	Investors want returns, a strong brand and globally adapted products. They prioritize risk management, legal compliance and sustainability integration. Probi aims for a high ESG rating and a minimized risk profile in sustainability.	Probi monitors trends, consumer behaviours and demand for product content. Our pursuit of a high ESG rating and minimized sustainability risk profile matches investors' demands for returns, a strong brand and globally adapted products.
Society/ Government	Society and public institutions value businesses that generate job opportunities and stimulate local investments. There is also interest in the company's waste management. Probi complies with local laws, generates jobs and contributes to society through tax revenues.	Probi complies with the local laws and regulations of the countries in which we operate. Our growth generates jobs, promotes local investments and values the community. We are responsible for managing the company's waste conscientiously.

Our vision is to improve the health and well-being of people worldwide

Probi's sustainability strategy is based on improving global health and well-being. From probiotics research to manufacturing and partnerships, our daily activities already include meaningful initiatives. The strategy aims to integrate sustainability into all business areas, which is consistent with Probi's overarching strategy. Through our values (Four Cs), our sustainability initiatives propel us towards Probi's goals.

Our sustainability initiatives are structured around three primary areas, with specific ambitions, goals and action plans. This framework guides our efforts and ensures that we contribute to the UN Sustainable Development Goals for 2030. In 2023, Probi joined the Science Based Targets initiative (SBTi) and actively measures its three emissions scopes. We monitor and report our progress continuously.

Integrating the sustainability strategy into our corporate structure has made a focus on sustainability a central element of our business plan and strategy. We have introduced an 'Own It' culture, which fosters responsibility and ownership among all employees in order to achieve our shared goal. We have also reformulated one of our core values to reflect our dedication to sustainable growth and reinforce the central role of sustainability in our strategic vision. This ensures that every aspect of our business is focused on creating a healthier, more sustainable world.



Our culture and values

Probi's culture and values are not only the foundation of our business, but also the driving force behind the innovation we bring to customers and the value we generate for shareholders. Our processes are carefully structured around our 'Own It' culture and 'Four Cs' values and reflect our commitment to fostering a working environment that encourages growth, innovation and collaboration.

Credible

We are proud to have the most robust platform in the industry. We provide the market with pure and quality-assured materials. When customers use a Probi product, they feel confident that it delivers what it should: high quality, based on scientific research. We do our utmost to keep our promises and customer satisfaction a central focus for us.

Committed

Our customers and business partners can be certain of our full attention and support throughout the value chain. We take responsibility and know that help is available when needed. We own our actions, mistakes and results – Own it! We all have a role to play. If something comes up, we take responsibility for finding a solution.

Curious

We are curious and open to trying new work methods. We have a need to know more to fully understand and challenge the status quo, to ask questions, understand why, be interested and to never stop learning.

Clear

We encourage honesty between colleagues as well as management. We are clear in our discussions and in our requests. We are transparent and we build trust.

Contributing to healthier lives



KEY SUSTAINABILITY ISSUE	
IMPROVED HEALTH THROUGH PROBIOTICS	
Long-term ambitions	<ul style="list-style-type: none"> • By 2030, to boost the impact on well-being for all through access to scientifically proven probiotic products. • In partnership, to increase our effect on communities in need, through education, development, lending scientific expertise for research and development to promote health and well-being.
Risks and opportunities	<p>Risks:</p> <ul style="list-style-type: none"> • Consumers who are not given facts (proven products), but are flooded with ineffective products from competitors. <p>Opportunities:</p> <ul style="list-style-type: none"> • Millions of people suffer from health problems that can be improved with probiotics. • Structured research and development contributes to science and documentation to demonstrate the health benefits of products to consumers. • Partnerships with top players in the health industry will generate awareness of Probi's high-quality probiotics.
How we manage our work at Probi	<ul style="list-style-type: none"> • Actions carried out in accordance with Probi's vision.
Initiative 2023, risk management	<ul style="list-style-type: none"> • R&D investment/turnover • Partnership with Clasado and introduction of synbiotics in our product portfolio. • Customer workshops in APAC. • Customer webinars. • Strong presence on various media platforms. • R&D in several new areas. • Handling e.g. changes in consumer trends, competition, operations subject to permits, • Delivery of goods and product liability. • A number of new customers.
Results in 2023	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>51%</p> <p>increased sales of ClinBac™ products in the Chinese market compared to 2022.</p> </div> <div style="text-align: center;"> <p>>40</p> <p>countries where Probi's products are sold.</p> </div> </div> <div style="margin-top: 20px;"> <p>0</p> <p>recall of products in 2023.</p> </div>
Stakeholder value creation and Probi's contribution to the UN Global Goals	<ul style="list-style-type: none"> • Improved health (consumers, society). • Mental health (consumers, society).

Probi's sustainability journey: Ethical behaviour, innovation and actions to reduce emissions

In 2023, Probi underwent a rigorous assessment by the Science Based Targets initiative (SBTi), a coalition comprising CDP, the UN Global Compact, the World Resources Institute and WWF. SBTi acts as an independent entity that assesses and approves the climate goals of companies, based on the latest scientific research. Probi's commitment to aligning its climate goals with SBTi's stringent criteria reflects the company's dedication to contributing to global efforts to limit the temperature rise to 1.5 degrees Celsius.

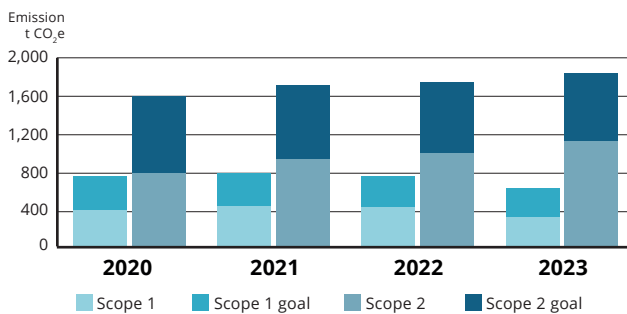
Probi's emissions overview: Scope 1 - Direct (e.g. fuel on-site), Scope 2 - Indirect (e.g. purchased electricity), Scope 3 - Broader value chain emissions.

We are committed to using scientific methods to significantly reduce emissions by 2030 and to achieve Net Zero by 2050. For 2023 we have shown decrease in Scope 1 and Scope 3 emissions vs the targets set. Scope 1 decreased by 27% vs 2022 emissions and landed at 1,13% lower than Scope 1 emission target for 2023. This was achieved by increased efficiency in natural gas usage. On Scope 3 we have reduced our emissions by 19% vs 2022 emissions and decreased emissions from purchased goods and services have contributed to this positive development. Our Scope 2 level is higher than our targets and this stems partly from variations in the ratio of internal production and purchased. Our Scope 2 emissions despite proactive efforts for reductions, signals the complexity of reconciling growth strategies with measures for reducing emissions. Probi's compliance with SBTi underscores the company's unwavering commitment to environmental sustainability. The company continues to persistently follow sustainable practices and to strategize around how to harmonise increased production with measures for reducing emissions throughout all operational areas of the company.

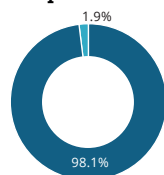
"Sustainability is deeply rooted in our work and the catalyst for our spirit of innovation at Probi. It keeps us focused on the customer and inspires us to create solutions for a better future."

Basudha Bhattarai Johansson, VP HR & Sustainability

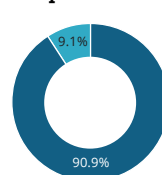
SBTi Scope 1 and 2



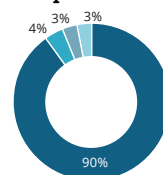
Scope 1



Scope 2



Scope 3



- Stationary combustion
- Mobile combustion
- Electricity
- Heat
- Purchased goods and services
- Fuel and energy
- Business travel
- Upstream transport

Acting responsibly



	KEY SUSTAINABILITY ISSUE																
	MINIMIZATION OF RESOURCE USE	RESPONSIBILITY IN THE VALUE CHAIN															
Long-term ambitions	To reduce resource use, especially water and energy, in manufacturing in the US.	By 2025, all of our suppliers will adhere to the established principles of safety, security and diverse and inclusive environments for employees.															
Risks and opportunities	<p>Risks:</p> <ul style="list-style-type: none"> Unsatisfactory working conditions and unsustainable resource use by Probi's suppliers may have significant consequences on Probi's reputation and operations. Resources such as water and energy are finite and must be used responsibly. The prices of resources, transport, insurance premiums, et cetera, are affected by continued depletion of the Earth's resources, which in turn affects profitability. <p>Opportunities:</p> <ul style="list-style-type: none"> A clear commitment to the environment and human rights and Probi's impact on the greater world are fundamental to public trust in Probi's contribution to human health and well-being. This also has relevance to Probi's continued development and ability to retain and recruit the best talent, and to meet the demands of partners on suppliers like Probi. 																
How we manage our work at Probi	<ul style="list-style-type: none"> Climate and environmental policy. Global travel policy. Public procurement guidelines. 	<ul style="list-style-type: none"> Supplier Code of Conduct. 															
Initiative 2023, risk management	<ul style="list-style-type: none"> Upgrade program in Redmond, Washington. 	<ul style="list-style-type: none"> Probi's regular audits of contract suppliers. In 2023, the Code of Conduct was sent out to all contract suppliers and the other largest suppliers for signature. 															
Results in 2023	<p>WATER CONSUMPTION</p> <table border="1"> <thead> <tr> <th></th> <th>Megaliters</th> <th>Index 100¹</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>31.72</td> <td>100</td> </tr> <tr> <td>2021</td> <td>20.18</td> <td>69</td> </tr> <tr> <td>2022</td> <td>18.79</td> <td>80</td> </tr> <tr> <td>2023</td> <td>16.91</td> <td>61</td> </tr> </tbody> </table> <p>¹ Megaliters in relation to produced probiotic culture in KG in Probi USA, with 2020 as baseline average.</p>		Megaliters	Index 100 ¹	2020	31.72	100	2021	20.18	69	2022	18.79	80	2023	16.91	61	<p>91%</p> <p>of suppliers to whom the Code of Conduct was sent signed it. This work will continue in 2024 and beyond.</p>
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Stakeholder value creation and Probi's contribution to the UN Global Goals	<ul style="list-style-type: none"> Probi takes great responsibility for social and environmental issues (consumers, partners, society, employees). Probi does not tolerate any form of corruption and supports strategic measures for good governance. 																



	KEY SUSTAINABILITY ISSUE	
	A HEALTHY AND EQUAL WORKPLACE	ANTI-CORRUPTION, ETHICS AND INTEGRITY
Long-term ambitions	Promote the DEI (Diversity, Equity, Inclusion) agenda and a safe and secure working environment for all employees.	100% compliance with the Code of Conduct and all other policies and guidelines in order to maintain the highest possible standards in ethics, integrity, honesty and fairness.
Risks and opportunities	<p>Risks:</p> <ul style="list-style-type: none"> Shortcomings in diversity, gender equality, work environment and employee health at Probi decrease the likelihood of recruiting talent, business innovation and increase the risk of accidents and sickness rates. Probi's reputation as an employer is damaged and this has a negative impact on profitability in the long run. Cases of corruption generally have a negative effect on business opportunities in society and would damage Probi's reputation and business position. Unethical management of clinical trials damages the Probi brand and confidence in the company. <p>Opportunities:</p> <ul style="list-style-type: none"> A clear commitment in terms of the environment and human rights and Probi's impact on the world around us is fundamental to public confidence in Probi's contribution to human health and well-being, to Probi's continued development and ability to retain and recruit the best talent, and to meet the requirements that partners have of suppliers like Probi. 	
How we manage our work at Probi	<ul style="list-style-type: none"> Whistleblowing function. Code of Conduct. Diversity policy and Discrimination policy. 	<ul style="list-style-type: none"> Whistleblowing function. Anti-corruption policy. Third Party Management Manual. Insider policy. Code of Conduct. Employee training.
Initiative 2023, risk management	<ul style="list-style-type: none"> Training in Code of Conduct, diversity policy. Processes and routines ensure the fair treatment of all employees. Action plan with measures in the event of discrimination. Manufacturing facilities comply with OSHA (Occupational Safety and Health Administration) standards. 	<ul style="list-style-type: none"> Clinical trials are conducted in accordance with ICH/Good Clinical Practice (GCP), the EU Clinical Trials Directive and applicable national law. Employee training. Implementation of a new whistleblowing system.
Results in 2023	<p>80 lost work hours due to occupational injuries.</p> <p>Gender distribution</p> <p>Total employees</p> <p>↑48% Men ↓52% Women</p> <p>Management team</p> <p>↑50% Men ↓50% Women</p> <p>Managers</p> <p>↑49% Men ↓51% Women</p>	<p>0</p> <p>No one used the Probi whistleblowing channel in 2023.</p> <p>96%</p> <p>of Probi's employees signed the company's internal Code of Conduct. New code of conduct was launched in December 2022. Signing continued in 2023.</p> <p>100%</p> <p>of Probi's new employees in selected departments completed the annual insider policy training.</p>
Stakeholder value creation and Probi's contribution to the UN Global Goals	<ul style="list-style-type: none"> Probi takes great responsibility for social and environmental issues (employees, customers, consumers, partners, society). 	



We do our utmost to use circular economic initiatives, minimize our use of natural resources and provide safe working conditions throughout the value chain.

Sustainable guidance

Probi's Code of Conduct

Probi has an internal Code of Conduct that applies to all employees. This code covers, amongst other things, respect for human rights, gender equality and business ethics. 96% of employees have signed the Code of Conduct and it is included in the induction package for new employees. The document is available in Probi's internal network for employees.

Human rights

The Code of Conduct explicitly states that Probi shall not use child labour and/or forced labour and shall respect international conventions on human rights. This also applies to our partners and suppliers.

Purchasing, suppliers

We understand that our reputation and business depend on our suppliers' sustainability practices. Unsatisfactory working conditions and unsustainable resource use can impact our business relationships, product quality, the environment and ultimately our profitability. To ensure that our suppliers meet Probi's standards, our quality assurance team conducts rigorous audits. As part of this process, suppliers complete a 'Supplier Survey' that focuses on sustainability aspects.

In 2021, we introduced a separate Supplier Code of Conduct, and in 2023, we continued to work with additional suppliers, corresponding with 32% of supplier expenditures, to obtain their signatures. The cooperation has made significant progress and so far, 91% of surveyed suppliers have signed our Code of Conduct. This commitment to sustainable supply chain management is a key part of our strategy for the environment, social responsibility and good corporate governance (ESG).

Anti-corruption

Any cases of corruption could damage Probi's reputation. Corruption incidents also pose a significant risk to Probi's reputation, business and financial position. To mitigate this risk,

Focus on employees

At Probi, we value our employees and work to support their well-being. An example of this commitment is our renewed insurance plan in the US.

By adapting the plans to the various needs and life stages of our employees, we ensure not only their security, but also that our investments are financially sustainable and consistent with our ESG goals.

We have also taken important steps towards fair pay, confirmed through an analysis of living wages for our US employees, the results of which show that everyone earns above the living wage. Our safety culture is also a priority and is confirmed by the ongoing ISO 45001 certification of our Colorado facility, demonstrating our commitment to a safe and healthy work environment.

we have implemented an Anti-Corruption Policy to prevent, deter and detect corruption. The policy applies to all Probi employees, including managers, executive officers and board members. We provide extensive annual anti-corruption training to ensure that our team is equipped with the knowledge to maintain our policy. 94% of our employees completed this training in 2023, demonstrating our commitment to maintaining a corruption-free environment. We will continue with this training in the future to maintain the high level of expertise and to continue with ethical business practices in our organization.

Whistleblowing function

Probi took a significant step to improve transparency and accountability by upgrading our whistleblowing system in 2023. This upgrade complies with the new EU directive and provides enhanced anonymity and security for whistleblowers. Our system, which is accessible to all stakeholders, facilitates the reporting of serious problems and suspected irregularities through encrypted channels to a third party. In 2023, no cases were reported via the whistleblowing function.

A healthy and equal workplace

Diversity & Gender Equality

At Probi, we are committed to promoting a culture of fairness, equality and diversity. Our Code of Conduct and diversity policy serve as the basis of this commitment, which ensures that all employees are treated fairly and given equal opportunities, regardless of ethnicity, social or national origin, skin colour, disability, gender, sexual orientation, religion, political views, pregnancy or age. We respect the rights of our employees to freedom of association and negotiation and have zero tolerance for harassment.

Our focus on social sustainability is reflected in our proactive approach to handling discriminatory treatment. We have an action plan setting out the measures we take, depending on the nature of the situation.

We believe that diversity and inclusion are key drivers of innovation and essential to meeting our customers' needs and

being an attractive employer. We strive for equality in employee development, pay review and parental leave and endeavour to achieve as equal a gender balance as possible across various positions.

In accordance with the Swedish Corporate Governance Code, our Nomination Committee has applied a diversity policy in preparing its proposal for the Board of Directors. The Committee strives for an appropriate composition, characterised by diversity and breadth of expertise, experience and background among proposed members, as well as even gender distribution.

Health and well-being

Probi endeavours to improve health and well-being through products and a healthy work environment. We ensure physically safe workplaces, following IKEM in Sweden and global guidelines. Our 'Own It' culture mentally fosters responsibility, collaboration and innovation.

Financially, we offer fair pay, benefits, living wages and flexible insurance plans. In 2023, we conducted a living wage analysis for our workforce in the US to ensure that all of our employees earn above the living wage. We also upgraded our insurance plans in the US to offer our employees more options and flexibility.

We regularly review our organization, offer health benefits and cover health insurance premiums. We encourage activities that strengthen society and the work culture.

Occupational health and safety

At Probi, safety is fundamental and a key part of our commitment to social sustainability. Our production facilities follow stringent OSHA standards and have robust safety systems. Monthly safety meetings and a global safety policy enable us to identify, resolve and review safety issues. We continuously improve our safety training in order to create a safe workplace. Our focus is on protecting employee well-being and creating a safe, productive work environment. We are also implementing significant safety improvements in our laboratory in Lund to ensure even safer working conditions and to minimize waste.

42 years old

Average age

112

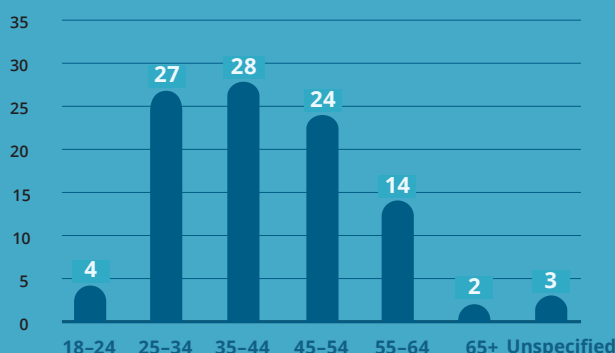
New hires

34.8%

Employee turnover*

*Voluntary redundancies, cf. 45.8% for 2022.

Age distribution of employees as of 12/31/2023, in %



Stopping climate change



KEY SUSTAINABILITY ISSUE

REDUCED CO ₂ EMISSIONS THROUGHOUT THE VALUE CHAIN	CLIMATE-NEUTRAL OPERATIONS	WASTE REDUCTION
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Long-term ambitions	<ul style="list-style-type: none"> Do our utmost to halve emissions in our operations and value chain by 2030. Reduce energy consumption per manufactured product. 	Achieve net zero or negative climate emissions by 2040, but no later than 2050.	By 2030, reduce waste in operations significantly through prevention, reduction, recycling and reuse.																																								
Risks and opportunities	<p>Risks:</p> <ul style="list-style-type: none"> The world faces a threat to the climate that will increase vulnerability and health risks among the poorest and worsen living conditions for future generations. Probi's main source of climate emissions is manufacturing at the facilities in Redmond, WA and Lafayette, CO. The climate threat may affect the price and availability of resources and raw materials; a risk of floods and intense heat waves may affect insurance costs, the transport of goods and readiness to invest. <p>Opportunities:</p> <ul style="list-style-type: none"> Protection of the climate and environment constitutes an area of focus for all of our existing and potential partners, and Probi's commitment and follow-up are prerequisites for growth. For a growing number of consumers, a clear commitment to the environment, i.e. the climate, waste management, etc. among employers and suppliers is a condition for their employment or encouragement to make a purchase. 																																										
How we manage our work at Probi	<ul style="list-style-type: none"> Environmental policy. 	<ul style="list-style-type: none"> Environmental policy. 	<ul style="list-style-type: none"> Production systems and processes. 																																								
Initiative 2023, risk management	Encourage climate action in our broader role in society and continue to report targets and results transparently on an annual basis.	Integrate climate opportunities and climate risks into our business strategy and management processes.	Continuous improvement is a key theme at Probi. Probi is running a number of internal projects with a significant impact on waste minimization.																																								
Results in 2023	<p>FREIGHT EMISSIONS</p> <table border="1"> <thead> <tr> <th></th> <th>Air (tCO₂e)</th> <th>Road (tCO₂e)</th> <th>Total (tCO₂e)</th> <th>Index¹⁾</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>1,164</td> <td>47</td> <td>1,211</td> <td>1.958</td> </tr> <tr> <td>2023</td> <td>1,450</td> <td>48</td> <td>1,498</td> <td>2.387</td> </tr> </tbody> </table> <p><small>¹⁾Tonnes of CO₂e in relation to net sales.</small></p> <p>ENERGY CONSUMPTION</p> <table border="1"> <thead> <tr> <th></th> <th>Electricity (kWh)</th> <th>Heat (Therms)</th> <th>CO₂ (ton)</th> <th>Index 100²⁾</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>2,283,394</td> <td>67,758</td> <td>1,112</td> <td>100</td> </tr> <tr> <td>2021</td> <td>2,595,441</td> <td>74,326</td> <td>1,288</td> <td>126</td> </tr> <tr> <td>2022</td> <td>2,768,610</td> <td>81,193</td> <td>1,397</td> <td>172</td> </tr> <tr> <td>2023</td> <td>3,352,845</td> <td>114,431</td> <td>1,120</td> <td>116</td> </tr> </tbody> </table> <p><small>²⁾CO₂ tonnes in relation to produced probiotic culture in KG in Probi USA, with 2020 as baseline average.</small></p>				Air (tCO ₂ e)	Road (tCO ₂ e)	Total (tCO ₂ e)	Index ¹⁾	2022	1,164	47	1,211	1.958	2023	1,450	48	1,498	2.387		Electricity (kWh)	Heat (Therms)	CO ₂ (ton)	Index 100 ²⁾	2020	2,283,394	67,758	1,112	100	2021	2,595,441	74,326	1,288	126	2022	2,768,610	81,193	1,397	172	2023	3,352,845	114,431	1,120	116
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2020	2,283,394	67,758	1,112	100																																							
2021	2,595,441	74,326	1,288	126																																							
2022	2,768,610	81,193	1,397	172																																							
2023	3,352,845	114,431	1,120	116																																							
Stakeholder value creation and Probi's contribution to the UN Global Goals	<ul style="list-style-type: none"> Probi takes responsibility for its climate impact and also takes action to minimize it (consumers, society). Compliance with current and future laws (investors, risk perspective). Increased competitiveness and long-term survival of the business (customers, society, employees, investors). 																																										

Probi has committed to contributing to the 1.5°C aim of the Paris Agreement

Energy and water consumption, greenhouse gas emissions and waste

At Probi, we are dedicated to promoting sustainability and innovation throughout our value chain. We evaluate our processes continuously, for the purposes of streamlining and digitalising different areas of our business. This includes digital meetings when in-person meetings are unnecessary, a practice that was particularly effective during the Covid-19 pandemic.

As a B2B company with international operations, business travel by air is occasionally necessary for exhibitions, trade fairs and meetings with clients. To ensure that we travel responsibly, we have established an updated travel policy.

We use professional carriers with efficient transport systems to transport our products to customers. This allows us to use more efficient means of transport and to reduce our environmental impact. In 2023, we implemented innovative solutions to shorten and modify the distance our raw materials are transported for production, which reduces emissions while enhancing operational and financial responsibility.

Our production facilities in Redmond, WA and Lafayette, CO are GMP certified and hold all licences required under US environmental legislation. Regarding resource consumption, electricity and gas are primarily used in manufacturing, while water is primarily used in the fermentation process at our production facility in Redmond. At the facility in WA, we have conducted an independent audit of our energy consumption and initiatives are underway to help us further reduce our emissions. Our manufacturing facilities use a mixture of renewable energy sources in production, further reducing the level of emissions. Our offices in Lund are powered entirely by fossil-free electricity, resulting in zero emissions from them.

Our selection of suppliers for larger items is limited in our probiotics industry. But for other items, where we have greater flexibility, we ensure meticulous selection so that our suppliers align with our values and operate in accordance with sustainable principles. This dedication to sustainability and innovation is evidence of our 'Own It' culture and its impact on our operations.

Donation agreement with the University of Zimbabwe

At Probi, we endeavour to improve health and well-being through community engagement. In 2023, our collaboration with the University of Zimbabwe progressed from an exchange programme for medical students to a formal donation agreement.

Inspired by one of Probi's founders, Professor Bengt Jeppsson, this agreement provides support for education, medicines and hospital equipment.

The donation helps to strengthen the hospital's IT capacity and infrastructure, as well as trauma and life support. It also allows students to participate in training and conferences.

This collaboration is an embodiment of our commitment to social sustainability and our 'Own It' culture, in which we take responsibility and promote cooperation. It demonstrates our dedication to making a positive impact on global health and well-being, beyond the activities we conduct directly.

The Probi value chain

Probi's commitment throughout the value chain

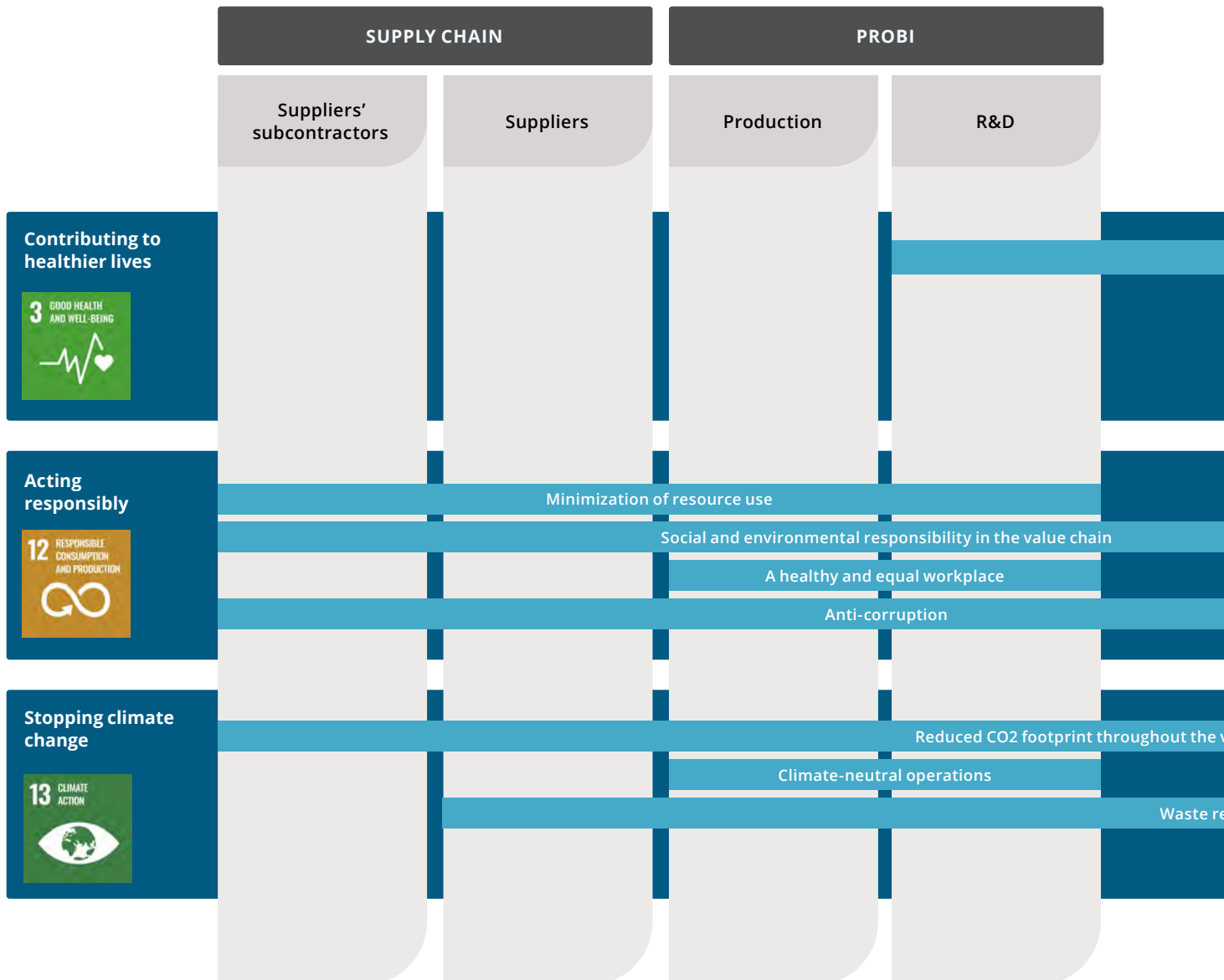
Probi is a global probiotics company that is committed to sustainability and innovation at every step of our vertically integrated value chain – from research and development to sales and marketing. We have pledged to reduce our emissions by 46% by 2030 compared to our 2019 baseline, in line with the Science Based Targets initiative (SBTi). SBTi provides companies with a clearly defined path for reducing emissions in accordance with the goals of the Paris Agreement.

As we are in the niche probiotics market, our options are limited regarding suppliers of large items. However, for other items where we have more flexibility, we are careful to ensure

that our suppliers are aligned with our values and act according to sustainable principles.

To further minimize our emissions, we plan to conduct a hot-spot analysis of our value chain and production in 2024. Both within our organization and among our suppliers, we maintain stringent standards against human rights abuses, waste of natural resources, labour law violations and unethical business practices.

We strive to maintain fair and reliable business practices, fostering strong relationships with our customers. Our sales and



R&D teams work together closely to provide a comprehensive picture of the health benefits of our products.

All of our customer-facing employees undergo annual anti-corruption training, and selected employees receive additional training on trade sanctions and insider trading rules. We ensure fair conditions for our distributors and carefully choose partners whose values align with ours.

In 2023, we developed a global sourcing policy and used SEDEX for supply chain risk analysis, further ensuring our suppliers' alignment with our values.

By expanding access to quality-assured and clinically tested probiotics, Probi contributes to social value creation. As part of our 'Own It' culture, we encourage each individual to take responsibility for their actions and decisions, while we also promote teamwork and mutual support. This culture of responsibility and cooperation is a testimony to our commitment to creating a supportive and positive work environment.

