
VAXA
SUSTAINABILITY
REPORT 2022

## About the report

The report aligns to the ESG Nasdaq Reporting Guide, This report aligns to the ESG Nasdaq Reporting Guide, and the themes and metrics used to assess and disclose our sustainability performance are chosen based on a materiality analysis. This analysis, conducted in collaboration with external experts, identifies the critical sustainability topics for VAXA's long-term value creation and aligns with the expectations of our primary stakeholders.

The selected focus areas also reflect our significant positive and negative social and environmental impacts and where we can exert our greatest influence in advancing sustainable development. Further details on our sustainability indicators and a comprehensive report statement are provided in the appendix.

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# INTRODUCTION

FEEL GOOD GREENS

# A LETTER FROM OUR CEO

**Andri Björn Gunnarsson**
**CEO of VAXA**

VAXA has grown high-quality leafy greens in a controlled environment in Reykjavik since 2017. Controlled environment agriculture (CEA) enables us to optimize the use of valuable land and water, powered by energy that derives from clean, and renewable sources. At VAXA, all environmental variables are precisely controlled every day, all year round. By controlling every aspect of the growing process, VAXA produces crops without any need for pesticides and chemicals that are typically required in traditional farming. Therefore, there is no need to wash or rinse the produce before consumption.

In 2022, VAXA had an eventful year, increasing its head quarter employees from 4 to 12, including adding an employee focusing on sustainability. The company now grows over 30 varieties of salad, herbs, micro greens, and other leafy greens, sold in retail stores and restaurants in Iceland. In addition to expanding our business in Iceland, preparations began for VAXA's first farm in Sweden, with first harvest planned mid-2023.

There is a growing emphasis on healthy eating, vegetable-based diets, and the origin of products. However, even though consumers are becoming more aware of what they consume, half of the vegetables sold in Iceland are still imported. VAXA is committed to increasing the supply of locally grown and nutritious leafy greens. In addition to offering a wider variety of locally grown produce, VAXA can reduce the carbon footprint of the Icelandic food sector. By minimizing the key factors that contribute to the carbon footprint of vegetables, such as transportation, pesticide use, food waste, and water consumption VAXA contributes to Iceland's goal of achieving carbon neutrality by 2040.

In the past year we conducted our first formal materiality analysis where we had the opportunity to identify and prioritize Environmental, Social, and Governance (ESG) issues for VAXA and its stakeholders. Furthermore, we expanded our Green House Gas (GHG) disclosure including the vast majority of our upstream scope 3 emissions including seeds, packaging, nutrients and more for our farm.

VAXA's main role is to provide consumers with healthy and high-quality products grown in a sustainable and responsible manner. A healthy diet has a clear and positive impact on the and society. Choosing healthy options like VAXA increases the likelihood of better physical and mental health, reduces the risk of lifestyle-related diseases, and lowers the cost of public healthcare.

We look forward to continuing our efforts in 2023 to re-invent the agricultural sector in both Iceland and Sweden, with an emphasis on sustainability, ensuring food safety, setting high standards for our working environment, and prioritizing the reinforcement of our local communities.

# MATERIALITY ANALYSIS

In order to establish a robust foundation for VAXA's sustainability profile, we conducted a double materiality analysis. This analysis framework enables companies to evaluate the impact of Environmental, Social, and Governance (ESG) factors on their operations and performance, as well as the impact of their operations and products on the environment, society, and economy. A sustainability topic is considered material to VAXA when it affects both its business and stakeholders.

A double materiality analysis considers two dimensions:

**Financial materiality** refers to the financial impact of ESG factors on VAXA's operations and performance.

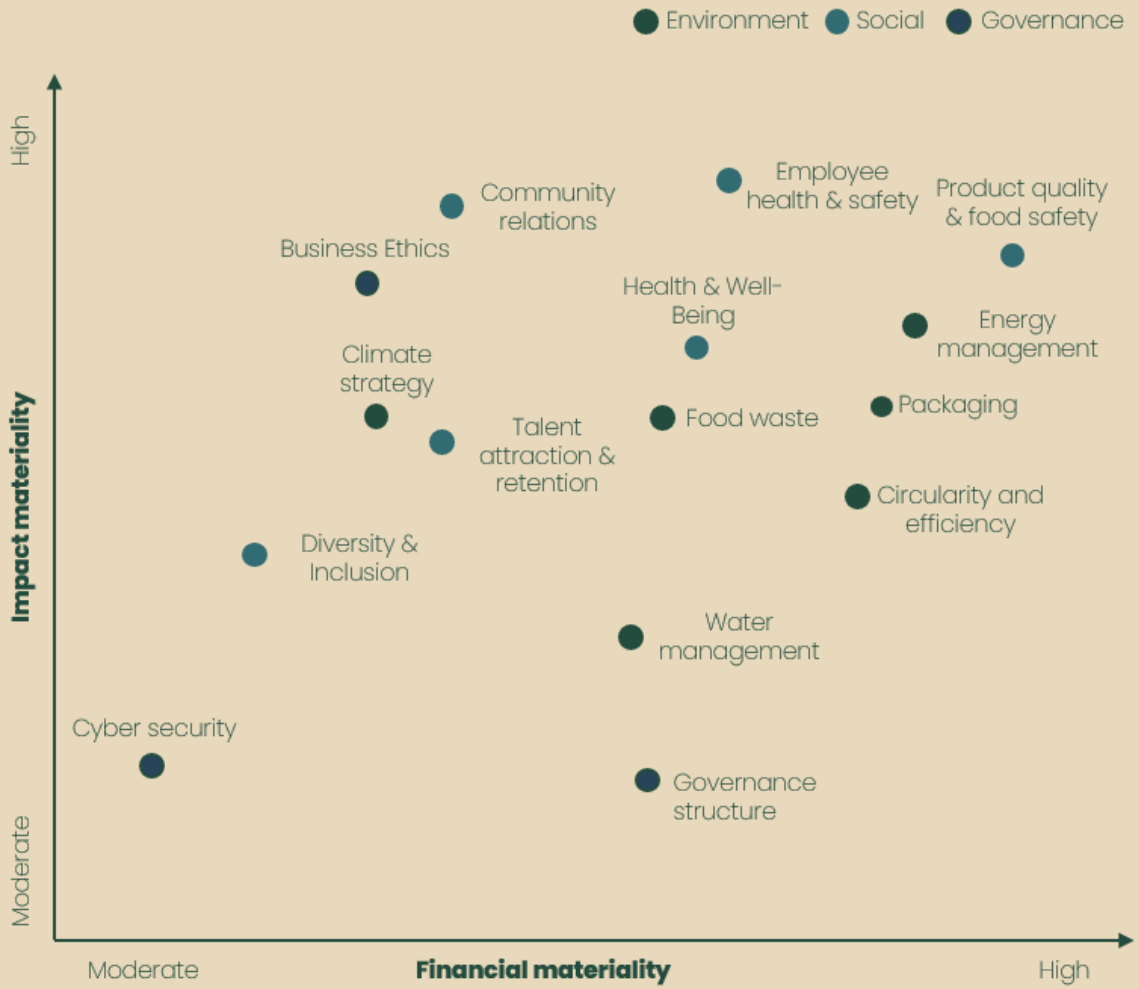
**Impact materiality** refers to the impact that VAXA's operations and products have on the environment, society, and economy.

The primary objective of the materiality analysis was to provide a comprehensive and integrated view of VAXA's sustainability risks and opportunities. By evaluating both financial and impact materiality, the double materiality approach enables VAXA to prioritize sustainability topics throughout the value chain, providing the basis for a sustainability strategy. VAXA conducted its analysis with the guidance of sustainability consultants from KPMG in Iceland.

The outcome of the analysis is VAXA's materiality matrix, which includes 15 sustainability topics. The matrix will serve as the focus of VAXA's sustainability work, and the company will review the materiality analysis as the business evolves. Definitions of each sustainability topic is provided in the appendix.

## The methodology

The first step of the process involved listing significant stakeholders and business aspects within the company through desktop research, peer analysis, and workshops with VAXA's key internal stakeholders. Next, a wide selection of potential economic, environmental, and social issues relevant to the business were identified, with a focus on topics aligned with international sustainability standards. Finally, a professional judgment was employed by the consultant to prioritize potential impacts on the company and perceptions by stakeholders.



VAXA

# VAXA'S STRATEGY

# STRATEGIC PRIORITIES

As a result of the double materiality analysis VAXA's sustainability strategy is based on four focus areas: climate, quality, people & transparency. VAXA's sustainable and innovative farming practices are designed to produce fresh, healthy, and environmentally responsible leafy greens while contributing to a more sustainable, fair, and resilient agriculture industry.

To achieve these objectives, VAXA has set strategic priorities. The company will optimize farming operations for efficiency, productivity, and sustainability by leveraging innovative technologies and infrastructure. VAXA also aims to promote responsible consumption and production by using sustainable farming practices, reducing greenhouse gas emissions through shorter food miles, efficient energy usage, and minimizing food waste and water usage, while protecting soil health and biodiversity.

Furthermore, VAXA's focus on sustainable farming practices and the absence of harmful pesticides in its products can contribute to health and well-being. By optimizing growth and control all external conditions, VAXA can produce fresh, locally grown, and nutritious products that meet consumer demand. The company also provides consumers with traceability and transparency regarding the origins and handling of its products. By pursuing these strategic priorities, VAXA has established one-year targets to find a baseline for our operations, which positions VAXA well to pursue these strategic priorities, achieve future goals, and contribute to a more sustainable and resilient food system.

## UN Sustainable Development Goals

The strategy aligns with UN SDGs with these four focus areas in mind. VAXA focuses on Goals 2, 3, 9, 12 and 13.


# UN SDG ALIGNMENT


## Goal 2 – Zero Hunger

The implementation of sustainable controlled agriculture practices by VAXA can enhance productivity, efficiency, and food security. Furthermore, the company's provision of fresh and healthy salad products can play an important role in improving the nutritional status of local communities, especially in areas with limited access to fresh vegetables.


## Goal 3– Good Health and Well-Being

Producing leafy greens through controlled environment agriculture allows VAXA to ensure its products are free from harmful pesticides and contaminants, promoting food safety and quality. This practice also supports healthy diets and lifestyles, preventing chronic diseases. Sustainable farming practices further minimize environmental impact and conserve natural resources, promoting the health and well-being of local communities and ecosystems.


## Goal 9 – Industry, Innovation and Infrastructure

VAXA can adopt innovative technologies and infrastructure, thereby enhancing the efficiency, productivity, and sustainability of its own farming operations as well as others. This encompasses the use of automation technologies to optimize growing conditions, as well as renewable energy sources to power the farm. The adoption of sustainable and innovative farming practices can further aid in minimizing environmental impact while creating a more resilient agriculture industry.


## Goal 12 – Responsible Consumption and Production

VAXA has the potential to influence global food waste reduction efforts, particularly at the retail and consumer levels, by reducing food losses along the entire production and supply chain, including post-harvest losses. VAXA's commitment to sustainable agriculture practices, such as not using harmful chemicals, plays a critical role in minimizing the waste throughout the product lifecycle. By reducing waste and optimizing the use of resources, VAXA can contribute to building a more sustainable and resilient food system.


## Goal 13 – Climate Action

VAXA can make a substantial impact through its innovative agricultural practices and reduce its carbon footprint, such as minimizing food waste, reducing water usage, utilizing renewable energy sources, and adopting sustainable land use practices. CEA also plays a crucial role in preserving soil health and biodiversity, as VAXA does not use any pesticides in its products.

# STAKEHOLDER ENGAGEMENT

VAXA recognizes the importance of engaging with our stakeholders to better understand their needs and concerns. Through regular communication and collaboration, we can ensure that our operations are aligned with their expectations and that we are considering their feedback. In 2022 we engaged with our stakeholders through a variety of channels, including online surveys, interviews, meetings, and site visits.

Our key stakeholder groups include consumers, employees, suppliers, regulators, and the local communities where we operate. Our stakeholder engagement efforts allowed us to identify opportunities for improvement and to better align our operations with the needs and expectations of our stakeholders. We are committed to ongoing stakeholder engagement and to ensuring that we continue to meet the needs of our stakeholders in a sustainable way.

## Customers

We engage with our suppliers to ensure that they share our commitment to sustainability and ethical business practices. We have established partnerships with suppliers to provide sustainably sourced materials as well as to minimize water in our entire value chain and thereby reducing our environmental impact.

## Investors and financial institutions

To provide transparency for our business and upcoming plans VAXA's managers meet regularly with our investors and align with their expectations. We provide updates on our strategy, sustainability ambitions, performance metrics and medium to long term targets.

## Local communities

We engage with our local communities in Reykjavík to better understand their needs and concerns. VAXA welcomes different business sectors, universities and the government that want to visit our farm. VAXA aims to collaborate with other local businesses and organizations to support the circular economy and improve society.

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## Suppliers

We engage with our suppliers to ensure that they share our commitment to sustainability and ethical business practices. We establish partnerships with key suppliers to procure sustainably sourced materials and to minimize waste in our entire value chain and therefore reducing our environmental impact.

## Consumers

We engage with consumers through consumer surveys and in-store promotions to better understand their needs and expectations. VAXA also communicates content through social media to educate our consumers about locally grown, sustainable and healthy food options.

## Employees

We engage with our employees with regular meetings to understand their needs and provide them with the right opportunities for training and job development. VAXA continuously works to create a safe and inclusive workplace for all our employees.

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# CLIMATE

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## Targets for climate

### Climate strategy
Measure and manage all GHG emissions for all operations (scope 1, 2 & 3).
Implement a solution to automatically calculate GHG emissions.
Measure GHG emissions per unit of production (e.g., kg CO2e/kg of produce).

### Water Management
Measure and manage all water usage.
Water consumption per unit of production.
Measure water usage per unit of production (e.g., litres fresh water /kg of produce).

### Circularity & efficiency
Measure and analyse all waste from production to end-customer.
Find solutions and partnerships to use offcuts and other waste in production.
Implement automated and data driven solution for supply and demand matching product and resources.
Make an action plan to phase out materials that have a harmful impact.

### Energy management
Measure and manage energy usage with the goal to optimize energy usage in operations.
Measure Kilowatt-hours (kWh) per unit of production (e.g., kg kWh/kg of produce)

# VAXA'S CLIMATE ACTIONS

VAXA's mission is to minimize our impact on the planet while still delivering high-quality, nutritious leafy greens to our customers. The next pages will focus on VAXA's climate actions including executing a climate strategy, managing water and energy and improving circularity and efficiency.

One of the key components of our sustainability ambitions is our climate strategy. This strategy is aimed at measuring and managing greenhouse gas (GHG) emissions for all operations, including scope 1, 2, and relevant scope 3 emissions. We aim to implement automated solutions to calculate GHG emissions and measure emissions per unit of production to continually improve our efficiency and minimize our climate impact.

We also actively manage our water and energy usage, measure, and manage usage per unit of production, and implement data-driven solutions for supply and demand matching resources to lower our usage.

Our circularity and efficiency initiatives include measuring and analysing waste from production to end customer, with a focus on repurposing offcuts and other waste in our production processes. We aim to map out all materials that could have harmful impacts on the environment in our production, with the goal of phasing out these materials.

**SDG alignment**


**Materiality analysis:**
Energy management
Circularity & efficiency
Climate strategy
Water management

# GHG EMISSIONS 2022

VAXA calculated its greenhouse gas (GHG) emissions from its operations according to the GHG Protocol methodology.

The GHG Protocol defines the scopes as follows:

**Scope 1** emissions relate to the activities under our direct control. They include transport with VAXA's vehicles.

**Scope 2** emissions are the indirect emissions caused by the energy that VAXA purchases, i.e., electricity, steam, heating, or cooling. They include VAXA's farm and HQ office.

**Scope 3** emissions are the indirect emissions that occur in VAXA's value chain.

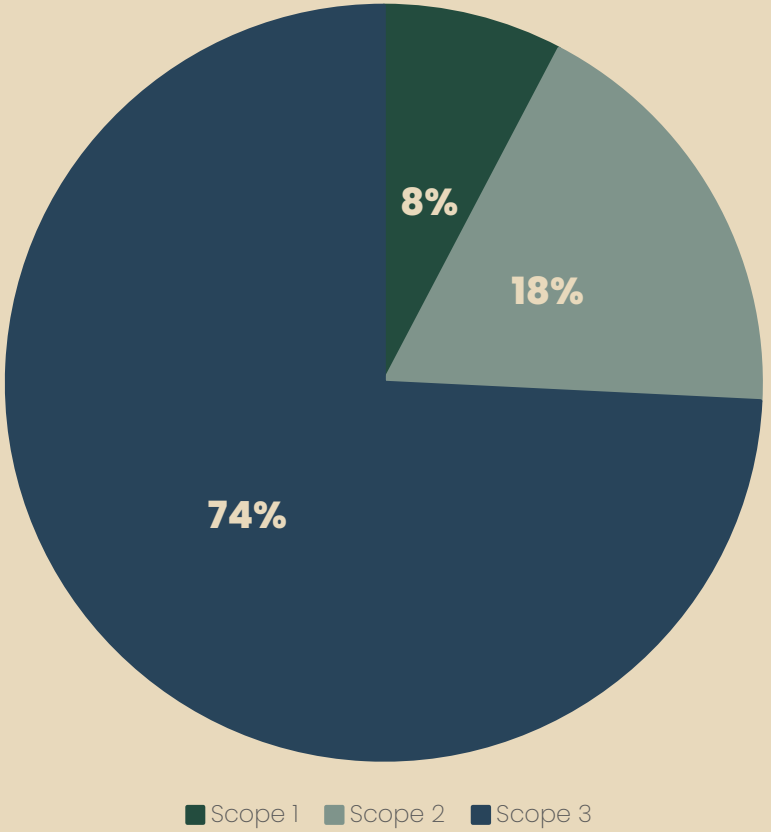
For the year 2022, VAXA managed to account for the majority of its upstream scope 3 emissions. The following categories in Scope 3 were added to GHG calculations for 2022:

Category 1 - Purchased goods and services: All products and services required for our products operation in the farm, from seed to shelf.

Category 3 - Fuel- and energy-related activities:

Category 4 – Upstream transportation and distribution: All transportation of products needed at the operation in the farm. The transportation was either air transportation or road transportation.

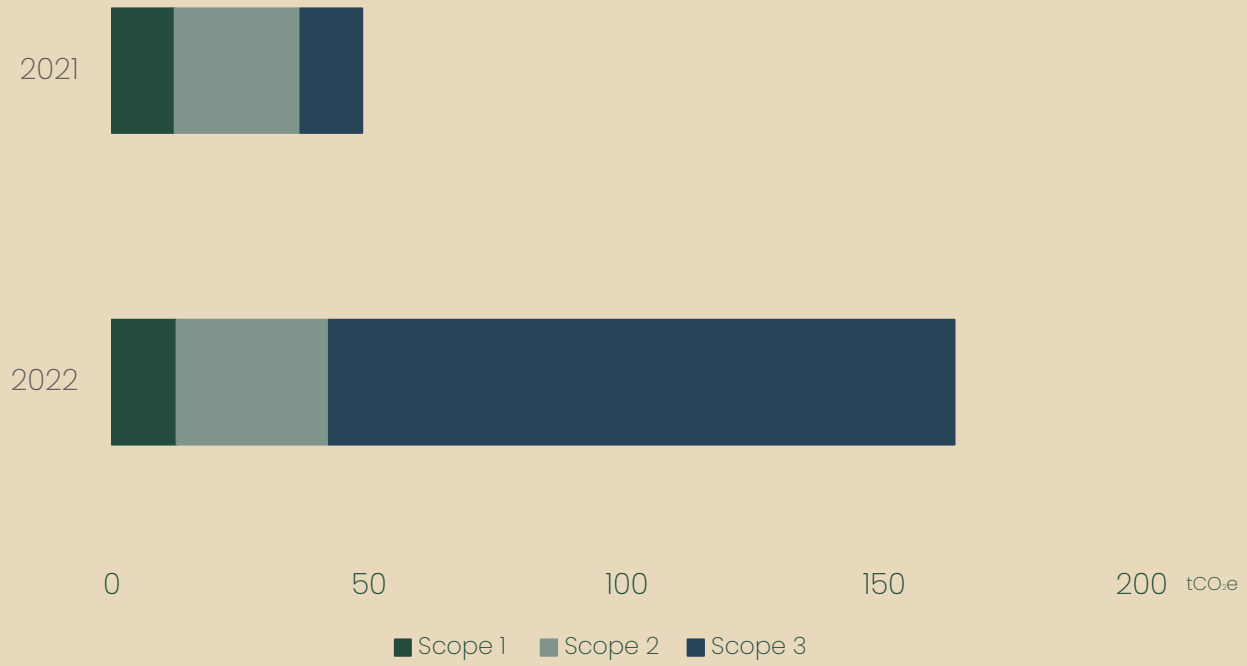
Category 6 – Business travel: Emissions from all business-related travel.



# GHG EMISSIONS BETWEEN YEARS

When comparing emissions between years, only Scope 1 and 2 emissions can be directly compared. It should be noted that VAXA's production capacity and sales grew by 43% between years in the farm which requires additional resources. Scope 1 emissions remained almost the same between years. The electricity usage remained consistent between years despite increased operational activities. VAXA has focused on increasing efficiency and production capacity. The use of hot water increased between years, leading to higher Scope 2 emissions compared to the previous year.

The most considerable change in GHG calculations between years is that in 2022, VAXA calculated a substantially larger portion of its upstream Scope 3 emissions with emissions from waste as the only category calculated in Scope 3 in 2021.



# FROM SEEDS TO SHELF

The GHG emissions calculations for the year 2022 includes significant portion of the upstream value chain in our calculations. This enables us to better understand the direct and indirect impact on the carbon footprint of our products. The table below shows the largest sources of emissions at VAXA and how each step in the value chain contributes to them.

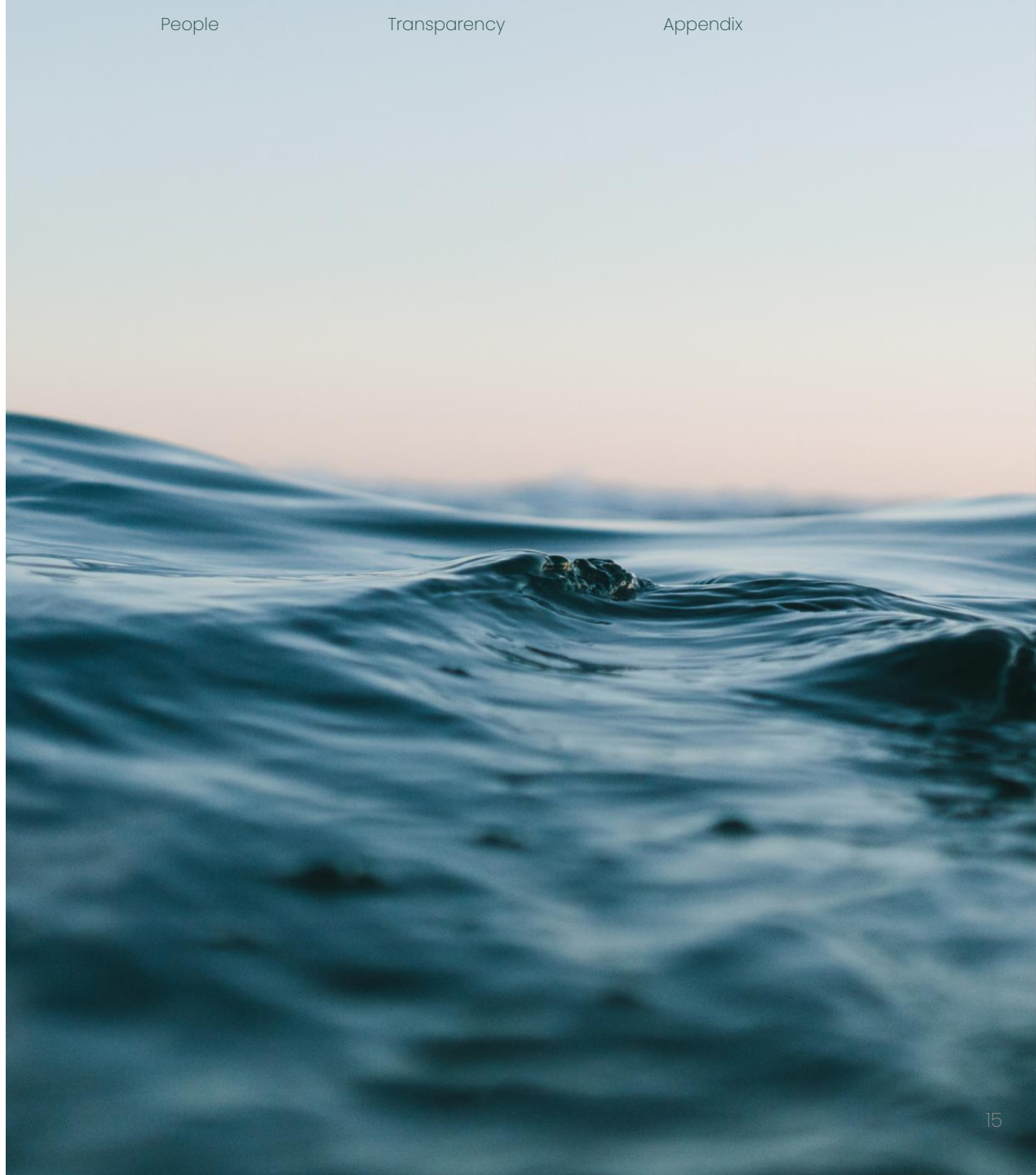
| | **62%** | | | | | **25%** | | **13%** |
|---|---|---|---|---|---|---|---|---|
| | **Upstream Scope 3** | | | | | **Scope 1 &2** | | **Scope 1 ,2 & 3** |
| | **Growing, processing and packaging** | | | | | **VAXA's operations** | | **VAXA's HQ** |
| **Ratio** | **2%** | **1%** | **7%** | **29%** | **22%** | **18%** | **8%** | **13%** |
| **Emissions** | **Transport** | **Seeds** | **Growing** | **Packaging** | **Operations** | **Farm** | **Transport** | **HQ office** |
| **Calculated** | Air freight<br>Marine transportation<br>Land transport | Around 70 different types of seeds | Nutrients<br>Soil<br>Plugs | Plastic packaging<br>Plastic bags<br>Paper boxes<br>Stickers | Waste generation in operations<br>Fuel- and energy-related activities | Electricity<br>Heating | Transportation from farm to costumers | Business travel<br>Electricity<br>Heating |

# WATER USAGE

VAXA uses hydroponic systems for growing lettuce, herbs, and microgreens, where the plants grow in water instead of soil. It is a circular system with water rich in nutrients flowing around the roots of the plant, giving the plants a healthy growth. The water is continuously cleaned, reused and waste is consequently very low. As the water is in circulation the nutrients and fertilizers can be controlled and kept in the system preventing overuse and run-off to the surrounding environment.

Water scarcity concerns are widespread in many regions of Europe, and reduced water consumption in agriculture is crucial. VAXA can provide a solution to these concerns by promoting sustainable and efficient water usage practices in agriculture. This approach can help mitigate the impact of water shortages and ensure a steady supply of fresh produce.

Using controlled environment agriculture (CEA) methods to grow leafy greens, VAXA effectively reduces its dependence on natural resources such as land and soil. By eliminating the need for pesticides in the farming process, VAXA can mitigate the harmful effects of such chemicals on biodiversity, water, and soil pollution, as well as the provision of ecosystem services. These practices contribute to a cleaner, healthier, and more sustainable environment, thereby promoting sustainable farming practices and protecting ecosystems. The elimination of pesticides can also offer significant benefits to public health and safety.



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# QUALITY

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## Targets for quality

**Packaging**
Measure and manage the share of plastic in packaging.
Implement best practice sustainable packaging solutions in all our packaging without compromising the quality of our product.
Provide information to consumers about packaging material and educate them on how to re-use and recycle.

**Product Quality & Food Safety**
Onboarding training in food safety for all newly hired people.
Set up monitoring system within food safety according to food safety standards.
Implement procedures according to relevant food safety standards.
Quality- and sustainability survey for largest suppliers.

**Food Waste**
Establish a baseline of food waste for packed products.
Reduce food waste in our supply chain.

# QUALITY LEAFY GREENS

We are committed to producing high-quality, nutritious leafy greens while also minimizing our impact on the environment. In this chapter of our report, we will focus on the quality part that has three key areas that are critical to our commitment to sustainability: packaging, food waste and product quality & food safety.

One of the key areas we are focusing on is actively working to reduce food waste as well as other waste in our supply chain. We are currently finding the baseline of food waste for our packed products and developing strategies to reduce this waste. Our packaging is made from plastics to secure the quality of our products and prevent food waste. We aim to provide information to consumers about packaging materials and encourage them to re-use and recycle.

Ensuring the quality and safety of our products is a crucial aspect of our sustainability efforts. We conduct quality and sustainability surveys for our largest suppliers and aim to comply with appropriate food safety standards in all locations.

# PACKAGING

VAXA's mission is to provide consumers with healthy and high-quality food. With freshness being the top priority for our customers we prioritize freshness, durability of our products and to reduce food waste. As of now plastic remains the most viable option for preserving high-quality leafy greens.

Our goal is to strike a balance between the necessity of using plastic for preserving freshness and minimizing our environmental impact. We understand the importance of delivering fresh produce to our customers, and our packaging plays a crucial role in achieving this goal.

We are exploring new technologies and materials to minimize the environmental impact of our packaging, while ensuring the quality and freshness of our products is never compromised.

While we continue to seek sustainable packaging solutions, VAXA is committed to encouraging our customers to reduce waste by recycling and reusing our salad boxes, which can serve as excellent lunch or storage containers.

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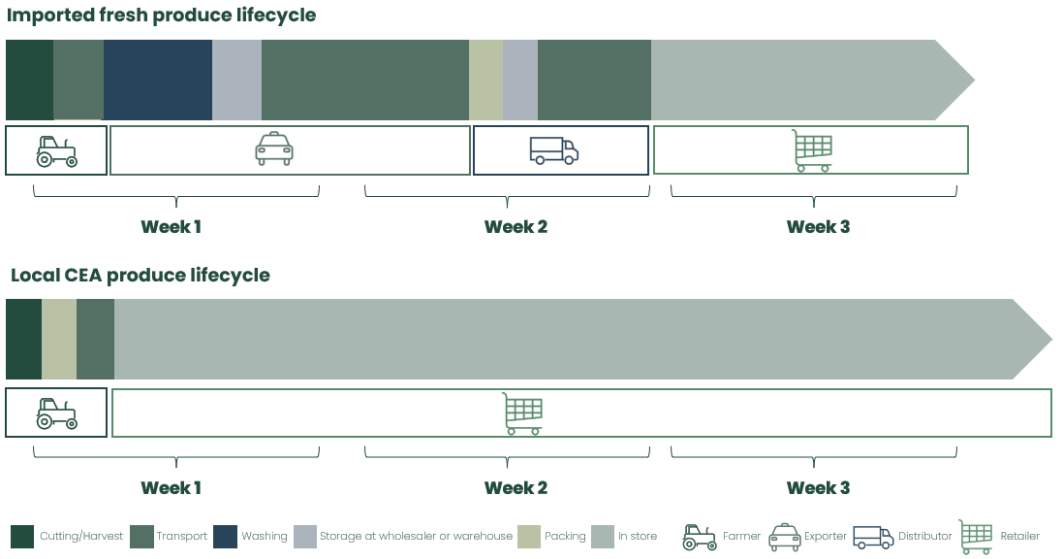
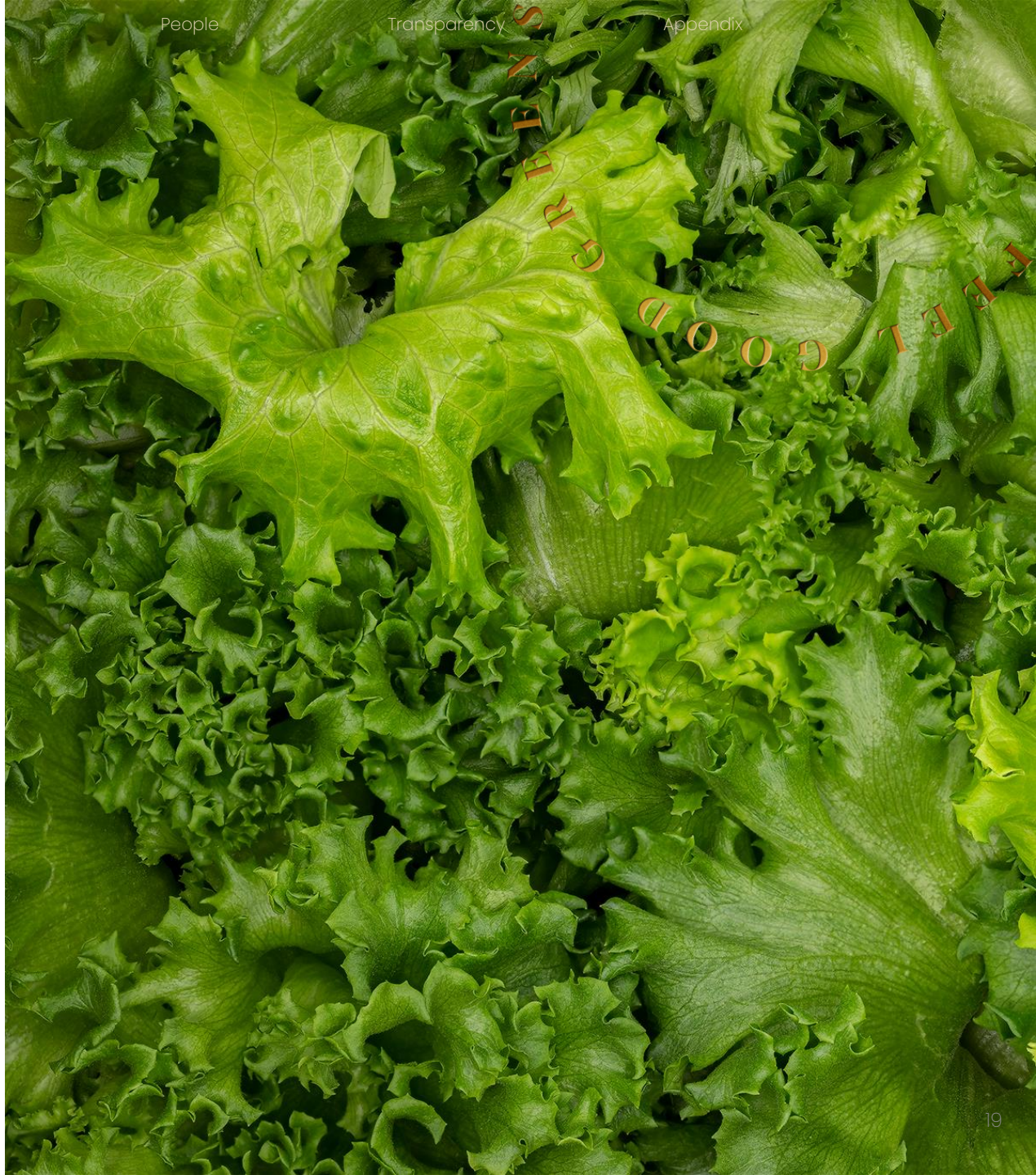
# FOOD WASTE

Food waste is a significant problem in our world, with around 14% of food produced lost after harvesting without reaching shops and supermarkets. One of the main causes of food waste is the transportation of food. The process from a fresh imported produce grown in a traditional farm to the dinner table includes various time-consuming stages, such as harvesting, processing, cleaning, packaging, and transportation to consumers. At each stage, there is a risk of food waste, and transport is a critical factor that can contribute to this waste.

Uncontrollable weather events such as floods, droughts, storms, and extreme temperatures can cause crops to fail, leading to food waste. Extreme weathers can affect the quality and shelf life of food, leading to further waste.

The condensed value chain for VAXA is the key enabler to increase product quality. Time from harvest to shelf is substantially reduced. No washing is needed as there are no pesticides in VAXA's production, which in return retains quality and extends shelf life as washing accelerates produce decay.



VAXA

# PEOPLE


## Targets for People

**Community Relations**
Support and co-operate with the local communities in which we operate.
Increase the percentage of contractors and other suppliers hired from the local community.

**Health & Well-Being**
Support and contribute to public health by providing accessible and clean food packed with nutrition.
Develop product line with more nutritious products.
Educate the market about the health benefits of our products.

**Talent Attraction & Retention**
Annual performance review of all employees.
Annual job satisfaction survey.
Measure employee turnover rate in all locations.

**Diversity & Inclusion**
Create a training strategy related to diversity and inclusion.
Increase the percentage of employees from underrepresented groups.

**Employee Health & Safety**
Create employee training strategy.

# PEOPLE & COMMUNITY

VAXA is not only concerned with minimizing its impact on the environment but also actively contributing to the local communities in which it operates.

Our social sustainability efforts will focus on improving community relations by collaborating with local stakeholders, increasing the hiring of local contractors and suppliers, and fostering diversity and inclusion within our workforce.

Additionally, we will prioritize the health and well-being of our customers by developing a product line with more nutritious offerings, educating the market about the benefits of our products, and ensuring food safety and accessibility, all year around regardless of the weather. Finally, we will continue to prioritize employee health and safety by providing training and measuring our performance in areas such as job satisfaction and workplace injuries.

# PEOPLE

At VAXA, we understand and value the significant role that our employees play in the success of our company. We strive to create an inclusive and supportive work environment, promote professional growth, prioritize health and safety, and provide opportunities for advancement. Our commitment to investing in our employees results in a strong and cohesive team that drives our company forward.

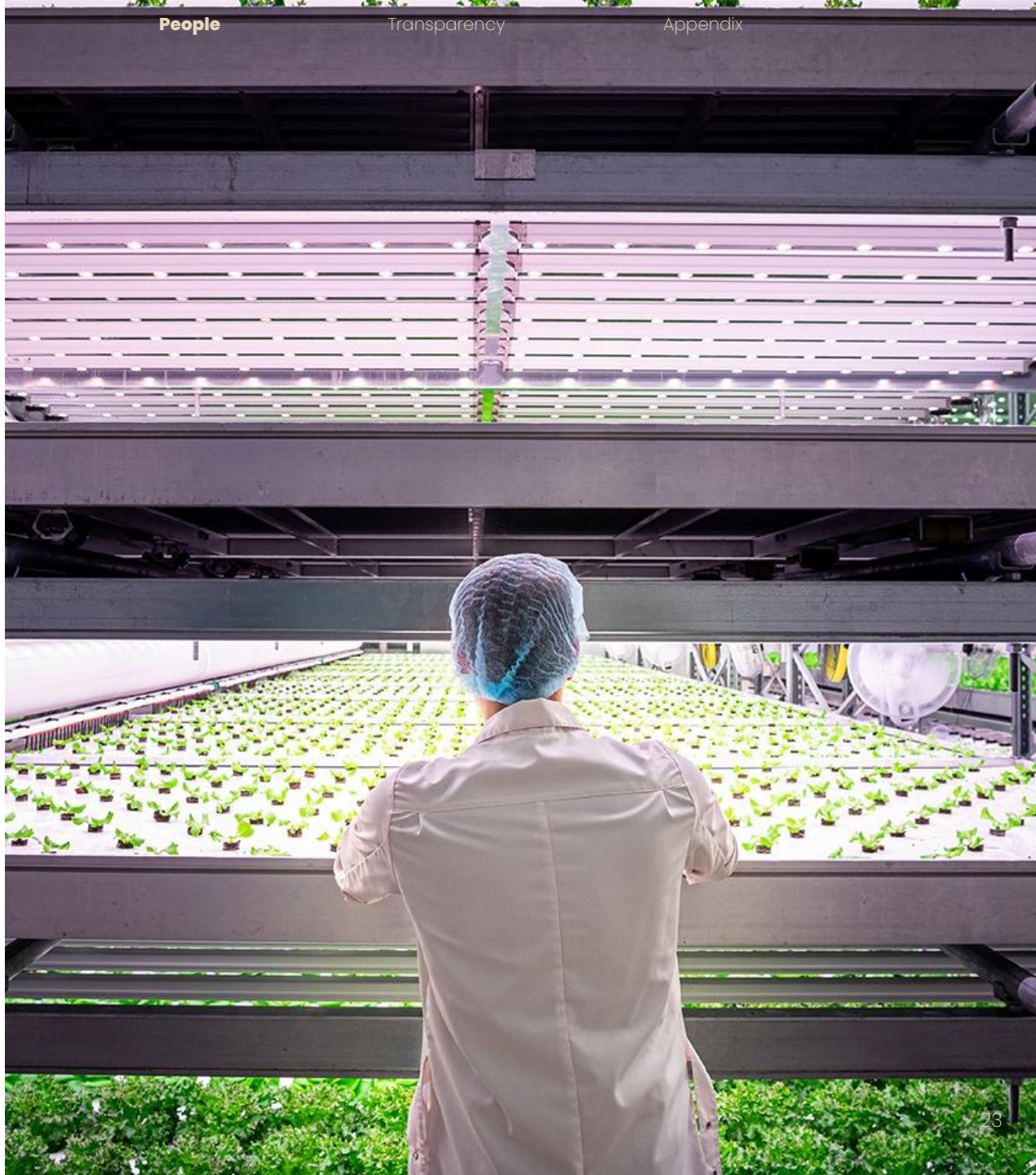
VAXA operates from two locations in Iceland, one located at the VAXA farm and the other serving as the headquarters. Our management team in Iceland consists of equal gender ratios. Our workforce is comprised of individuals representing 11 different nationalities. We recognize that this diversity not only enriches our company culture but also fuels innovation and enhances our overall business performance.

In 2022, we welcomed hundreds of individuals from schools, companies, politicians, and other different sectors to visit our farm, where we shared our knowledge and expertise. By educating people about VAXA and the importance of sustainable food production, we aim to raise awareness and promote more sustainable practices throughout the industry.

# DIVERSE WORKFORCE

In collaboration with the Directorate of Labour and Reykjavik City, VAXA has since 2020 hired refugees to work for the company. VAXA is proud to be a multinational company and in 2022 we continued to employ refugees through this collaboration. VAXA has assisted them in adapting to Icelandic society such as opening bank accounts, applying for local health clinics and day-care for their kids.

The agricultural sector has been known to employ people from vulnerable countries on short-term contracts, demanding them to work long working days in extreme heat, and be exposed to all the toxins they need to handle in cultivation on minimum wages. VAXA can offer its employees long-term contracts in controlled environments.



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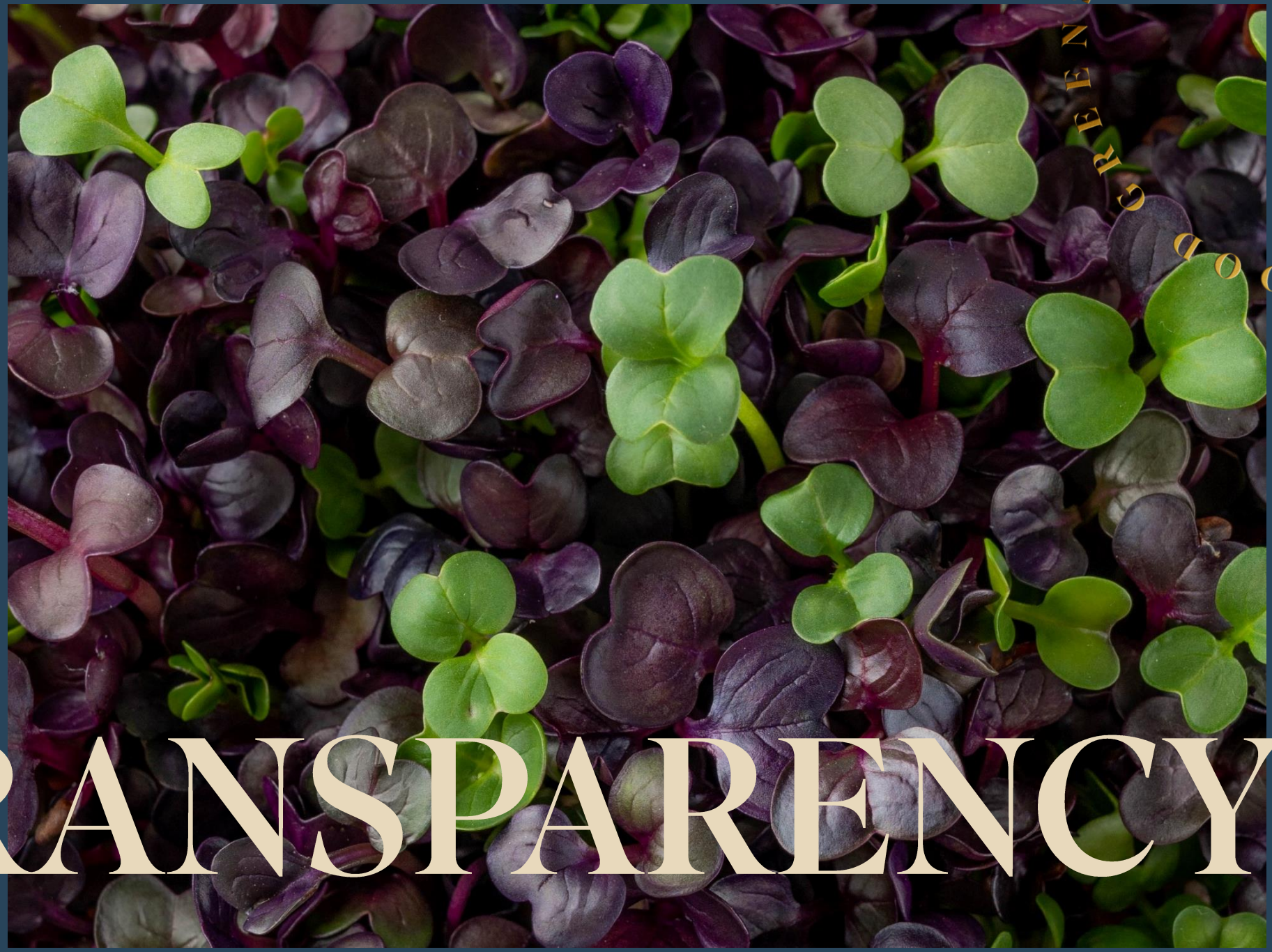

GREENS

FEEL GOOD

# TRANSPARENCY


## Targets for transparency

**Business Ethics**
Write, publish, and implement code of conduct for employees.
Write, publish, and implement supplier code of conduct..

**Cyber Security**
Implement secure data system.
Ensure that all systems and data are regularly backed up and tested.

**Governance Structure**
Implement and maintain good governance structure for the company.
Include a board level oversight of ESG related issues.
Publish an annual sustainability report that includes detailed information on VAXA's sustainability performance.

# CORPORATE GOVERNANCE

VAXA understands the importance of good governance. To ensure that our operations remain transparent, ethical, and secure, we have set several targets for 2023. These targets include implementing a code of conduct for both employees and suppliers, establishing a secure data system, and regularly backing up and testing all systems and data.

Additionally, we will be implementing and maintaining a governance structure for the company, which will include board level oversight of ESG related issues. To showcase our commitment to sustainability, we will be publishing an annual sustainability report that provides information on VAXA's sustainability performance. By following these targets, we will continue to prioritize good governance practices, ensuring that we operate in a responsible and transparent manner.

**SDG alignment**


**Materiality analysis:**
Business Ethics
Cyber Security
Governance Structure

VAXA

# APPENDIX

# DEFINITIONS OF MATERIAL TOPICS

| Topic | Definition |
|---|---|
| **Climate strategy** | A company's climate strategy is a plan to reduce greenhouse gas emissions and mitigate its impact on climate change. This involves decreasing fossil fuel use, increasing efficiency, shifting to renewable energy, and considering physical risks and opportunities associated with climate change.. |
| **Water management** | Water management involves sustainable use of resources and advanced technologies to minimize waste while providing the precise amount of water needed for plant growth. This includes closed-loop irrigation and wastewater treatment, while also protecting ecosystems outside the facility. |
| **Circularity in Operations & Food Waste** | Circularity and efficiency in a firm involve sustainable materials, waste reduction, resource efficiency, and closed-loop systems to minimize negative environmental impacts, reduce costs and improve sustainability performance. |
| **Energy management** | Environmental impacts associated with energy consumption. It addresses the company's management of energy in manufacturing and/or for provision of products and services in the supply chain. |
| **Product Quality & Food Safety** | To ensure safe, high-quality products, VAXA should cover all aspects of food safety from production to distribution. This involves complying with regulations, reducing environmental impact through sustainable packaging and practices, and transparent communication with stakeholders on food safety and quality. |
| **Packaging** | Sustainable packaging minimizes environmental impact throughout its lifecycle via eco-friendly materials, renewable energy, functional and responsible design, waste reduction, recyclability, composability, and material reuse or repurposing. |
| **Food Waste** | Food waste refers to any edible portion of food that are discarded or not used, either during production or post-harvest. |
| **Community Relations** | VAXA's community relations require positive interactions with local communities, transparent communication, and addressing any negative impacts. The company must operate ethically and sustainably to promote social, economic, and environmental well-being of the communities it serves. |
| **Health and wellbeing** | VAXA's health and wellbeing commitments involve promoting healthy lifestyles, ensuring product safety, and addressing stakeholders' health concerns. The company must guarantee product safety and support healthy behaviours to ensure customer wellbeing. |
| **Talent Attraction & Retention** | VAXA must attract and retain a diverse workforce in a safe, inclusive environment. Achieving a culture of transparency, communication, and collaboration can foster innovation and learning. Employee development, mentorship, and competitive compensation are essential to accomplish this goal. |
| **Diversity & Inclusion** | Diversity & Inclusion eliminates workplace discrimination and ensures equal opportunities for all employees. A diverse and inclusive workforce leads to better decision-making and business success. Sustainable companies value and embrace diversity, equity, and inclusion. |
| **Employee Health & Safety** | Sustaining employee health and safety requires a secure, healthy workplace that prioritizes employee well-being. This includes proper training, equipment, and measures to prevent accidents and promote mental wellness. |
| **Business Ethics** | Business ethics guide an organization's behaviour with stakeholders, ensuring honesty, transparency, and social responsibility while complying with laws and regulations. |
| **Cyber Security** | Cybersecurity protects computer systems, networks, and devices from unauthorized access, damage, and theft. It is crucial for VAXA to safeguard sensitive business information, including proprietary technology, financial data, and customer information. |
| **Governance Structure** | VAXA's governance structure prioritizes transparency, accountability, risk management, ethical decision-making, and ESG standards. |

# ESG INDEX – EMISSIONS

| Greenhouse Gas Emissions | Unit | 2022 |
|---|---|---|
| Scope 1 | $tCO_2e$ | 12.6 |
| Scope 2 (location-based) | $tCO_2e$ | 29.6 |
| Scope 2 (market-based) | $tCO_2e$ | - |
| Scope 1 and 2 | $tCO_2e$ | 42.2 |
| Scope 3 | $tCO_2e$ | 121.5 |
| Total operational GhG emissions | $tCO_2e$ | 163.7 |

*Nasdaq: E1|UNGC: P7|GRI: 305-1,305-2,305-3|SASB: General Issue / GHG Emissions|TCFD: Metrics & Targets*

| Scope 1 - Details | Unit | 2022 |
|---|---|---|
| Total emissions | $tCO_2e$ | 12.6 |
| Stationary fuel combustion | $tCO_2e$ | - |
| Mobile fuel combustion | $tCO_2e$ | - |
| Fugitive emissions | $tCO_2e$ | - |
| Industrial processes | $tCO_2e$ | - |

| Scope 2 - Details | Unit | 2022 |
|---|---|---|
| Total emissions | $tCO_2e$ | 29.6 |
| Electricity | $tCO_2e$ | 21.7 |
| Heating | $tCO_2e$ | 7.8 |
| Cooling | $tCO_2e$ | - |
| Steam | $tCO_2e$ | - |

| Scope 3 - Upstream emissions | Unit | 2022 |
|---|---|---|
| *Category 1: Purchased goods and services* | | |
| Total emissions | $tCO_2e$ | 61.3 |
| Production-related procurement | $tCO_2e$ | 61.3 |
| *Category 3: Fuel- and energy-related activities* | | |
| Upstream emissions of purchased fuel | $tCO_2e$ | 3.1 |
| Upstream emissions of purchased electricity | $tCO_2e$ | 0.1 |
| Transmission and distribution (T&D) losses | $tCO_2e$ | 3.5 |
| Generation of purchased electricity that is sold to end users | $tCO_2e$ | - |
| Total emissions | $tCO_2e$ | 6.6 |
| *Category 4: Upstream transportation and distribution* | | |
| Total emissions | $tCO_2e$ | 2.6 |
| Air transportation | $tCO_2e$ | 0.9 |
| Marine transportation | $tCO_2e$ | 1.4 |
| Road transportation | $tCO_2e$ | 0.3 |
| Rail transportation | $tCO_2e$ | - |
| *Category 5: Waste generated in operations* | | |
| Total emissions | $tCO_2e$ | 30.6 |
| Transport, disposal and treatment of waste | $tCO_2e$ | 30.6 |
| *Category 6: Business travel* | | |
| Total emissions | $tCO_2e$ | 20.5 |
| Air travel | $tCO_2e$ | 20.5 |

# ESG INDEX – EMISSIONS SOURCES

| Energy consumption | Unit | 2022 |
|---|---|---|
| Total energy consumption | kWh | 3,043,982 |
| Fossil fuels | kWh | 50,315 |
| Bio fuels | kWh | - |
| Electricity | kWh | 2,109,632 |
| Heating | kWh | 884,035 |
| Cooling | kWh | - |
| Steam | kWh | - |
| Direct energy consumption | kWh | 50,315 |
| Indirect energy consumption | kWh | 2,993,667 |

*Nasdaq: E3|UNGC: P7, P8|GRI: 302-1, 302-2|SDG: 12|SASB: General Issue / Energy Management*

| Energy mix | Unit | 2022 |
|---|---|---|
| Total energy consumption | kWh | 3,043,982 |
| Fossil fuel | % | 1.7% |
| Renewables | % | 98.3% |
| Nuclear | % | 0% |

*Nasdaq: E5|GRI: 302-1|SDG: 7|SASB: General Issue / Energy Management*

| Fuel consumption | Unit | 2022 |
|---|---|---|
| Total fuel consumption | kg | 4,216 |
| Petrol | kg | 714 |
| Diesel | kg | 3,502 |

| Water consumption | Unit | 2022 |
|---|---|---|
| Total water consumption | $m^3$ | 17,814.2 |
| Cold water | $m^3$ | 2,572.2 |
| Hot water | $m^3$ | 15,242 |

*Nasdaq: E6|GRI: 303-5|SDG: 6|SASB: General Issue / Water & Wastewater Management*

| Electricity mix | Unit | 2022 |
|---|---|---|
| Total electricity consumption | kWh | 2,109,632.2 |
| Renewables | % | 100% |

| Upstream transportation and distribution | Unit | 2022 |
|---|---|---|
| Total transportation and distribution | tonne | 90 |
| Air transportation | tonne | 0.4 |
| Marine transportation | tonne | 24.2 |
| Ground transportation | tonne | 65 |

| Waste treatment | Unit | 2022 |
|---|---|---|
| Total waste generation | kg | 61,880 |
| Sorted waste | kg | 59,844 |
| Unsorted waste | kg | 2,036 |
| Recycled waste | kg | 9,160 |
| Disposed waste | kg | 52,720 |
| Percentage of waste sorted | % | 96.7% |
| Percentage of waste recycled | % | 14.8% |

| Business travel | Unit | 2022 |
|---|---|---|
| Total distance travelled | km | 223,405 |
| Air travel | km | 223,405 |

# ESG INDEX – ENVIRONMENTAL MANAGEMENT

| Environmental management | Unit | 2022 |
|---|---|---|
| Does your company follow a formal Environmental Policy? | yes/no | No |
| Does your company follow specific waste, water, energy, and/or recycling policies? | yes/no | Yes |
| Does your company use a recognized energy management system? | yes/no | No |

*Nasdaq: E7|GRI: 103-2|SASB: General Issue / Waste & Hazardous Materials Management*

| Climate oversight | Unit | 2022 |
|---|---|---|
| Does your Senior Management Team oversee and/or manage climate-related risks? | yes/no | Yes |
| Does your Board of Directors oversee and/or manage climate-related risk? | yes/no | No |

*Nasdaq: E8, E9|GRI: 102-19, 102-20, 102-29, 102-30, 102-31|SASB: General Issue / Business Model Resilience, Systematic Risk Management |TCFD: Governance (Disclosure A/B)*

# ESG INDEX – SOCIAL

| Employee Turnover | Unit | 2022 |
|---|---|---|
| *Full-time Employees* | | |
| Year-over-year change for full-time employees | % | 26% |
| Dismissal | % | 4% |
| Retirement | % | 0% |
| Job transition | % | 22% |
| Death | % | 0% |
| *Part-time Employees* | | |
| Year-over-year change for part-time employees | % | - |
| Dismissal | % | - |
| Retirement | % | - |
| Job transition | % | - |
| Death | % | - |
| *Contractors and/or consultants* | | |
| Year-over-year change for contractors and/or consultants | % | - |
| Dismissal | % | - |
| Retirement | % | - |
| Job transition | % | - |
| Death | % | - |
| *Gender* | | |
| Men | % | 31% |
| Women | % | 18% |

*S3|UNGC: P6|GRI: 401-1b|SDG: 12|SASB: General Issue / Labor Practices*

| Gender Diversity | Unit | 2022 |
|---|---|---|
| *Enterprise Headcount* | | |
| Percentage of women in enterprise | % | 46% |
| Women | no. | 11 |
| Men | no. | 13 |
| *Entry- and Mid-level Positions* | | |
| Percentage of women in entry- and mid-level position | % | 45% |
| Women | no. | 9 |
| Men | no. | 11 |
| *Senior- and Executive-level Positions* | | |
| Percentage of women in senior- and executive-level positions | % | 50% |
| Women | no. | 2 |
| Men | no. | 2 |

*S4|UNGC: P6|GRI: 102-8, 405-1|SASB: General Issue / Employee Engagement, Diversity & Inclusion*

| Temporary Worker Ratio | Unit | 2022 |
|---|---|---|
| Total enterprise headcount held by part-time employees | % | 4% |

*S5|GRI: 102-8|UNGC: P6*

| Non-Discrimination | Unit | 2022 |
|---|---|---|
| Does your company follow a sexual harrassment and/or non-discriminatory policy? | yes/no | No |

*S6|UNGC: P6|GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016)|SASB: General Issue / Employee Engagement, Diversity & Inclusion*

# ESG INDEX – SOCIAL

| Injury Rate | Unit | 2022 |
|---|---|---|
| Total number of injuries and fatalities, relative to the total workforce | % | - |

*S7|GRI: 403-9|SDG: 3|SASB: General Issue / Employee Health & Safety*

| Global Health & Safety | Unit | 2022 |
|---|---|---|
| Total absence from work (X) to total working hours of all employees | X:1 | 0.04 |
| Absence from work due to short-term illness (X) to total working hours of all employees | X:1 | 0.04 |

*S8|GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018)|SDG: 3|SASB: General Issue / Employee Health & Safety*

| Child & Forced Labor | Unit | 2022 |
|---|---|---|
| Does your company follow a child labor policy? | yes/no | No |
| Does your company follow a forced labor policy? | yes/no | No |

*S9|GRI: 103-2 (See also: GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor, and GRI 414: Supplier Social Assessment 2016)|UNGC: P4, P5|SDG: 8|SASB: General Issue / Labor Practices*

| Human Rights | Unit | 2022 |
|---|---|---|
| Does your company publish and follow a human rights policy? | yes/no | No |
| If yes, does your human rights policy cover suppliers and vendors? | yes/no | No |

*S10|GRI: 103-2 (See also: GRI 412: Human Rights Assessment 2016 & GRI 414: Supplier Social Assessment 2016)|UNGC: P1, P2|SDG: 4, 10, 16| SASB: General Issue / Human Rights & Community Relations*

# ESG INDEX – GOVERNANCE

| Board Diversity | Unit | 2022 |
|---|---|---|
| Total board seats occupied by women (as compared to men) | % | 0% |

*G1|GRI 405-1|SDG: 10|SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)*

| Collective Bargaining | Unit | 2022 |
|---|---|---|
| Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population | % | 83% |

*G4|UNGC: P3|SDG: 8|GRI: 102-41|SASB: General Issue / Labor Practices (See also: SASB Industry Standards)*

| Supplier Code of Conduct | Unit | 2022 |
|---|---|---|
| Are your vendors or suppliers required to follow a Code of Conduct | yes/no | No |

*G5|UNGC: P2, P3, P4, P8|GRI: 102-16, 103-2 (See also: GRI 308: Supplier Environmental Assessment 2016 & GRI 414: Supplier Social Assessment 2016|SDG: 12|SASB General Issue / Supply Chain Management (See also: SASB Industry Standards)*

| Ethics & Anti-Corruption | Unit | 2022 |
|---|---|---|
| Does your company follow an Ethics and/or Anti-Corruption policy? | yes/no | No |

*G6|UNGC: P10|SDG: 16|GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)*

| Data Privacy | Unit | 2022 |
|---|---|---|
| Does your company follow a Data Privacy policy? | yes/no | Yes |
| Has your company taken steps to comply with GDPR rules? | yes/no | Yes |

*G7|GRI: 418 Customer Privacy 2016|SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)*

| ESG Reporting | Unit | 2022 |
|---|---|---|
| Does your organization publish a sustainability report? | yes/no | Yes |
| If Yes: does the Sustainability Report disclose environmental, social and governance matters? | yes/no | Yes |
| Is sustainability data included in your regulatory filings? | yes/no | No |

*G8|UNGC: P8*

| Disclosure Practices | Unit | 2022 |
|---|---|---|
| Does your company provide sustainability data to sustainability reporting frameworks? | yes/no | No |
| Does your company focus on specific UN Sustainable Development Goals (SDGs)? | yes/no | Yes |
| Does your company set targets and report progress on the UN SDGs? | yes/no | No |

*G9|UNGC: P8*

| External Assurance | Unit | 2022 |
|---|---|---|
| Are your sustainability disclosures assured or validated by a third party? | yes/no | No |

*G10|UNGC: P8|GRI: 102-56*


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