



ECONOMIC SUSTAINABILITY – anticorruption

At Sprout, besides focusing on making a profitable business, economic sustainability also means ensuring that we do not have negative impacts on the economy in relation to corruption and bribery.

In line with UN Global Compact principle 10, we work against corruption in all its forms, including extortion, and facilitation payments. We are committed to applying definitions from internationally recognized instruments, such as the UN Convention referenced by the Global Compact principle 10. Sprout's Code of Conduct is based on the principle of maintaining a culture of integrity, trust and honesty, including a zero-tolerance policy on corruption, both inside and outside the company when it deals with third parties.

We are aware that we run higher risks when operating abroad in markets where bribery is commonplace, compared to Denmark who is characterized by the Corruptions Perceptions Index ("CPI") as being in group A rang 1/176. We expect all suppliers and partners to read and sign our Code of Conduct. We communicate our values as the basis for doing business, and making sure to build business relationships based on trust and common understanding.

Our suppliers

For the European market, we produce pencils in Poland. A country characterized by the Corruptions Perceptions Index ("CPI") as being in group D rang 29/176. We are aware of this and is in close communication with our Polish pencil supplier, Asapack. The supplier is a Danish company, rooted in Danish compliance regarding human rights, Labour and environmental responsibility - dedicated to protecting the earth from which its raw materials, wood, and graphite, originate.

For the American market, The Dixon Ticonderoga Company, one of America's oldest corporations, is the supplier of pencils. The company motto is "best of its kind", something we have as a goal, too. USA is characterized by the Corruptions Perceptions Index ("CPI") as being in group B rang 18/176. We are aware of this and is in close communication with our pencil supplier. Dixon Ticonderoga Company complies with all applicable laws and regulations and requires its directors and officers to conduct business in accordance. They will not tolerate illegal, dishonest or unethical conduct at any level in their corporation. Dixon is a passionate supporter of education. They facilitate over \$1.5 million in product donations to education each year.