

N A A V A

**Sustainability
Report
2022**



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Naava is a Nordic nature technology company providing AI-enabled plant walls. Naava operates on the furniture market in 16 different countries. The report is published in Naava's own medias on 14.6.2023. All entities under the ownership of Naava Group Oy are fully included in the report. These entities are Naava Group Oy, Naava Group AB, and Naava Group Ltd. Operations on our partner markets are included as seen relevant for the topic, and are discussed separately on page 47. The focus between all entities is mostly on the Nordic ones, as in Finland and Sweden we have a complete control over all business activities.



01 Overview



CEO's greetings
Naava as a company
Highlights of 2022

This is Naava's first public sustainability report. In the report we provide our stakeholders with a holistic look to Naava's sustainability. Our goal is to present a report that will enhance the transparency of our actions to a point that we can confidently present ourselves as a sustainability-first company. Three areas of sustainability: environmental, social and economic will be discussed in the report, which we have done in accordance with the GRI standards.

CEO's greetings

Dear stakeholders,

I am pleased to present Naava's first sustainability report, highlighting our strong commitment to sustainability and our mission to reconnect humanity with nature.

From the beginning, Naava has been a pioneer in promoting the importance of human well-being, not just as a key enabler for productivity and creativity, but also as an essential element of sustainable living. Our solutions focus on providing a sustainable, natural way to improve human health and well-being, positively impacting the environment and society.

Our Nature as a Service™ business model has been a tried and tested solution in providing well-being at the workplace. The emergence of the hybrid office has given us further opportunities to support the modern office in becoming a destination in its own right. Our solutions support the idea of workplace well-being, which helps create a positive work culture and attract talent to clients' organizations.



“Our sustainability strategy is centered around the concept of a strong positive handprint and minimizing our environmental footprint through continuous improvement.”

2022 Revenue

5,2 Meur

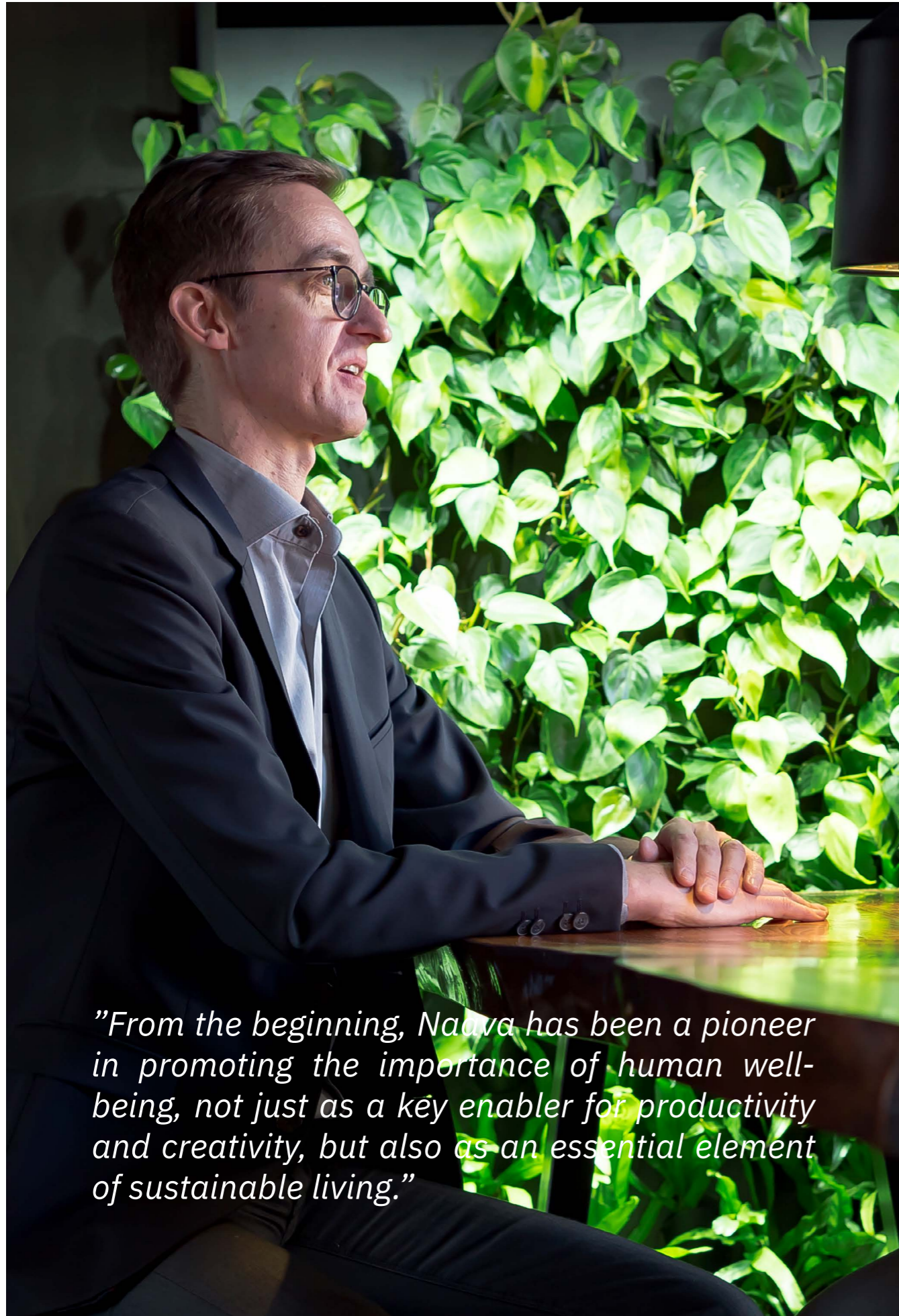
+20,5% from 2021

2022 GHG intensity

(Scope 1 & 2)

22,7 Tonnes

Of CO₂e per Meur of revenue
-15,9% from 2021

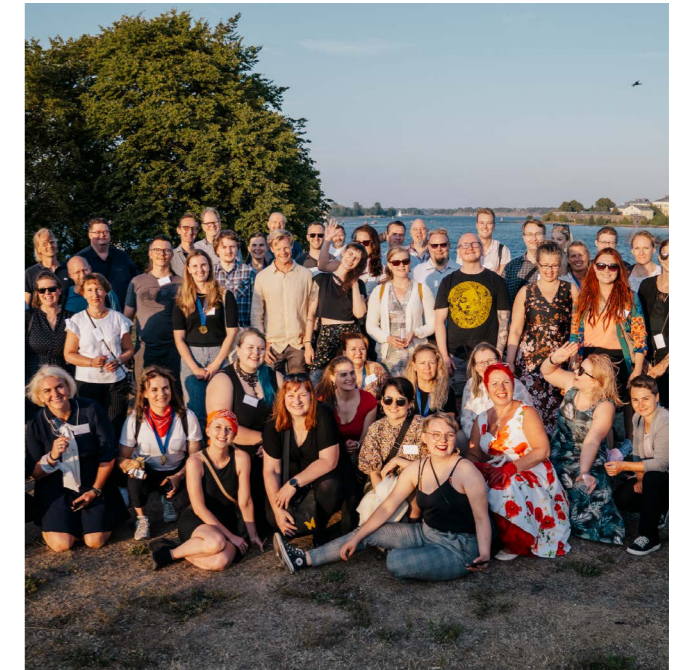


"From the beginning, Naava has been a pioneer in promoting the importance of human well-being, not just as a key enabler for productivity and creativity, but also as an essential element of sustainable living."

Our sustainability strategy is centered around a solid positive handprint and minimizing our environmental footprint through continuous improvement. We have also adhered to the UN Global Compact and Sustainable Development Goals (SDGs) and are setting measurable goals and targets to ensure that we are making progress towards our sustainability goals.

The positive impact of Naava's solutions is not only scientifically proven, but also reflected in the high customer satisfaction and retention scores that we have achieved. At the core of our business model are concrete solutions that support well-being at workspaces, which help to create a sustainable and healthy work culture.

On the footprint side, one of the significant benefits of Naava's technology is the optimization of preventative maintenance services. By using our technology, we have achieved concrete savings of around seven times compared to traditional working methods, which helps minimize our environmental impact.



Naava is an equal-opportunity employer with a female-to-male ratio of 6/4. We are committed to upholding our values and principles in everything that we do, as documented in our Code of Conduct. The health and safety of our customers, partners, and employees are paramount to us. For example, to maintain a strong focus and continuous improvement in this area, we actively follow, analyze, and act on near-miss reporting.

Naava is a global market leader in its category, with over 6,000 devices installed in Europe, South Korea, North America, and the Middle East. Our solutions enable over 390,000 people to live healthier lives every day. In conclusion, we are committed to sustainability and positively impacting on the environment and society. We will continue to strive for continuous improvement and meet the highest sustainability standards. Thank you for your continued support, and a warm welcome to our first sustainability report.

Sincerely,

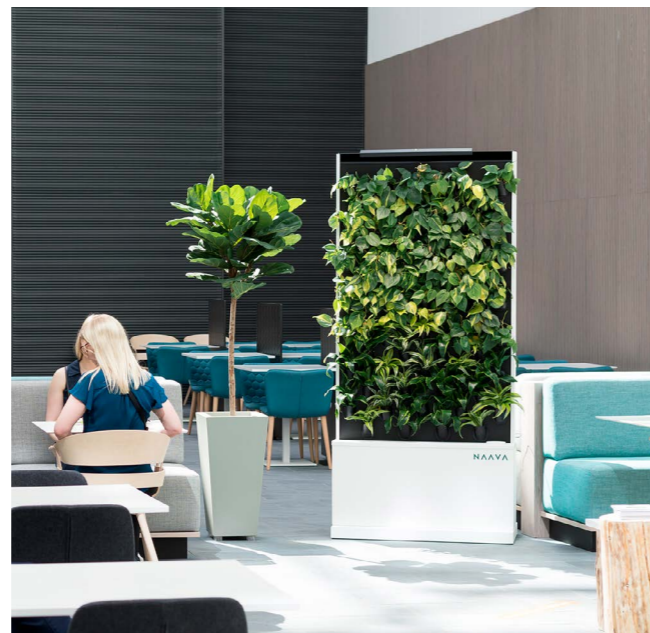
Arttu Salmenhaara
CEO, Naava

Naava as a company

Founded in 2011, Naava is an **indoor nature technology company from the Nordics**. We improve people’s physical and mental health by reconnecting them with nature. Combining air purifiers, humidifiers, and plant walls into one innovative product, we create solutions to enhance the connection between nature and human-friendly environments indoors.

We are on a mission to restore respect for nature, and guide people and the planet towards healthier, sustainable urban living. Employing more than 70 people, Naava operates in 16 countries and has more than has over 2000 customers and 6000 installed units around the world, making Naava the most sold green wall in the world.

Our headquarters is located in Helsinki, Finland, with other offices in Oulu, Jyväskylä, New Jersey, and Stockholm. We work with committed mission-matched partners in Europe, North America, Asia, and the Middle East driven by the innovative business and everyday impact opportunity with Naava.




6000
Naava’s installed by 2022, in...


16
countries, powered by...


300 000
Naava biofilters with living plants, of which...


70+
employees across the globe take care of!

Our purpose

According to the World Health Organization, inhaling poor, polluted air thousands of times a day is one of the **most significant environmental health risks** of the 21st century.¹

Today, more than 55% of the world’s population lives in urban areas, and by 2050, it’s estimated to reach 70% of the population. Most of the city-dwellers will be populating mega-cities, where nature is scarce and hard to reach. Even in urban areas with good connections to nature, we spend more than 90% of their time indoors. As a result, we have isolated ourselves from the species-specific environment we have adapted to live in, and the fresh air we were born to breathe.

The core of our handprint is to work on solving this global threat. Currently, around 390,000 people are connected with nature indoors and breathe the purified, humidified, and naturalized air made by Naava’s – both factors being scientifically proven to increase health, decrease stress and improve cognitive functions.

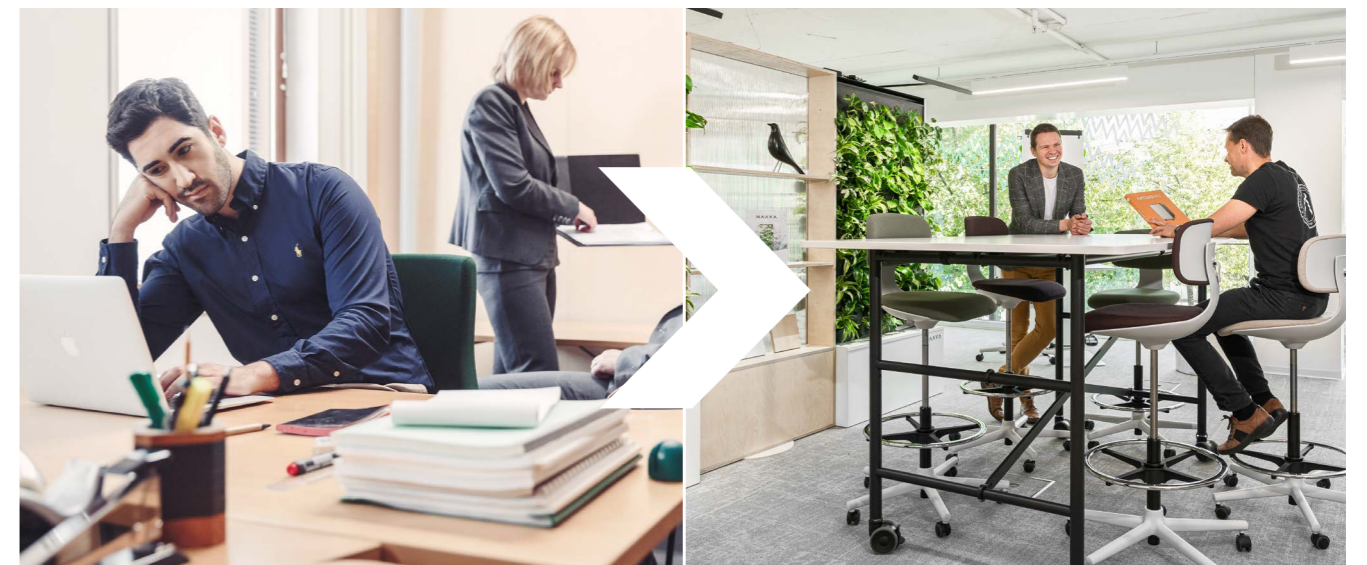
[Learn about our purpose](#) ➤

Mission

We believe that healthy air and genuine everyday interaction with nature are human rights.

Vision

We drive people and the planet towards healthier, sustainable urban living by bringing the power of nature indoors.



Case Study: Founders' story

"I was born in Lapland, in a beautiful place called Posio. I spent much of my childhood outdoors in the wilderness, surrounded by crystal-clear lakes, rivers, and forests. I had the privilege to grow up breathing the cleanest air in the world – even though it was a luxury I did not appreciate at the time. I was working as a schoolteacher in my 20s, when I got seriously ill due to poor indoor air quality.

I soon realized that there were many others like me who suffered from similar symptoms. I met with Niko, who had been researching microbes and their purification ability.

An idea was born.

Soon after a rigorous test period of the idea, the two found that it helped. Being indoors for long hours in a row wasn't that bad anymore. The duo became a trio after Mika joined the venture, which from that point on has aimed to get that benefit of fresh air to as many people as possible around the world.

Since then there have been ups and downs, but the ambition is still the same: help solve this global issue of bad indoor air as much as we can."

Aki Soudunsaari,
Co-Founder & Board member

"In cities, where you might see one tree per day en route to your office, I realized what a privilege it had been to live in that pristine environment."



Experience the power of nature. Indoors.

Combining the best of **air purifiers**, **humidifiers**, and **plant walls** into one innovative product, Naava creates solutions to enhance the connection between nature and human-friendly environments.

Naava uses unique, patented technology to maximize the air purification efficiency of plants; or, more accurately, the ability of the plant root microbiome to break down pollutants. Naava optimizes the efficiency of plants: each biofilter equals 100 regular plants.

Travel through Naava >



Air quality: Purifies indoor air from harmful pollutants



Air humidity: Optimizes humidity level



Health: Improves immune system with healthy microbes



Productivity: Improves cognitive functions



Mood: Decreases stress and boosts happiness

1

Naava's fans direct air through the biofilters

2

Root microbes break down pollutants

3

Purified, humidified air is returned indoors

Our values

Naava's culture is centered around five core values. We are passionate about what we do and care deeply about the people we help – hundreds of thousands of people are healthier and happier right now, thanks to what we have done. We build a winning team culture, which relies on strong **cooperation**, setting and achieving demanding **goals**, and **doing good**.

Action

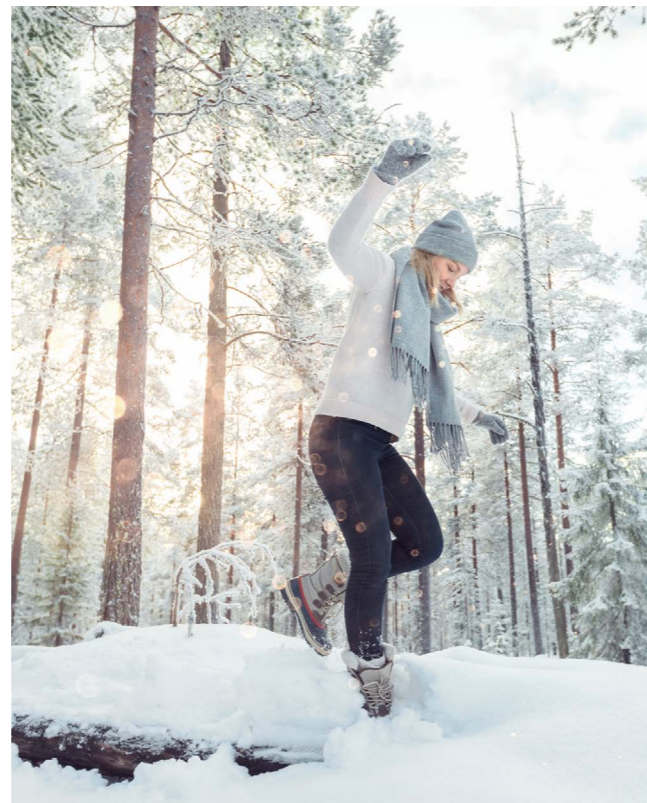
A verb, not a noun. Action and agility are vital to our culture and our ongoing growth. Things don't always go as planned - when they don't, we learn quickly and share the learnings to make us all stronger. We achieve without compromise. Fate obeys doing.

Openness

We work openly and transparently. We appreciate every interaction with the people around us – be it a team member, a visitor, a client, or an investor. We believe that we will build a brighter future for all of us this way.

Pioneering

We are doing things that have never been done before. We have built the core of our innovation on bold experimentation and trials. We believe that we will achieve results by giving people the space and encouragement to be and express themselves, find their way of working and be supported to take risks.



Trusting each other

We define trust as faith in the goodwill of others, and we honor this in our words and actions. Every day. We believe that what goes around comes around. We give out trust and goodness, and it comes back to us.

Taking care of others

Everybody takes responsibility for their actions, but we leave no one alone. We are creating a better tomorrow by taking care of, supporting and helping each other. Together.

Highlights of 2022

UN Global Compact

Naava is a recently accepted participant in the [UN Global Compact initiative](#) and is committed to following its criteria now and in the future.

Showroom

Naava's new flagship showroom was opened in the middle of central Helsinki. It has generated a great amount of action during the past six months.

European Enterprise Awards

In May of 2022, Naava received two awards at the 2021 [European Enterprise Awards](#): Best Green Wall Provider 2021, and Sustainability Excellence Award 2021.



ADELE study

A [2022 study by Soininen et al.](#) and the ADELE research group discovered that Naava's products alter the microbiome among office workers, having a potential in promoting microbiological diversity in built environments.

Challenges of 2022

Russo-Ukrainian War

In 2022, when Russia attacked Ukraine, our company faced challenges in navigating the complex political and economic situation. Despite these difficulties, we remain committed to conducting business with integrity and ambition.

Covid-19 pandemic

As with many other companies, individuals, and societies around the world, Naava also felt the negative impact of the pandemic. It led to disruptions in many aspects of our operations, including difficulties in sourcing materials, encountering component issues, and increased transportation costs.

Labour shortage

Finding suitable workforce was a challenge in 2022 due to factors such as a shortage of skilled workers in certain industries, competition for talent among companies, changing job market demands, and the ongoing impact of the pandemic on the labor market.

2G & 3G hardstop

Late in the last decade, we recognized that a technological support for our first product lines will end in 2025 due to the termination of 2G and 3G connections. Due to this hard stop, we must remove our first models from the field in 2025, which cuts the potential lifespan of many products.



02 Sustainability at Naava



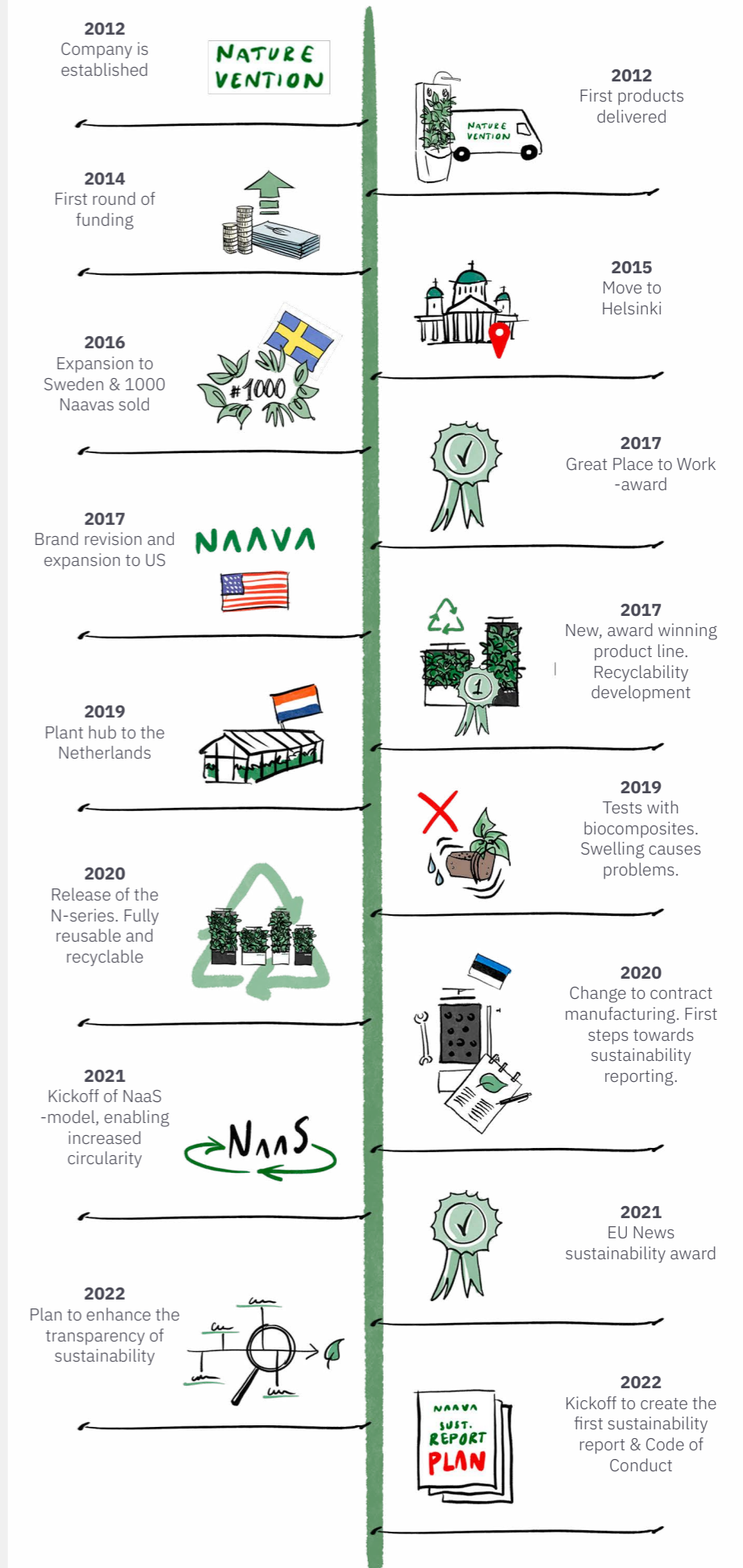
Case study: Our development
Our sustainability survey
Strategy for sustainability
Our value chain
Future targets

The world is getting continuously more cautious about the needs and benefits of sustainable actions for us and our planet. To its core, this is a good phenomenon, but it hides many opportunities for exploitation. All Naavas are covered with a green surface, which in all its vividness, can easily create a sustainable impression. Hence, we have an advantage regarding the first impressions of a company's sustainability. However, this is only an additional motive for us to truly be sustainable, as we don't want those positive impressions to be ruined when looked closer. Thus, while still having that wow-factor, we also wish to impress with low footprints and high health benefits.

Case Study: Our development

Historically, sustainability hasn't always been the top priority at Naava. Things were done sensibly and according to moral principles, but sustainability was not the hot potato it is today. It was more a silent driver, which stayed inside the company's facilities, until just recently. A few years ago, a particular product development project began to pay special attention to sustainability, and in the last year and a half, we have been committed to developing transparency and holistic sustainability.

Although we have always thought we're doing the right things and are a net positive actor, only now have we been able to concretize these ideas and develop them further in a more controlled manner. The health benefits of Naava have been known for quite a long time, but especially the footprint of our operations has been brought to new light during this phase of our journey. Now, we're not looking back, but are rather trying to push even further with our sustainability initiatives. More about our future ambitions in the following pages.



Our sustainability survey

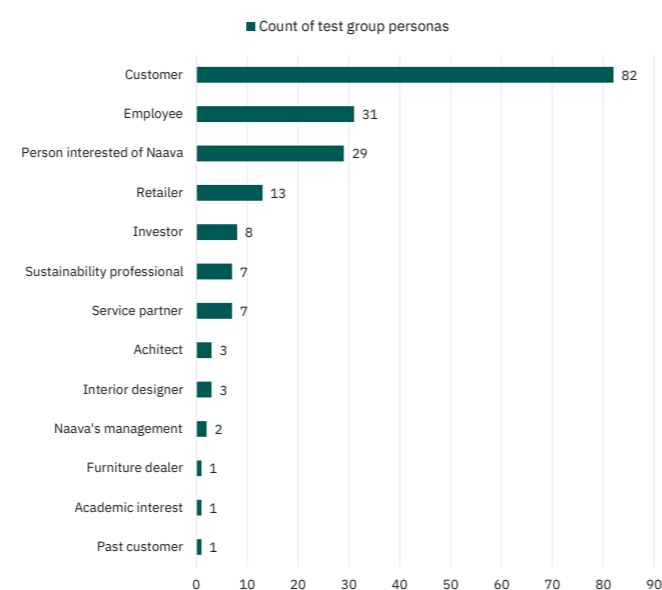
Naava's first **sustainability survey** was carried over in the beginning of June 2022. The goal of the project was to investigate what sustainability related actions would mean the most to the ones closest to Naava. The survey was sent to a broad group of Naava's stakeholders from investors to employees. We managed to gather 190 answers to the survey, which already showed clear trends of the stakeholders' opinions.

The survey asked the respondents to select sustainability-related actions they would like Naava to focus on in the future. The test group of 190 people gave in total 868 votes, whereupon one person chose in average 4.57 different actions. The initial request was sent to approximately 3000 people, so the answering percentage was a bit over 6%. Most active stakeholder group was our customers, who formed the majority of 43% of the test group. The clear winner of the proposed actions was to continue supporting the circular economy. This won with 112 votes over "pursuing for more sustainable materials" (81), and "improving energy efficiency" (70).

The customer group contained 82 answers and 365 votes, from which the Finnish language group brought 61 and 267, and the English language group 21 and 98. For our 31 employees who took the survey, "Improving employee satisfaction" was the most significant action with 15 votes. Improvement of our general transparency was also highlighted within the employee group. For our investors the development of sustainability reporting and general transparency were highlighted when compared to other groups.

The survey has already guided our focus on sustainability-related topics, and has, for example, affected the creation of this report. We want to listen our stakeholders, and act according to their demands. For this to be possible, this survey is

essential. We are planning to do similar surveys again in the future to follow if the trends carry on or change over time.



Strategy for sustainability

Key parts of our sustainability strategy are tied to various commitments. Naava is a supporter of Agenda 2030 and a recently accepted participant of the **UN Global Compact initiative**. We are committed to acting according to the standards set by the UN and strive to promote them in our future operations. From the 17 sustainable development goals set by UN, we have selected three as the most significant for Naava, which we strive to include in our decision making and culture.

The initiatives of UN lay a great groundwork for building a strategy for sustainability. We have used the reporting framework of Global Compact and the SDGs as guiding principles while establishing our processes for measuring sustainability, and will continue to do so. We also utilize the Global reporting initiative (GRI) in this report, and will continue building our reports accordingly.

The commitments represent our ambition for continuous improvement on sustainability, but also highlight Naava's strive to become more transparent. We have always seen ourselves as a sustainable company that does many things employees and planet first. However, with this report and these commitments, we aim to showcase this to the public. In future, we aim to publish broader and more thorough impact analyses. As we invest in development of our sustainability, the key target in all acts is to maximize our net impact. A critical part of our sustainability strategy is constant improvement on doing more good with less negative outcomes. We are committed to reaching complete carbon neutrality by 2027, and grow as a company while doing so. Yet it makes this initiative a prime example of our commitment on improving Naava's net impact, but also on how sustainability is embedded into our main strategy.

We aim to reach this target by changing to carbon-friendly energy sources and developing our

products to carry less and more sustainable materials. More about this and other initiatives later in the report. While aiming for development on multiple areas, it is also significant for us to keep our governance actions aligned with our stakeholders' demands. Safety and trustworthiness will continue to be prioritized.

Our SDG's

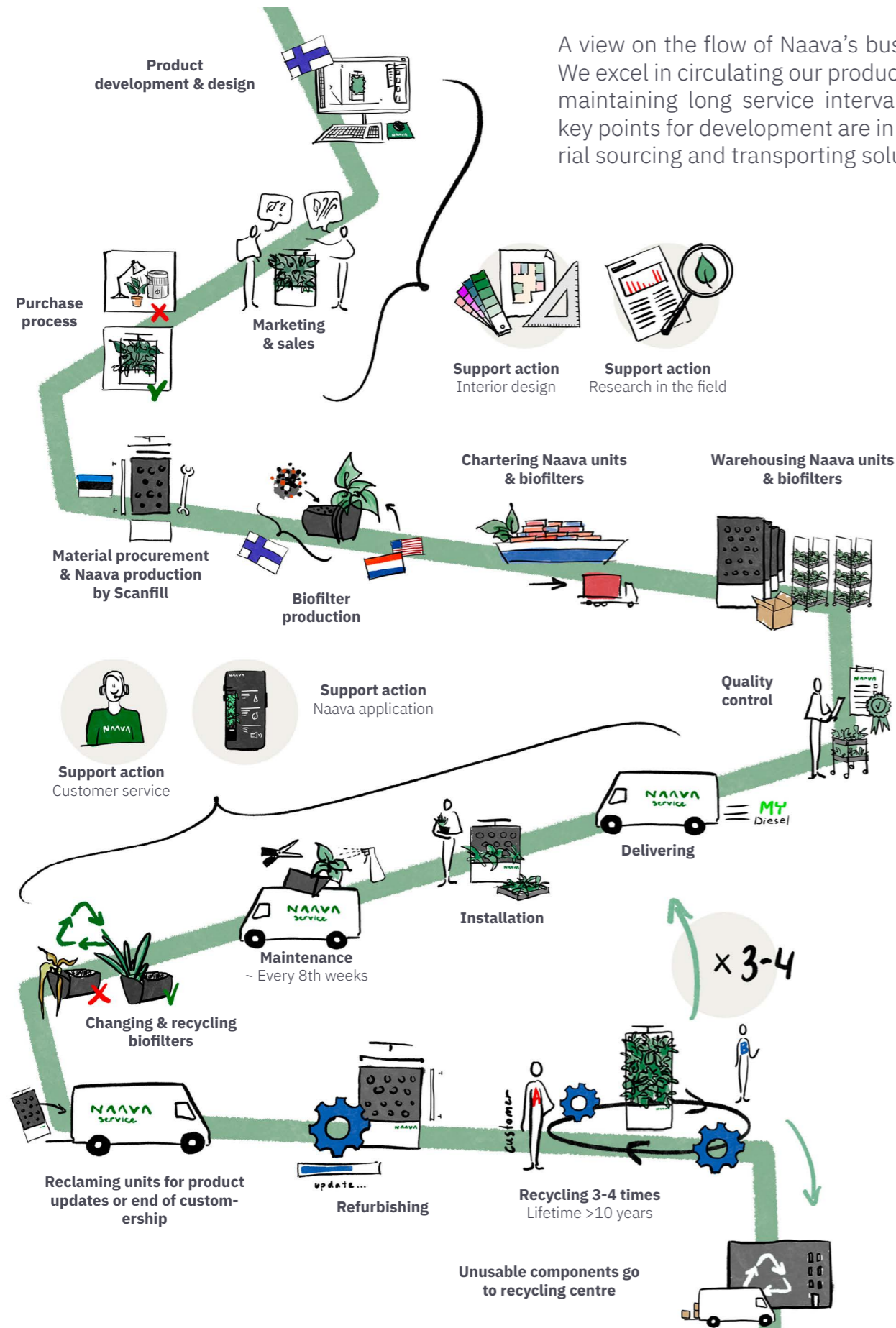
3: Good Health and Well-being
Naava aims to promote human well-being by developing solutions that bring back the ancient virtues of nature into people's lives.

10: Reduced Inequalities
We actively strive to minimize phenomena that could cause inequality or insecurity in our work community.

11: Sustainable Cities and Communities
Our science-based solutions enable communities to have effective ways to strengthen their connection with nature.

Our value chain

A view on the flow of Naava's business. We excel in circulating our products and maintaining long service intervals. the key points for development are in material sourcing and transporting solutions.

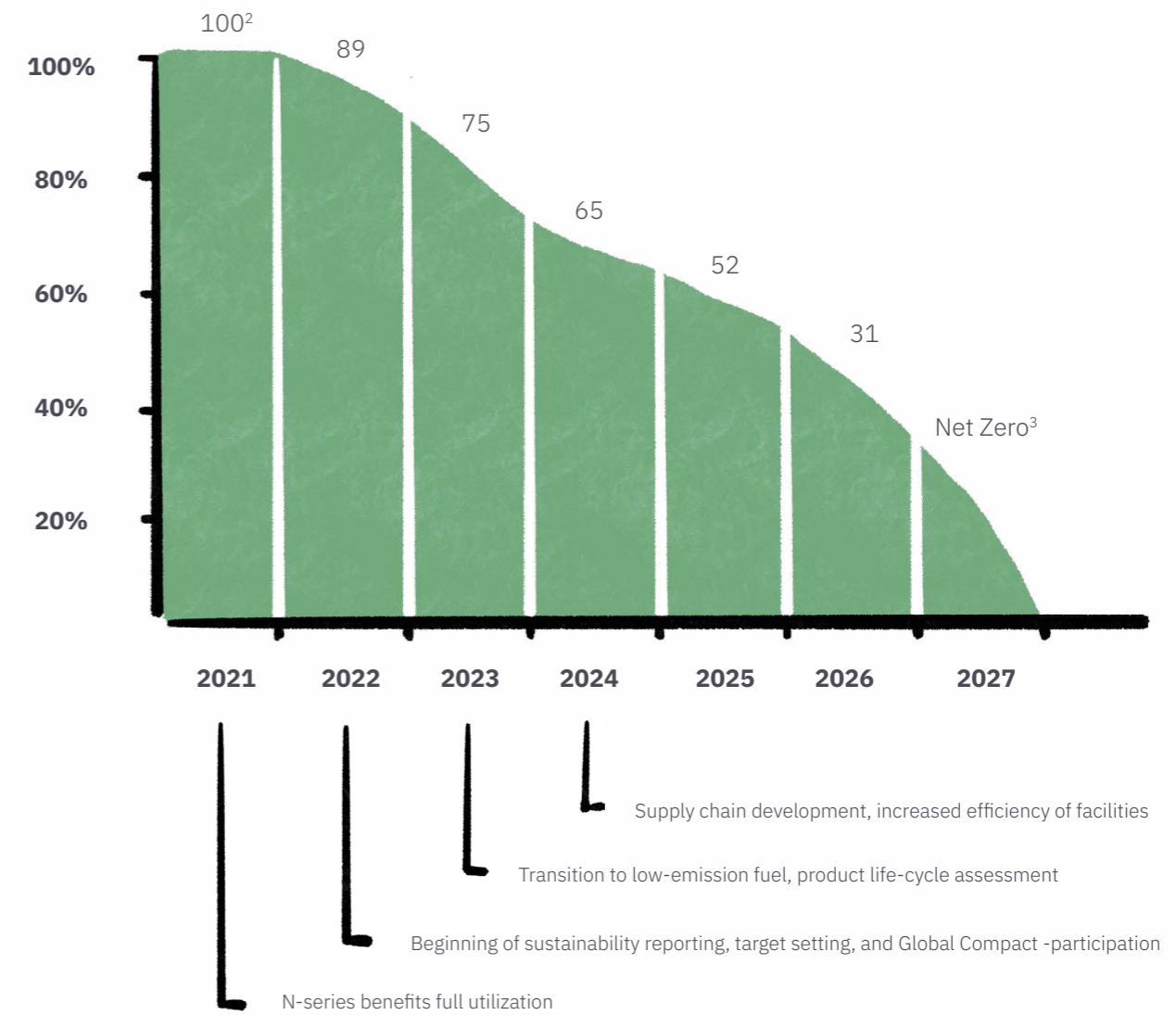


Future targets

Key part of our sustainability strategy is to decrease the footprint of our operations. Hence, we made a commitment to reach carbon neutrality by 2027. We plan to do more with less, which leads to an increased net impact. More about the plan in the next chapter.

Naava's journey to net zero

Remaining GHG intensity (%) relative to the 2021 baseline¹



¹ The intensity is calculated as actual or estimated scope 1, 2, and 3 emissions divided by actual or estimated revenue.

² 2021 Scope 3 emissions are from the Upright Project's modeling of Naava. Naava's scope 3 emissions are reported in more detail for 2023 report. Yet initial calculations are in line with Upright, so no changes are expected to the roadmap in 2023.

³ Naava has committed to reaching full carbon neutrality in 2027. To reach full neutrality, Naava plans to utilize carbon credits to achieve the 0% mark. However, Naava is committed on first developing their own operations, and leaning towards neutralization only with emissions, that cannot be removed.

03 Triple bottom line



Our net impact
Environmental
Social
Economic

We aim to be pervasive in our sustainability work. Thus, we follow the Triple bottom line framework¹ in our sustainability management, which helps us to evaluate our sustainability performance across three interconnected dimensions: social, environmental, and economic. The success as well as the net impact of Naava consists of these three bottom lines. We can provide a more comprehensive and balanced view of our company's performance by addressing our sustainability through the framework. Yet let's first look into the net impact of Naava to initialize discussion around the three dimensions.

¹ Harvard's take on the Triple bottom line

Our net impact

We see our impact as two-dimensional: **Handprint** contains all our positive effects on society, whereas **Footprint** is everything we leave behind. Working equally on both sides of the equation leads to holistic sustainability management, which we see as the best way to **maximize the net impact** of our company. We see, that **giving more than we take**, leads to longevity and sense of fulfillment.

We have identified our impacts by mapping our company's actions within the Triple bottom line -concept, using the GRI G4 Construction and Real estate sector standards as guidance. We have used our experienced stakeholders as help in mapping all our significant, actual and potential, and negative and positive impacts on economy, environment, and people.

This set of impacts compiles our net impact. We have engaged various employees from different parts of the company as well as our board members in specifying our material topics, but for example, the sustainability survey gave us new insights on this matter from many stakeholder groups, ranging from customers to investors.

We have prioritized our footprint before our handprint, as that we have kept more to ourselves in the past, but now want to disclose all impacts we leave behind to the public. The material topics we disclose have also been prioritized based on their significance to our stakeholders and their potential impact on our business and society. We have also considered the UN Sustainable Development Goals (SDGs) in selecting the topics.

We have disclosed relevant information on these impacts in the respective sections of our sustainability report. We are committed to continuously improving our sustainability performance and reporting on our progress in the future on both sides of the net impact.

Naava's material topics

Economic	¹ FP	² HP	GRI
Economic performance		X	GRI 201
Anti-corruption	X		GRI 205
Environmental	¹ FP	² HP	GRI
Material consumption	X		GRI 301
Energy consumption	X		GRI 302
Water consumption	X		GRI 303
GHG emissions	X		GRI 305
Waste management	X		GRI 306
Supply chain environmental	X		GRI 308
Social	¹ FP	² HP	GRI
Employment		X	GRI 401
Employee wellbeing	X	X	GRI 403
Employee training		X	GRI 404
DEI topics	X	X	GRI 405
Discrimination	X		GRI 406
Supply chain social	X	X	GRI 414
Customer health & safety	X	X	GRI 416
Data security	X		GRI 418

¹FP = Footprint
²HP = Handprint



Environmental sustainability

Environmental sustainability is often seen as the spearhead of sustainability due to its relevance for humanity’s fight against global warming, the largest threat to our existence in centuries¹. It refers to all impacts, positive or negative, that we have on the environment. Here we will provide an overview of our environmental performance, highlighting both our achievements and areas for improvement. Our business is tightly connected with nature, as we conduct business by utilizing its resources. Hence, it’s important for us to respect the fragility of it in all of our operations. We are still on the journey with our environmental sustainability, but heading in the right direction, which should lead us to our target of becoming carbon-neutral in 2027.

¹United Nations

Our emissions

2022 was the first year Naava made thorough calculations of its greenhouse gas emissions (GHG). For this report we have gathered our **Scope 1 and Scope 2 emissions** from 2022, but also 2021 to showcase our development in this matter. The two scopes calculated present the footprint of operations that Naava either owns or controls, and all energy that has been bought to enable those operations.

When calculating the presented GHG emissions, the [Greenhouse Gas Protocol](#) was followed. Yet all emissions are categorized to one of three scopes, which lays the baseline for GHG calculation.

The first scope consists of direct emissions caused by operations that Naava controls. As our manufacturing is outsourced to a large Finnish technology subcontractor Scanfil, Naava’s only Scope 1 source is our own service vehicles. In 2022, we had service operations in Finland and Sweden, where we have in total 10 cars, which we drove a total of 270,000 kilometers in 2022.

Scope 2 emissions consists of indirect emissions associated with the purchase of electricity, steam, heat, or cooling. Majority of our Scope 2 emissions originate from the electricity and district heat used at our facilities in Finland, Sweden, and US. Moreover, a significant percentage of Naava’s Scope 2 emissions are generated by an indoor garden in Netherlands, from where we source most of our plants. The emissions from the greenhouse are calculated as Scope 2 emissions, as the operations in Netherlands are heavily controlled by Naava.

The last scope, the scope 3, consists of all indirect emissions other than the scope 2 emissions originating from the used energy. In 2022, Naava decided not to calculate its scope 3 emissions to ease its first reporting process.

The company is planning to conduct a complete life cycle assessment in 2023, which requires the calculation of scope 3. Therefore, a year from now, we hope to present you a more comprehensive look to our greenhouse gas emissions.

During the reporting period, we have gained various new insights of our company’s emissions.

GHG emissions



GRI 305-1	2022	2021
Total emissions (Scope 1 & 2), Tonnes CO ₂ e	118.2	116.2
GRI 305-1, Scope 1 emissions, Tonnes CO ₂ e	54	46.6
GRI 305-1, Scope 2 emissions, Tonnes CO ₂ e	64.1	69.6
GRI 305-4, Emission intensity, Tonnes CO ₂ e / Revenue (Meur)	22.7	27.0

Our scope 1 emissions cover only CO₂ related emissions. Scope 2 emissions are calculated with source specific CO₂ conversion rates, which are multiplied by the kWh amounts of used energy. If no source specific rates were given, regional averages have been used. Naava’s biogenic CO₂ emissions are calculated as scope 3, which is why those aren’t yet reported. GWP rates are not relevant since Naava only reports emissions related to CO₂. Scope 1 and 2 are included in the calculation of the GHG intensity.

For a long time, Naava has tried to make right decisions for itself, but also the surrounding environment. Yet many new gaps of development were presented in the reporting process. Those gaps we have now started to turn into actions.

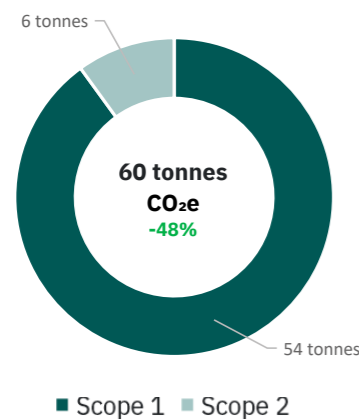
First, we have funded additional carbon sequestration by purchasing verified carbon credits equivalent to our Scope 1 emissions, which makes us carbon neutral by our own operations. Yet with this act we are covering the part, we wish to not emit at all in the future, but this sets the tone for our journey to complete carbon neutrality, which we aim to reach in 2027.

To acquire the carbon credits, we partnered with the Finnish actor Green Carbon. All our credits are from forests near Posio, Finland. This was a great match for Naava, as our story begins from those woods. The projects created by Green Carbon aim to increase the carbon sequestration capacity of existing forests. Any additional carbon sequestration that exceeds the baseline forest carbon sequestration is sold on voluntary carbon markets as carbon credits. The additional carbon sequestration achieved by these projects helps to mitigate climate change and supports Finland's goal of becoming carbon neutral by 2035.

Energy and fuel consumption

To continue the series of actions we turned into reality during the reporting period, switching to Neste's Renewable My Diesel™ is also a significant one. With this change decided in December

GRI 305-5, GHG Reduction



The scope 1 reduction implies the purchase of carbon credits. This isn't reduced from the scope 1 total on page 21. The scope 2 reduction arose from our change of offices in Finland. This is included in the scope 2 total on page 21. All savings are from CO₂ emissions. Naava hasn't followed reductions before 2022, so no base year is presented.

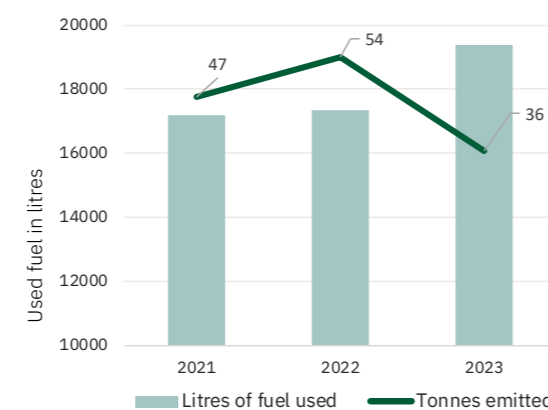
of 2022, Naava's carbon footprint from its Finnish maintenance drives will be reduced by up to 90% over the entire life cycle of the fuel, compared to the use of fossil diesel. The life cycle emissions and emission reduction calculation methods are in accordance with the EU Renewable Energy Directive II (2018/2001/EU).

From the beginning of 2023, our all possible service visits will be driven with this low-emission fuel in tank. From our 10 service cars, eight support the Neste's solution, which should end up cutting our scope 1 emissions approximately 23 tonnes in 2023 alone. We estimate that the reduction from our 2023 Scope 1 and Scope 2 emissions may surpass 20%.

Yet in 2022 Naava was still driving with traditional fuels, which caused the scope 1 emissions of 54 tonnes. Through the course of the year Naava consumed 17.3 thousand litres of fuels, and drove over 290 thousand kilometres. Therefore, Naava's average emissions were 3.1 kilograms of CO₂e per litre of fuel, and 180 grams of CO₂e per kilometer. These we wish to drop to 1.9 kilograms of CO₂e per litre of fuel, and 112 grams of CO₂e per kilometer in 2023.

The third action, that is at least indirectly a result of the reporting process, is our increased consciousness about the emissions of our facilities. Due to the previous blindness to our total GHG emissions, we haven't put a clear emphasis on the sustainability of our facilities in the past. Yet

Fuels used



All litres in 2021-2022 are consumed in Finland or Sweden. In 2023, Naava will also start service drives in the United States. 2023 number is an estimate. The development in efficiency is caused by the change to Neste's My Diesel in Finnish operations.

now we have put it as one key priority, of which our new showroom is a good example.

This rented facility at the heart of Helsinki has been awarded a [BREEAM](#) In-use "Very Good" -certificate, uses only wind power as a source for electricity, and is planning to change to carbon neutral heat in the next couple of years.

These qualities we'll start to seek in our other facilities as well, and we are happy to note that many of our renters have already taken steps towards better in the last few years. From our four facilities in Finland, three have switched to using only renewable electricity sources, and two of those have also decided to build their own solar plants. One has already switched to carbon neutral district heat, and as said, our Helsinki showroom has also planned to do so.

In Sweden we have two facilities controlled by us: one office and one warehouse. The office uses 100% renewable electricity and 99% renewable heat. The warehouse sources 100% of its electricity from renewable sources, but still uses fossil sources for heating and cooling.

In North America we have one office space, and one warehouse. Moreover, we also control Naava-specific operations in two greenhouses. ¹Fun fact time: the office space our US employees utilize at the moment is also the home of the first commercial solar cell ever. Nowadays, this space still utilizes only renewable electricity sources. From the other three facilities, two are also using only renewable electricity. The greenhouse in Netherlands was tied for a long time entirely to fossil sources, which caused harm not only to our environment, but also cost-wise. ¹Netherlands have fallen quite much behind in the utilization of renewable energy sources, which may reduce viable opportunities in the area.

Yet in October 2022, the greenhouse finished building its own solar plant, which will provide all electricity needed for the facility from now on. Initially the idea to establish a plant hub to Netherlands had a lot to do with sustainability, as serving the whole Europe is more efficient from there, but this feature raises to its full potential only if the emissions from the heating can be reduced in the future.

With this development, 9 of 11 facilities under our own control used or were switching to using only renewable electricity in 2022. Also two of 11 used or switched to using renewable heat and cooling solutions.

When calculated from the used energy -volumes, the share of renewable electricity sources was 68%, and the share of renewable sources from all energy needs was 22%. We expect the total share to rise significantly in 2023 as the change to My Diesel, the implementation of the solar plant in Netherlands, and the change to carbon-neutral heat by one of our Finnish facilities are calculated in.

In order to reach our carbon neutrality target, we must keep developing the renewable side of our energy intake. We are eager to help and encourage all of our facility partners to further improve their energy sourcing, and will continue suggesting more environmentally friendly solutions. If searching for new facilities, we will follow in the footsteps of the showroom project, and seek only options with energy usage that's in line with our sustainability strategy.

GRI 302-1, energy consumption

Datapoint	2022	2021
Energy consumption, GJ	2231	2096
Direct energy consumption, non-renewable	646	630
Diesel	646	630
Direct energy consumption, renewable	21	29
Bio-diesel	21	29
Indirect energy consumption, renewable	474	312
Electricity	271	183
District heat	202	129
Indirect energy consumption, non-renewable	1090	1125
Electricity	125	182
District heat	965	943

Consumption is based on reports received from service providers. Standard conversion factors are used. Naava doesn't use any steam in its operations. No cooling related consumption was reported to Naava separately. Possible cooling consumed is included in the electricity total.

GRI 302-3, energy intensity

Datapoint	2022	2021
Energy intensity, mWh/Net sales (Meur)	119	135

Energy intensity is calculated by dividing the total energy consumption in MWh by the revenue of Naava.

Circular economy

Over the course of 11 years, 5000 Naava green walls have seen daylight. Almost all of the devices manufactured are still in use, which reflects our ambition to give at least **three to four lives** to all Naavas.

Circularity of our products is the one sustainability-related feature we have tried to foster from the very beginning. Our products are designed as such, that the products themselves, but also single parts can be easily circulated to new purposes, when the old use case isn't there anymore. After one contract period has ended, the returned products are refurbished for a new customer. Due to this business model, Naava has been noticed by Sitra as [one of the most interesting circular economy companies in Finland](#).

Our goal for all Naavas we produce is to have at least 3-4 "homes" during their lifecycle. Currently, this equates to approximately 10-15 years of lifespan, but we believe that the lifecycle of our latest products can be even longer. There are still products in use from our first product series from over 10 years ago, which is a testament to the durability of our products. When customers want to dispose of their Naavas, they simply need to contact Naava, and we will take care of the further processing of the products.

With our latest product line, the N-series, we have put even more emphasis on enabling an even longer lifecycle for a single product. Different parts of N-series products can be circulated to other products more efficiently, making the product line easier to repair, and the re-use of imperfect products a more viable option. Potential lifespan of the implemented technology has also been thoroughly evaluated, and should be operational, or at least updatable, for decades to come. A need for this was emphasized, as late in the last decade, we realized that a technological support for our first product lines will end in 2025 due to the termination of 2G and 3G connections.

Due to this hard stop, we must remove our first models from the field in 2025, which cuts the potential lifespan of many products. This we don't want to happen to our other product models in the future, and hence have invested in developing the hardware of our products as such, that it can serve for as long as needed.

If, for example, because of the 2025 hard stop, a product serviced by us is no longer suitable for circulating to the next customer, we aim to recycle 100 percent of the waste generated. We dismantle the products beforehand, and then hand over the unusable materials to regional recycling centers. All used centers act under their domestic legislation and in the best interest of their regional society. If some components of the product are still usable in our other products, we try to make the best use of these opportunities. During the lifecycle of Naava, the plants are changed as needed, which is influenced by factors such as the season. We aim to compost all our plant waste. The only exception is the Netherlands, where part of the biomass is recycled to become build-

GRI 306-3, Waste generated

Datapoint	2022	2021
Total waste generated, tonnes	26.7	21.7
Non-hazardous waste	23.8	20.1
Biomass	20.3	17.6
Metals	2.7	2.0
Plastics	0.8	0.5
Hazardous waste	2.9	1.7
Electricity	2.9	1.7

All waste presented in tables above is either diverted from disposal or directed to disposal off-site. Naava didn't collect information on how the materials brought to recycling centers were handled afterwards. We aim to correct this in 2023. There was no on-site disposal in 2022.

ing material. Our biofilters, which serve as plant pots, circulate for several plant cycles before being recycled. If Naavas serviced by our partners become unusable, we may call them back or agree about recycling with the partner. Yet we can't always guarantee the final handling process of these Naavas. We aim to better ourselves with the transparency of these processes in the future.

As of now, we follow how many, and what, Naavas are taken of the field, and how many plants we have used during a specific period. Moreover, we track our consumption of repair parts. By combining these figures we can calculate the total waste generated from our products. Still, we can only tell exact figures considering our own operations, which we aim to correct for the next report.

Materials & design

Even after we have excelled in circulating our products efficiently, we still aim to minimize the use of resources in creating a product, repairing a product, or packaging one. In this matter we have also taken significant leaps over different product lines. As of now, our most popular product, the Naava One N100 carries a dry weight of 78 kilograms. From that 34 kilograms is aluminium, 22 kilograms are plastics, 4 kilograms are electronics, and the rest is some form of biomass. This product belongs to our latest product line, the N-series, which achieved significant improvements to get us to the above-mentioned figures.

The Naava N-series has elevated the quality and sustainability standards of our entire product portfolio to a new level. The minimalist and timeless design has been finished with careful attention to detail, which can be seen from the following figures. In average, the N-series carries 49% less aluminium and 45% less plastics than our older models.

Moreover, 48% less e-waste will end up in recycling at the end of Naava's life. The N-series is specifically designed to be recycled or, preferably, re-used more efficiently.

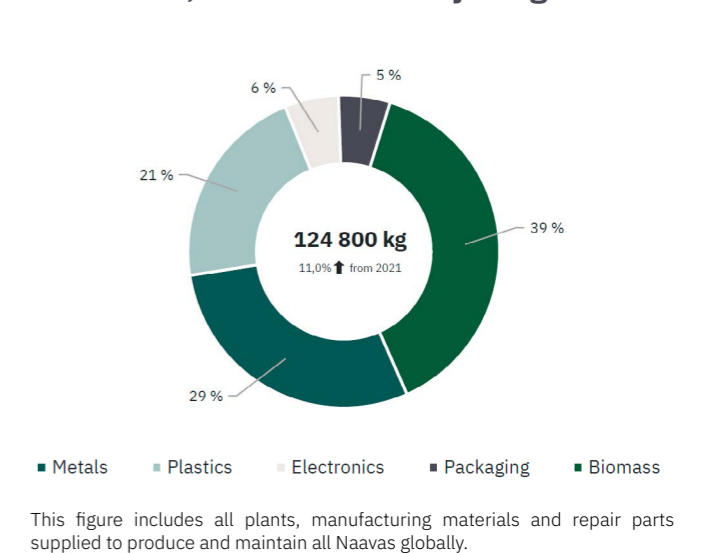
Yet the N-series isn't a product of our achievements in 2022, but it's our current flagship and the modular design of the product line works as the foundation for our product-specific sustainability enhancements in the future. A significant percentage of our operational products belong to this product line, and we estimate that 1,280 tonnes of scope 3 emissions have already been saved with our achievements in reducing needed materials.

Moreover, we continuously aim to manage with less, but the next steps of development may not come easy. As of now, 15 percent of the aluminium we use comes from recycled sources. We aim to increase this figure significantly within the next few years. Moreover, we have, for example, tried replacing plastic parts with biocomposite ones. However, the humidity within our products wasn't in favour of those materials, which is why we must keep searching for better equivalents.

We are also developing our manufacturing practices with Scanfil to reduce material losses. Our spoilage in manufacturing was 3.9 tonnes in 2022. This figure and the consumption of spare parts we especially aim to reduce in the future.

We will continue collecting information on all materials we use, and will strive to minimize the needed sum. Yet in the end, the most significant impact comes from sourcing more sustainable

GRI 301-1, Materials used by weight



materials, and using them for a longer period of time. Our planned improvement on these topics is aligned with our presented journey to net zero.

Packaging

In addition to the N-series' achievements in reducing the need of raw materials, we also managed to make our packaging more efficient, than it was with our previous models. As of now, we use 7 kilograms of fiberboard to package one Naava One N100, which is 76% less in fiberboard, and 81% less in packaging volume, when compared to our older models. All fiberboard we use for packaging is from recycled sources.

Origin

The frames of our products are manufactured in Pärnu, Estonia by a Finnish subcontractor Scanfil. Strong statement of Scanfil's sustainability is their commitment to ISO 9001, 14001 ja 45001 standards. Scanfil's resources support our growth-minded strategy, but they also fit our sustainability initiatives well. According to Scanfil, the primary origin of the suppliers of our metals is either Finland or Norway. Finland is also the primary origin of suppliers for plastics. For electronics, the suppliers are mainly from Finland or Estonia. There are multiple secondary suppliers for all materials classes mentioned ranging from EU to Asia. Our biofilters, growth medium, wood used in Oasis products, and service apparel are supplied from Finland, and as noted, plants are mainly supplied from the Netherlands. In North America and South Korea plants are supplied from local greenhouses, which are supported by either Naava or our Korean sales partner.

Our demands

One speciality in our products is that they combine living species, water, and technology. That

Origin of our suppliers (% of Naava's weight)

FI suppliers	76%
EU origin (work done in EU)	95%
EU origin (work + materials done in EU)	44%

Information combined together with our contract manufacturer Scanfil.

is quite rare in the commercial world, which we are proud of, but it also causes some challenges to tackle. Naavas need electricity to enable the built-in technological solutions, regular water input to keep the plants happy, and of course the plants to fulfil the products' initial mission of bringing nature's powers inside.

Electricity

Naava's get the electricity they need through an ordinary electric cord. Naavas need a constant stream of electricity, and can be weeks without any maintenance, why using cords has been the most efficient way to power our products. Our products demand on average 20 kilowatt hours of electricity per month. This costs around three euros per month¹, and causes 18.5 kilograms of CO₂ emissions over a span of one year², if calculated with the average emissions of electricity production in Finland.

Water consumption

On top of being lush design elements and purifying air at the same rate as 7000 ordinary plants, Naavas also humidify air. Healthy plants demand regular water input, which they eventually give back to their surroundings as their natural cycle moves on.

On average, Naava One N100 waters itself three times a day. One watering consumes around 3.1 litres of water, resulting in a weekly water consumption of 64 litres. Yet, this is altered by multiple variables, such as the settings of the product, or the natural humidity of the space the product is in.

The water consumption of our products happens mainly on our customers' facilities. We are not capable of altering the impact caused by the sourcing. In our service operations, we discharge water annually, when we clean the tank of our products. This body of water includes plant nutrients, and natural substances generated by the used biomass. On top of the water needed for our products, we use water for washing. We haven't followed the water consumption of our facilities, but aim to take it into account in the future.

Plants

As of now, we use nine different plant types that have all been tested to be optimal for our specific use case. We have scientifically proven their non-allergenic and air purifying qualities, and have 10 years of experience of the different needs of each species. In 2022, we changed on average 2.7 plants per visit. In other words, we changed 25% of the plants per Naava throughout 2022, as one Naava carries on average 70 biofilters.

The quality of the plants available on the market affects the development and variability of the plants' lifespan. The biggest factor in quality variation is the prevailing weather conditions. In 2022, Naava has had challenges with the supplied plant quality. In 2021, the rate of changed plants throughout the year was 20%, which showcases this issue.

Yet we're responsible for the plant quality ourselves. Our technology solutions strive to optimize the living environment of the plants 24 hours a day. We've succeeded in that to an extent, that our products can survive without maintenance for extraordinarily long periods, but we still have work to do to better support plants when they have just been planted to our products, or are getting shipped to us. Plants travel quite badly, which is one of the reasons why we have placed our plant hubs in central positions relative to operational Naavas.

¹. Electricity costs
². Average CO₂ per kWh in Finland

Tech-enabled efficiency

One of the most significant features, that separates our products from traditional green walls, is that Naavas are capable to automatically optimize their own living space so that the plants have the best possible conditions to stay healthy. This enables us to increase our service intervals, which leads to savings in CO₂ emissions.

Even though our technological innovations also impact the air purification power of Naavas, the main purpose of our software and maintenance algorithms is to optimize the living environment of our products. These two features are in many ways interrelated as healthy plants are capable of purifying more air, but we'll now focus on how our solutions enable our service to be more environmentally efficient.

Each Naava has sensors that measure the surrounding conditions of the product. All products are also connected to internet, which the product then utilizes to send data from the sensors to our cloud-based servers. Through this data, we can obtain information about the surrounding conditions of the product, and the impact the product has on its environment. Naavas then utilize this information to automatically optimize their own actions to enhance the living environment.

Moreover, Naava's are capable to send our service team notifications, if something unexpected happens. We are then able to remotely monitor Naava's actions. We may, for example, adjust the lighting or watering schedule, if a customer has a need for that. Of course, via our app our customers can do this by themselves as well. All in all, our solutions ensure that our plants have always the best possible conditions to perform and remain healthy.

Due to all these features, Naava's maintenance intervals are on average significantly longer than those of normal green walls, which means that significantly fewer maintenance-related kilomet-

res are accumulated per product. If we take an average emission rate of an European car¹, assume that an average service interval on the green wall market is 10 days, and take our average service interval of eight weeks, we could result in 33 kilograms of CO₂ emissions savings per customer per year.

We also actively work on route optimization to improve our driving efficiency and minimize the environmental impact of our physical maintenance work. We have strived to optimize all our routes for multiple years, but in 2022 we began a new project to build a better tool for our service personnel to quicker plan the routes of our fleets. This should result in fewer kilometres driven per customer per year. All the mentioned solutions are used by our own service teams every day. We are also actively coaching our service partners to better utilize our tools.



[1. EU average emissions](#)

Case study: thinking green

It may have been the making of this report, increasing societal pressures or something else, but sustainability definitely raised its status at Naava in 2022. We have had new ideas emerging from all over the company, to which the management has tried to respond. On this page we present some of the experiments, decisions, and thoughts that impacted our sustainability work in 2022.

As said earlier, we have already invested in decreasing our service operations' footprint. Our technology solutions and route optimization efforts have the initial impact, and turning to Neste's My Diesel will further enhance our carbon efficiency. We also offset 54 tonnes of emissions from our own operations, to cover the part we haven't been able to decrease yet. Still, there are already new ideas in the experimenting phase to help us excel more on this matter.

During the summer of 2022, we started to test electric service bikes in the downtown area of Stockholm. ¹Driving emissions can increase by even 40% while driving in cities, and the shorter the distance between stops, the smaller the efficiency benefit of traveling by car is timewise. In some cases the bike may be even more efficient. As our electricity in Sweden comes 100% from renewable sources, and ²modern electric bikes can travel around 100 kilometers per one kilowatt hour of electricity used, We can safely say that the carbon emissions from this solution are at least tens of times lower than the ones of regular driving. If this solution is found efficient enough from the service perspective, we are eager to scale it to other markets as well.

In 2022, we tied multiple new "green" -partnerships, to enable certain services to our employees with mission-matched partners, and to showcase our employees that Naava's commit-

ment to sustainability ranges outside our key operations, where acting sustainably is often also a good decision business-wise. First, we made a deal with the ecologically conscious fitness and wellness chain Greenfit, and as a result, all Naava members have the opportunity to train for free at their premises in Helsinki. We also struck similar deals with gym owners in our other focus areas, so that all Naava employees get to take care of their health whenever they feel like it.

We have also renewed our accommodation agreement with the Greenstar hotel chain. The company holds sustainability in high regard, which makes this partnership a great match for Naava. Greenstar's operations are based on responsible solutions and it is Finland's first carbon-neutral hotel chain.

Lastly, in Autumn of 2022 we started to investigate the carbon storing capacity of our products. ³As we compost all plant waste, the carbon intake of our plants should be netpositive, when the whole lifespan is included. Of course, were the end results of this investigation positive or negative, the emissions of our products stay as they are, but it could give more transparency to the carbon efficiency of our products. In 2023, we are planning to conduct a full life cycle assessment and simultaneously calculate our scope 3 emissions. This investigation will probably be continued in those projects as well.



[1. Increase of driving emissions in cities](#)
[2. Electric bikes efficiency](#)
[3. Emission savings from composting](#)

Social sustainability

Social sustainability refers to a company's ambition to be socially responsible and considerate of the social impacts of their operations, products, and services. This includes promoting social equity, diversity and inclusion, respecting human rights, and treating employees fairly, to name a few. At Naava, we have always believed that healthy employees can spread the health benefits of our services more efficiently. Hence, we have always held our employees' happiness in high regard. In this chapter, we will open up how we managed our social responsibility through the eventful, to say the least, 2022, how we have developed our work in employee safety and inclusivity, and what our company's handprint consists of.

Our handprint

The core of our handprint is to work on solving one of the most significant environmental health risks – inhaling poor, polluted air.

Our products' handprint can be derived from a simple equation: Number of people under the influence of Naavas globally times the varied health benefits the Naava's provide to their surroundings. Of course, as the health benefits aren't easily trackable, we cannot calculate precise figures of the impact, but that equation is an easy way to put it.

The handprint of our products differs a bit from the total handprint of Naava. Our company's handprint also spans our societal benefits as an employer and tax payer. Yet, also many of the other parts of Naava's handprint consist of actions under social sustainability. First and foremost, we wish to do good for people, which is the core of social sustainability.

Based on our own tracking system, the Breathe-index, there are 390,000 people in the world that are daily under the influence of Naavas. The Breathe-index is managed in our app, where there is data of the space a Naava is located. Every space has an assumption of the number of people being present daily, which is used as a multiplier in the index. Hence, the index calculates the number of Naavas active times the average amount of people present in the locations daily. Those people should benefit from healthier skin microbiota¹, decreased cortisol levels² (thus making less mistakes and feeling less stressed), and fresher and healthier indoor air³.



Naava's plants live in our own, completely soil-free growth medium. Leveraging the research by NASA, Naavas' air-purifying technology breaks down harmful compounds from the air with friendly microbes living within our biofilters.



1. ADELE Research project, Published in Nature.com, 2022

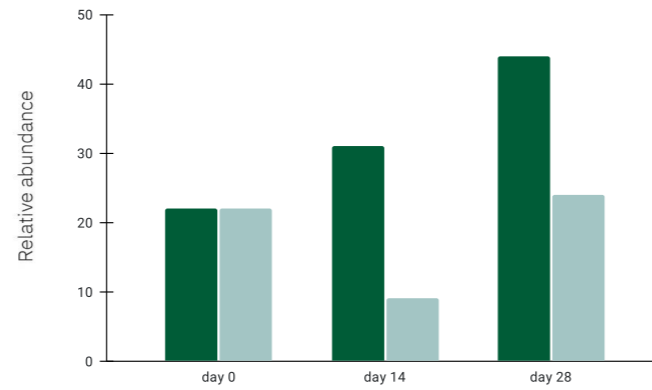
2. Naava Study, 2016

3. JYU & UEF, Published in Indoor Air, 2018

4. BRE & UTS, Published in Air Quality, Atmosphere & Health, 2017

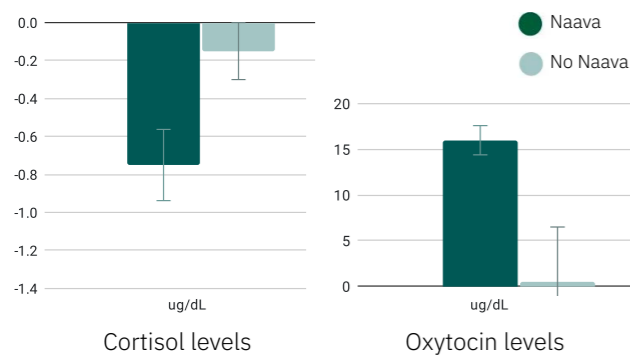


Improves immune system¹



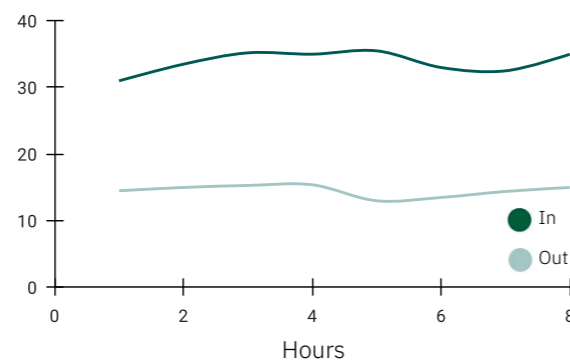
Naava increases the amount of health-associated skin microbiota

Supports recovery²



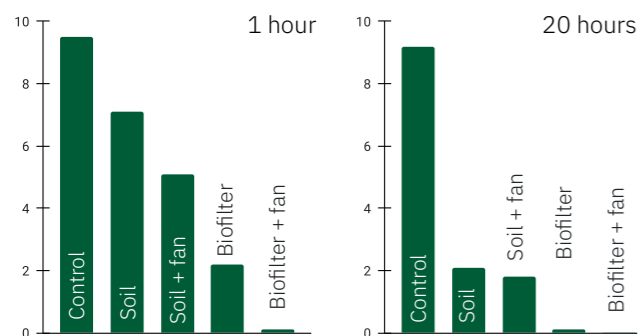
Naava makes you happier, less stressed, and improves cognitive skills

57% constant removal of chemicals³



Naava's biofilters remove harmful chemicals from the air consistently and without a decline.

100X more efficient than regular plants⁴



The technology and the unique growth medium of Naava maximize the natural cleansing power of plants.



Naava for its people

The purpose of our products is to improve well-being and happiness, making individuals more productive and satisfied at the same time. It is important for us to also support the well-being of our own employees – always in a comprehensive manner, over the benefits of our own products.

For us, as well as for other companies, employees form the most precious resource. Naava employs around 80 people, of whom around 70 are our permanent employees. Most of our employees are based in Finland, but we also have colleagues in US and Sweden. We also have workers who are not employees in Ukraine and Netherlands.

We aim to take the best care we can of our employees, as we see that as the most efficient, but also the most enjoyable way of conducting business. Being an employer is part of Naava's overall impact. We are committed to being a positive force on that end, which then sets our employer acts to our handprint more than to our footprint.

Values shape our community

Naava's actions revolve around five core values: Action, Transparency, Pioneering, Trusting each other, and taking care of others. We expect our employees to adhere to these values, and each employee is responsible for their behavior in accordance with them.

As concrete steps towards progress in 2022, we created a Company Culture Guide and Naava [Code of Conduct](#), which guide our employees towards actions that align with our values. With these guidelines, we pursue to maintain a community that is safe, inclusive, and motivating for all Naava employees.

GRI 2-7, 2-8 & 401-1

Datapoint	Total	Nordics	NA	Europe
Total number of employees	74	70	4	0
Permanent employees	72	68	4	0
Temporary employees	2	2	0	0
Full-time employees	64	60	4	0
Part-time employees	10	10	0	0
New hires	26	25	1	0
New hire rate	39%	39%	33%	0%
Leavers	16	16	0	0
Turnover rate	24%	25%	0%	0%
Workers who are new employers	7	0	0	7

Presented figures are the final numbers of 2022. New hires calculation: (new hires / employee count in the beginning of 2022). Turnover rate calculation: (number of leavers/total number of employees at the beginning of 2022). Headcounts include all relevant personnel, and no equivalents have been used.

Datapoint	Total	Female	Male
Total number of employees	74	43	31
Permanent employees	72	42	30
Temporary employees	2	1	1
Full-time employees	64	39	25
Part-time employees	10	4	6
New hires	26	13	13
New hire rate	39%	33%	46%
Leavers	16	9	7
Turnover rate	24%	23%	25%
Workers who are new employers	7	3	4

Presented figures are the final numbers of 2022. New hires calculation: (new hires / employee count in the beginning of 2022). Turnover rate calculation: (number of leavers/total number of employees at the beginning of 2022). Headcounts include all relevant personnel, and no equivalents have been used.

Employer's responsibilities

We are committed to being a responsible employer that understands its responsibilities towards its employees. Naava recognizes that it has a duty to provide a safe and healthy working environment for its employees, that covers risks, and lays a base for all-around wellbeing. We are committed to avoiding negative impacts on our employees and society at large. We believe that Finnish business law provides an excellent foundation for responsible and ethical employer practices, and we are committed to upholding these standards in all of our operations.

We pay, for all of our employees, the employer and insurance contributions mandated by regional legislations. In Finland, these include employee insurance and pension payments such as: pension contribution, health insurance, accident insurance, unemployment insurance, and group life insurance.

For our employees outside of Finland, we are striving to offer the same level of benefits we have in Finland. For example, our employees in US have broad insurance coverage provided. We also give opportunities for parental leave for all our employees. Throughout Naava's history, we have also offered stock options to many employees, and have arranged one share issue specifically for employees. All these benefits are valid for Naava employees in full-time employment, but many of them are provided also for part-time employees.

The company recognizes that happy and healthy employees are more productive, engaged, and loyal. To this end, we want to provide our employees with benefits that go beyond the legal requirements. For example, Naava has a flexible approach to its employees' vacation times. As a general rule, Naava does not dictate annual leave times but provides them by listening to employees' needs and situations, such as children's vacation times, spouse vacations, or other needs that work best for the employee while ensuring that work is completed and substitutes are available.

Other benefits we offer our employees include lunch benefits for our regularly traveling service teams, opportunities to lend Naava's resources when needed, and the possibility of purchasing Naava products for their home at a staff discount. At the end of last year, we made a decision to also introduce a fitness and cultural benefit that promotes employee well-being. The benefit came into effect on January 1st, 2023. We also host multiple social events throughout a calendar year, which will be presented more closely on the next page.

Naava believes that these benefits contribute to the overall well-being and happiness of its employees, and it is committed to providing them with the support they need to thrive both at work and in their personal lives. We will continue to operate in accordance with the regional legislations, listen to our employees, conduct surveys measuring employee satisfaction, and act within the framework of their wishes whenever possible.

GRI 2-7, 2-8 & 401-1

Datapoint	Total	Female	Male
Employees who were entitled to parental leave	2	1	1
Employees who took parental leave	2	1	1
Employees that returned to work in the reporting period after parental leave	0	0	0
Employees that returned to work after parental leave ended and were still employed 12 months after	1	1	0
"Return to work -rate of people who took parental leave"	100%	100%	0%

Naava offers parental leave to all its employees regardless of the regional legislation. The Finnish legislation has been applied to all aforementioned cases.

GRI 404-3, % of performance reviews

Datapoint	Total	Female	Male
% of employees who received a performance review during 2022	88%	90%	85%
% of service employees who received a performance review during 2022	100%	100%	100%
% office of employees who received a performance review during 2022	82%	86%	78%

Employee events in 2022

The coronavirus restrictions created problems for team bonding. People are naturally social and have a natural inclination towards gathering in safe communities. Remote work created distance between employees and challenged our teams to fill the gap left by physical presence. The year 2021 was a celebration year for Naava, as it marked exactly 10 years since the company was founded. We aimed to catch up on this celebratory mood during 2022 through several team events, from housewarmings to Christmas parties.

Naava Days

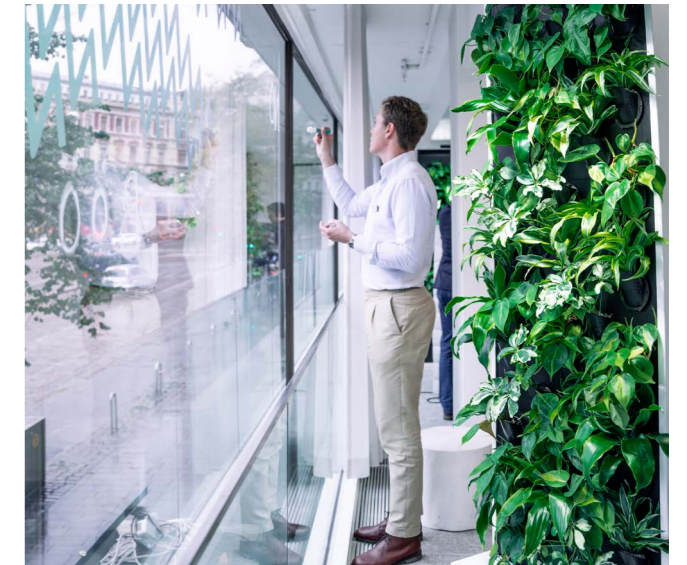
Team days have always created new synergies, and friendships at Naava. We believe that the more unified our work community is, the better results we can achieve together. Based on our positive experiences, we decided to host Naava Days by inviting all Naava employees from as far as the United States and Sweden to Finland. Naava Days was a success.

The days were full of meaningful activities and togetherness. In the evening, full of adventure spirit, we competed against each other around Helsinki. The great competition ended in the archipelago of Helsinki, where we awarded the golden helmet to the Naava employee of the year. The recipient of the golden helmet is chosen among Naava employees who have demonstrated exceptional exemplary attitude, outstanding job performance, or otherwise distinguished themselves in a significant way. Each Naava employee was able to submit suggestions for the recipient of the golden helmet to their supervisor. The suggestions were processed in the management team, where the final decision was made.

Naava sport club

For several years, the Naava sport club has been responsible for the diversity of exercise types among Naava employees. Naava sport club is a community organized by Naava employees that aims to increase camaraderie between our employees,

create friendships outside of work hours, and encourage an active lifestyle. The sport club organizes activities both during and outside of work hours, including exercise breaks during workdays and team events after the day's work is done.



Christmas party

The 2022 Christmas party was held in our new flagship office in Helsinki. The day included various relaxing activities, from winter swimming to inspiring speaker presentations. In addition to our employees in Finland, we connected via video call to our office in Stockholm, Sweden, where they were celebrating their own Christmas party in the Stockholm showroom.



Case Study: Showroom



As Naava's old showroom and office space became too cramped for the growing company's needs, we decided to start looking for larger premises in a more central location in Helsinki. Our goal was to create flagship facilities that would bring awareness and inspiration about biophilic office design to professionals and the public alike. The concept of biophilic design is also intended to be scaled abroad. After a busy spring and summer of work and relocation, we are pleased to announce that our new showroom located at Mannerheimintie 4 is finally open to visitors and customers.

Naava's new showroom showcases the future trends of biophilic design, with a particular focus on the health, safety, and well-being of spaces. The showroom-office complex has also been awarded the WELL Health-Safety certificate developed by the International WELL Building Institute. The certificate is awarded to companies that have demonstrated exemplary commitment to promoting the health and safety of employees, visitors, and other stakeholders.

We wanted to create the showroom according to the needs of its users. In order to create a space

that meets this demand, each of our employees who would use the space was given the opportunity to suggest elements they would like to see in the work area. At the same time, we aimed for equal treatment of our employees by creating spaces that any employee can use regardless of their position.

"We wanted to create an experiential showroom and the world's most human-friendly work environment."

Eeva Niemelä, Head of Customer Experience & Service Design

The showroom has been implemented in collaboration with several companies offering high-quality work environment solutions: Vitra, Nespresso Professional, Taiga Concept, Signify, BE WTR and Artome, supporting innovative and well-being-promoting solutions. The spaces have been designed by Naava's experts in biophilic spaces, Enni Karell and Eeva Niemelä.



Wellbeing at work

Naava considers taking care of employees' well-being as a matter of honor. We feel it is of paramount importance to take care of both the physical and mental well-being and endurance of our employees. We believe that happy employees achieve better results and therefore are also better able to manage their lives outside of work. The workplace should not be a place where people come to give everything they have. It is unsustainable if the time outside of work is spent recovering from the workload.

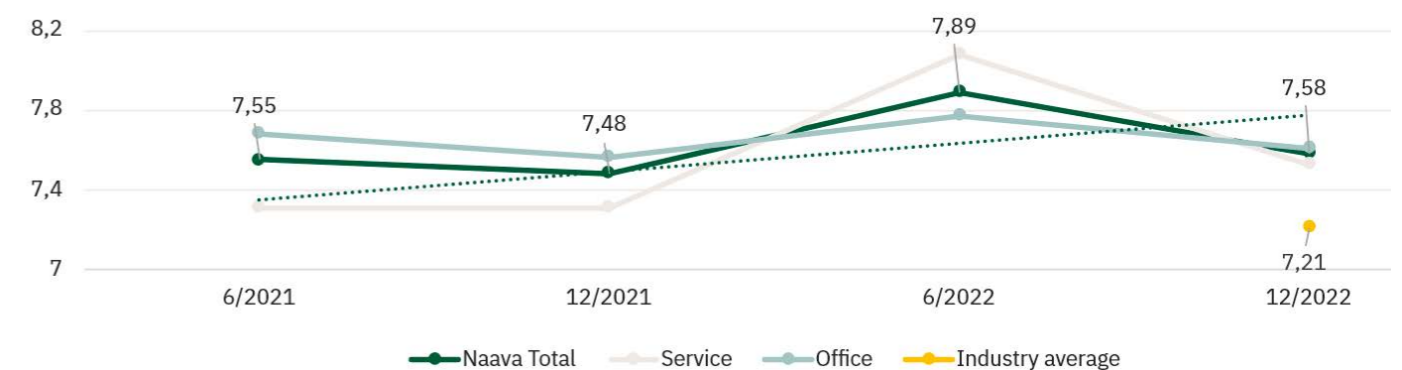
KivaQ-survey

In order to be able to lend a helping hand to our employees' perceived problems, we have been conducting a comprehensive KivaQ work well-being survey for a few years now. The survey aims to examine how our employees feel about their colleagues, supervisors, and their own position. Therefore, it provides Naava an extensive view on our strengths and weaknesses from within. The survey is conducted anonymously so that we can get an unbiased picture of our employees' wellbeing. To better understand our successes and development needs in the field of well-being

at work, the KivaQ survey is held regularly every six months. In 2022, the survey was conducted in June and December. With the help of the survey, we were able to measure valuable information about the state of Naava's occupational wellbeing, which enables us the right direction for development in this field.

In the latest survey of December 2022, our response rate for the KivaQ survey was 87.3%, and the overall index was 7.58. In summary, the results have decreased compared to the previous

KivaQ survey development



All surveys have been conducted in cooperation with KivaQ OyAb, which has also provided Naava the industry's average figure. 1KivaQ W survey is a lightweight but comprehensive survey for measuring employee wellbeing. The survey is based on scientific research. The survey measures wellbeing from 1 to 10.

survey in June 2022 (7.89), but they are still better than when we started the surveys in the spring of 2021 (7.55).

The Service team's overall index has also decreased from the June result of 8.08 to 7.53, but it is still higher than when we started the surveys (7.31), or the industry average index of 7.21. The rest of Naava's index decreased from June's figure of 7.77 to 7.61, but it is still better than the result from a year ago, which was 7.56.

The trend is upward throughout the organization, but there is still room for improvement. We plan to continue conducting this survey in the future, and enrich the results and actions with our own sustainability survey. We actively listen and explore new opportunities to develop wellbeing at Naava.

We are committed to promoting a culture of transparency and accountability when it comes to our employees' wellbeing. We'll continue disclosing information of our development in the future, and believe this to set the tone within our company towards further improvement. Wellbeing creates the foundation for good customer service, creativity, and efficiency, regardless of the role or task, and is the basis for our organization's success.



KivaQ results table

Datapoint	2022	2021
Naava total	7.58	7.48
Service	7.53	7.31
Office	7.61	7.56
Industry average	7.21	

Presented figures are from December surveys of presented years. All our employees that don't belong to our service teams are included in the office group.

Virtual Leaders

In 2022, Naava aimed to improve its remote and virtual leadership, which has gained importance during the pandemic and still strongly affects our work culture. Naava participated in a remote leadership development project called "Virtual Leaders" organized by Jyväskylä University of Applied Sciences, with the goal of enhancing the well-being of our staff in hybrid working conditions.

The project aims to help small and medium-sized enterprises implement productive and wellbeing supporting virtual leadership practices in work communities where staff partially or fully operate and work in multiple locations or remotely. The project promotes community, smooth workflow, efficiency, as well as resilience and joy in work on a company-specific basis. The project was managed from start to finish by a project team from Jyväskylä University of Applied Sciences, who presented us various best practices for managing a hybrid environment, and assisted us in practical development work.

First Phase:

The project began in March, when Naava's management and staff from Jyväskylä University of Applied Sciences identified the company's needs for developing employee well-being.

Second Phase:

To gain a deeper understanding of the current employee experience, we conducted interviews with the staff. It was important to hear our employees' voices, especially on everyday matters. Six employees from different roles and areas of the organization were interviewed for the project.

6

Workshops held

16

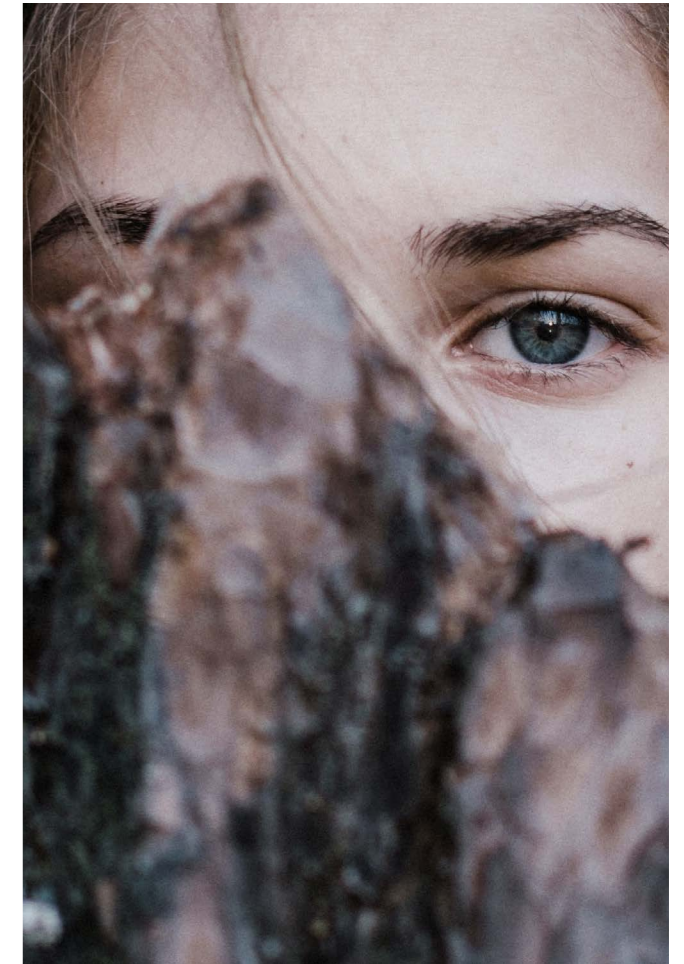
Managers involved

Third Phase:

We organized the first joint workshop for our supervisors, where we discussed the observations from the interviews, results from the KivaQ survey, and clarified the current status of the employee experience. Moreover, the workshop established a shared understanding of leadership development targets, agreed on development measures, and planned for the next workshops. Six supervisor workshops were held during the whole process, which continued on the aforementioned topics.

In the Virtual Leaders project, Naava's culture regarding action and leadership was refined through collaborative work, discussions, and development. The project was carried out in Finnish, but its results will also be utilized in the development of supervisor work in other Naava companies. The development work was integrated as closely as possible into the daily work of supervisors and other development work in the company. The project lasted about a calendar year.

As part of the Virtual Leaders project, supervisors have been tasked with holding regular 1-1 discussions with their subordinates to assess their team members' well-being experiences. The purpose of the meetings is to make space for presence and listening, which strengthens trust. In 1-1 discussions, the well-being status of each employee is addressed individually.



Mental health

In Finland, symptoms caused by mental health disorders are already the most common reason for sick leave¹, and their number is still growing. A general problem is the delay in getting professional help, which can turn a small concern into a long-term problem that threatens work ability permanently. Naava's situation is relatively good, and most of the sick leave has been due to minor colds and musculoskeletal problems.

However, prevention is both the most humane and the most economical way to minimize mental health disorders, the resulting discomfort, and sick leave. Therefore, we have decided to cover the cost of Pihlajalinna's "Mielen huoli" service for our staff, which provides easy access to professional help remotely via chat, phone, or video connection. The service requires identification, but user information remains confidentially with Pihlajalinna, and there is no risk of it being passed on to the employer.

Occupational safety at Naava

In 2022, we continued our work towards improving occupational safety, building upon the progress of previous years. Naava has strong statistical evidence of successful implementation of occupational safety measures in our company. Work accidents at Naava are rare, and near-miss incidents are also infrequent. However, when such incidents do occur, they are reported and recorded.

We can claim that occupational safety at Naava is at a good level, but we want to develop even further and build a world-class safety culture. To succeed in this, we must enhance the awareness of safety at the individual, team, and organizational levels, with a focus on risk awareness, enhanced communication, feedback, and adopting best practices. Occupational safety is an important issue to proactively highlight. At Naava, we all care about safety, not only for ourselves but also for each other.

In 2022, there were no work-related high-consequence injuries or fatalities at Naava. Most injuries were jolts, sprains, and bruises, which didn't cause any lost time. We are supporting all our employees to report all incidents with a very low threshold. Therefore, most of the reported injuries are minor ones. From all reported cases, one was related to work related ill health. No injuries, diseases or near misses were reported by non-employees.

Our occupational safety management system is primarily developed to fit our own needs, but regional legislation has also been recognized in the creation process. We have conducted safety walks to map the potential hazards of our processes. Based on these mappings we have created solutions and trainings to mitigate the risks caused by these hazards. Under regional legislation we have collected, for example, a chemical index inclu-

ding all chemicals used in our processes. Other concrete actions done are listed on the next page.

Everyone working for Naava are under this same system, including non-employees, but it affects separate functions differently. We have recognized most hazards in our service team's operations, which has also reported most incidents in the past. The most significant risks are in our service team's transportation activities and challenging maintenance tasks. We have taken steps to mitigate these risks by implementing tools such as instructions for work in certain circumstances.

GRI 403-9, Work-related injuries

Datapoint	2022	2021
Work related injuries ¹	1	3
Rate of work related injuries ²	8.5	36.2
Work related minor injuries ³	12	7
Rate of work related minor injuries	101.4	84.6
The number of hours worked	118328	82770
Near misses reported ⁴	3	-

All Naava's employees are included in the figures. The numbers have been collected from Turvallinenyrittäjä -system, which Naava uses to track incidents and near misses. ¹Work-related injuries include all accidents that led to lost time or restricted work. ²Both rates have been calculated based on 1,000,000 hours worked. ³Minor injuries include all reported accidents, that did not lead to lost time or restricted work. ⁴Near misses include all reported cases, that did not result in injury, but had the potential for a such incident. 2021 figure for near misses wasn't available.

The practical measures at Naava towards a top-class occupational safety culture:

1) Effective communication channels, including a dedicated channel for occupational safety. Anyone at Naava can participate in discussions on the occupational safety channel, regardless of their role at Naava. Our employees know the risks the best, and hence Naava's management puts emphasis on these discussions, and develops the occupational safety management system based on made observations.

2) Activation of the Turvallinen yrittäjä -system and encouragement of our employees to use the system. Through the system, our employees can easily make an anonymous report on any occupational safety related observation they have made. The report does not have to be a work accident or even a "near miss" situation, but can be any other observation related to occupational safety, such as a positive action by a colleague.

3) In team meetings, occupational safety has been raised as a key standard topic. This has enabled us to create interaction between teams, managers, and other staff. Through practical experience, we have learned good practices from each other, generated ideas for developing occupational safety, and above all, drawn attention to this important topic. Occupational safety is also a standard topic in Naava's monthly management meetings.

4) "Safety cannot be compromised" is our most important operating principle for occupational safety. We do not value heroism or flying slogans such as "that's how we've always done it," or "we'll fix it later if we remember."

5) One of our service team's managers is a person with occupational safety experience. With his professional skills, we have improved the occupational safety of the service team. We are also better prepared to respond to changing occupational safety risks of growing maintenance and installation teams in the future.

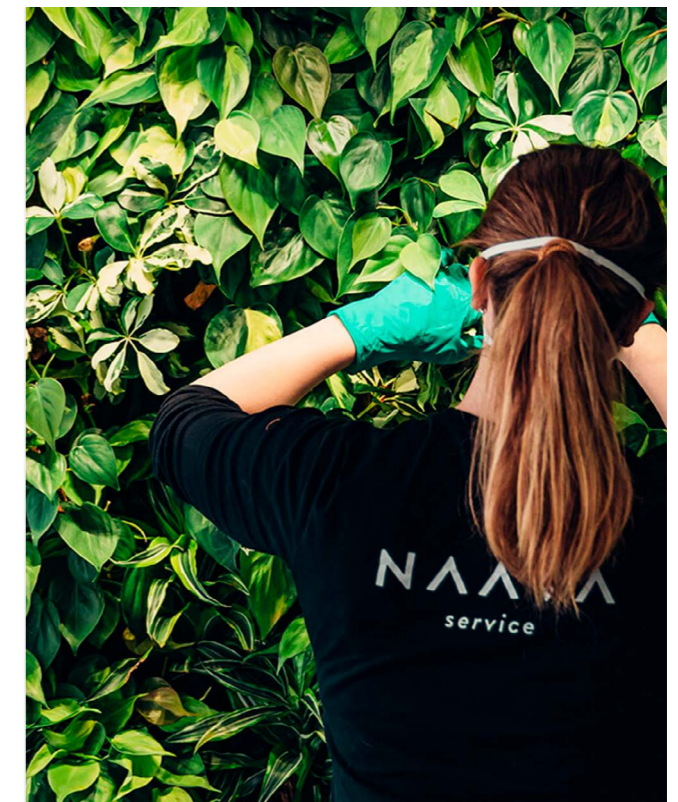
6) In early 2022, Naava organized an occupational safety training session for Finland's team supervisors, led by Veritas. This strengthened our supervisors' knowledge and preparedness for solving difficult situations. We believe that our super-

visors have strong expertise in working proactively and reactively to maintain occupational safety.

7) Naava has established an occupational health and safety committee to further emphasize the influence of employees on occupational safety. The committee represents the voice of employees when needed, and has a significant impact on Naava's safety-related decision making.

"At Naava, Occupational safety is a priority. Within Naava Service's teams, the topic is discussed weekly, with the aim of continuous learning and development."

Ari Klemettinen
Service Manager



Diversity, equity and inclusion (DEI) in Naava

Naava commit to encourage our employees to fulfill themselves boldly without prejudices and we want to support our employees in this in every possible way. Our goal is **happy employees and an great working community**.

Workforce representation

Naava is a company at the intersection of technology, design & horticulture, which has historically focused on Nordic and North American markets. This requires us to have various competencies and experiences in our workforce.

For example, 60% of our employees have a higher education degree. These would be typically in our Sales, Marketing and Naava Group support functions, whereas our technical and maintenance specialists have more vocational qualifications to take the best care of our Naava green walls.

Also, a great asset for a scale-up company like Naava, is that 30% of our employees have prior experience in solo- entrepreneurship / family business, 37% in start-ups or scale-ups, 50% in mid-size/large companies and 40% in corporations.

Fair treatment for all Naavarians

Fair treatment for all employees

At Naava, we treat everyone equally, regardless of age, religion, belief, political orientation, state of health, gender, sexual orientation or other personal reasons. In order to get an idea of how equity and inclusion are perceived in Naava, we took a step in an important direction when we implemented a comprehensive survey, where everyone had the opportunity to give anonymous feedback on the above-mentioned topics.

88% of Naava employees feel comfortable discussing their race, nationality, gender identity, disability or any other part of their identity, with their colleagues.

95% of Naava employees feel that Naava policies and practices are inclusive and respectful of all employees.

We want to promote an open and confidential operating culture at Naava, where behavior not aligned with our Code of Conduct is not allowed and if such behavior comes to our attention, it is dealt with immediately. If our employee feels that they have been treated unfairly, we encourage them to boldly discuss the matter with the closest supervisor.

Demographics of Naava employees

58% identify as female	15% are <30 years old	63% are 30-50 years old
85% are Finnish nationals	7% identify as LGBTQIA+	19% have a disability that affects their work

In our latest workplace survey, we found that 81% of Naava employees have never experienced discrimination, 14% have experienced some form of unintentional discrimination and 5% have been discriminated intentionally at work. One case of inappropriate behaviour was reported in 2022. Our policies need to be enforced without fault, and especially all experiences related to discrimination must be erased completely in the future.

Inappropriate behavior is often a very personal and sensitive topic, and therefore it can be difficult to discuss it with someone, even in confidence. In order not to worry about the matter, our employees can also report the matter through the Turvallinen yritys -program presented earlier in the report, any member of the Occupational Health and Safety committee, and the CEO.

Enabling our employees to make meaningful contributions

We believe that participatory decision-making leads to a happy working community that raises the sense of meaning. We feel it is important to take into account in our employees' views on e.g job descriptions that directly impact their work and the potential practical implementation of the decisions. Our intention is to make decisions based on joint reflection.

Naava Growth Academy

Our employees hold the keys to self-development, and hence we don't want to cast a fixed mold for their work. We want to support our employees' career growth according to their own interests and strengths. Once per year, Naava holds Growth discussions where the employee is given a clear picture of their work goals, responsibilities, and opportunities for development. The aim is for the employee to be heard and feel appreciated as an individual. We are committed to further develop Diversity, Equity and Inclusion topics at Naava.

75% of Naavarians think that they can directly influence their work.

60% of Naava employees have been promoted or gotten a wider scope of work.

From Biology Trainee to Head of Marketing

Siru Heiskanen



We are very mindful to hire trainees with the aim to employ them long-term. And, we support people in growing their interest in different fields. Here is for example Siru Heiskanen's journey with Naava:

2016 Started as a trainee in Naava Jyväskylä after a Master in Biology. Wrote the "Science behind Naava" literacy review that is still in use today.

2017 Hired as an employee as part of the Science team and started supporting the Marketing team with scientific contents and publications

2018 Moved to Helsinki and joined the Marketing team where she learnt about, and executed, marketing activities

2020 Completed a vocational degree in Marketing & Sales

2021 Given her first responsibility as a supervisor and later promoted to Head of Marketing

Case study: Exceptional care in exceptional times

In the first quarter of 2022, we were still living under the regulations and recommendations of the authorities regarding the Covid-19 pandemic. Working remotely had become familiar to our employees, as we had managed to respond to the changing needs of remote work. We paid special attention to the mental and physical well-being of our employees, and we wanted to make remote work as easy as possible by creating good working conditions at their remote workplaces. When the restrictions were lifted in February 2022, it was time to open our office doors normally.

The pandemic period was a difficult time for many people in many ways. We wanted to make sure that our employees were doing well, and for this purpose, we set up a separate Covid task force. The task force was responsible for monitoring the regulations and recommendations of the authorities and implementing them while taking into account the needs of our company. One of the most significant tasks of the task force was to ensure that every employee's voice was heard in the midst of change in the working environment.

A coronavirus-safe working environment: Before and after fully activating remote work, we ensured the safety of our employees in our offices by implementing various measures that reduce contact. We modified our office spaces to be more coronavirus-friendly. In addition to these measures, we reminded everyone to keep a safe distance with visible instructions, provided masks for our employees to use, and made hand sanitizer available at entrances, in the restroom, and in the dining areas of our offices.

Flexibility in work: After remote work became a permanent part of our work culture, we made several changes to increase flexibility to ensure the well-being of our employees. We unanimously decided to reduce the sales targets for our employees to avoid creating unnecessary stress and pressure during already challenging times. Additionally, we made changes to the maximum al-

lowable amount of authorized absences with the permission of our supervisors. Our goal was to provide our employees with the best possible working conditions while working remotely.

Accordingly, to facilitate remote work, we purchased or loaned computer monitors, mice, and keyboards from our office to our employees' homes. We also offered the opportunity to borrow office furniture such as ergonomic chairs, desks, and other essential office supplies to facilitate ergonomic work.

Naavarians in Ukraine: Naava's employees returned to their offices in February 2022. It wasn't long after the pandemic had subsided in Europe when a new global threat emerged. On February 24th, Russia began a war against Ukraine. For Naava, the start of the war also meant that some of our stakeholders fell into immediate danger. Naava employs permanent workers, who reside in Ukraine. This group has formed a part of our development team for a couple of years now, and continues to do so.

The group works remotely from Ukraine. When the war began, we offered our help as best we could. Every person in this group made the decision to stay in their home country with their family, for the time being. We continuously sought for ways to help them throughout the year, and also ended our cooperation with our Russian sales partner.

At Naava, we have for several years given our employees a year-end gift as a thank you for their valuable work. For example, in 2021, we gave each Naava employee three paid days off. In 2022, we decided to donate our employees' Christmas gift budget to charity to help alleviate the suffering of Ukrainians, especially the residents of the city of Kharkiv. The entire Christmas gift budget was donated to Ukraine through channels recommended by our connections in the country. The total value of the donation was €3,800.

Economic sustainability

The Economic sustainability refers to the financial impact that an organization has on its stakeholders, including its investors, employees, customers, and the broader community. Naava is in the growing phase of its journey, but we still always aim to create economic value in a sustainable and responsible way. Within the strict guidelines of the Finnish business law, we have zero tolerance for corruption and conduct our business through fair labor practices and ethical supply chain management. In this report, we have included a broader view on our governance under Economic sustainability together with financial details.

Our governance

Since the beginning of Naava's journey in 2012, there has been no cases of corruption, bribery, or breach of fair labour practices. Naava has zero tolerance for unethical and illegal business conduct, and to ensure this now and in the future, we continue briefing our own, and monitoring the ones we collaborate with.

Being a sustainable company starts from acting within the laws of the country one operates in. At least for us, that's the first step, upon which we build our company's sustainability. In other words, the set laws we must follow, and every good deed on top we conduct because we want to. Our operations spread to multiple countries, but first and foremost, we follow the Finnish business law.

Especially, in an international setting, acting under the Finnish business law makes automatically an advantage in sustainability. The Finnish legal system emphasizes transparency, fairness, and equality, and seeks to balance the rights and obligations of businesses, shareholders, and customers. In Robeco's "Most Sustainable Countries in the World" ranking of 2022, Finland was named the world's most sustainable country, and the second best country in terms of public governance, just behind Switzerland.

Yet being a Finnish company doesn't automatically solve everything, but it lays a solid groundwork for further development. Of that we are happy and proud, and strive to cherish the Finnish reputation.

Code of Conduct

Previously at Naava, we have had our company's principles for expected workplace behaviour scattered around a couple separate HR- or cultu-

re-focused documents. In 2022, we begun creating a new Code of Conduct -document for Naava, which will bring a detailed description of our approach to fair, safe and transparent business practices in one cover.

[The Code of Conduct -document](#) will also be put out for the public to see, but the main use case is to further orientate our employees on how Naava wishes to conduct business. This document, as well as our updated Company Culture Guide, will be implemented to our day-to-day activities through mandatory introductions. We also have actors such as the occupational health & safety committee overseeing the fulfillment of the principles listed in the Code of Conduct.

Environmental governance

We comply with all environmental legislation and pay special attention on how our operations affect climate and biodiversity. We want all of our employees to be aware of environmental issues in their daily work, which we haven't emphasized enough to this date.

We plan to engage our employees more into this topic with the publication of this report, which will be followed with company-wide introductions. Going forward, we expect our company's overall consciousness about environmental topics to increase, which should result in updates to daily procedures, product features, and the common mindset.

Quality management

We all at Naava are responsible for ensuring that Naava's products are safe for their intended use and comply with the applicable regulatory requirements. Naava's N-series products are CE, FCC, KC, and ETL approved, and all our plant species have gone through a rigorous testing process to ensure that our products are non-allergenic and safe for indoor use.

Our production is outsourced to a Finnish contract manufacturer Scanfil, from whom we expect the consideration of quality and environmental aspects in all of their operations. Scanfil has established quality- and environmental management systems that comply with ISO 9001, 14001, and 45001 standards. We are in constant dialogue with Scanfil to further develop the efficiency of our cooperation.

Our products are complex entities, and hence, there is still room for improvement. The ramp up of the manufacturing with Scanfil didn't go without its challenges, but our product development team has done great work in getting our quality back to where it should be. We systematically record customer and supplier feedback related to quality in our enterprise resource planning system, where we monitor the achievement of our quality goals and develop our operations following the principle of continuous improvement.

Suppliers & Partners

To assemble one Naava product, various different suppliers must first be engaged into the supply chain. 75.7% of our suppliers are Finnish companies, and 95.38% of all work regarding the manufacturing of our products is done within European borders. Our biggest supplier-related challenges in 2022 were tied around the global chip shortage. This set difficulties for sourcing, which then impacted the manufacturing schedules of our suppliers. We reacted to the shortage by establishing new buffer stocks for the long lead time materials.

Besides solving this challenge, we managed to streamline a few final material flows, where Naava was providing materials to the production line. We also optimized our freight routes by centralizing our material flows under the same shipping routes, and increasing transport batch sizes from the factory.

In addition to suppliers, we have various sales- and service partners around Europe and North America, who distribute our products to their local markets. We also have partners in Egypt, Dubai, and Seoul, South Korea. We manage regular trainings for our partners to maintain a high service level in all of our markets.

The Korean partner, Naava Korea, is a separate company of Naava Group Oy, but still in very close cooperation with us. They are responsible for all sales- and service operations in Korea, which has given us the opportunity to actively benchmark each other's actions, which has added value to our partnership.

Previously at Naava, we have made concise decisions of whom to partner with, particularly focusing on the ethical background of the actor, but haven't had a clear directive for these decisions. In 2022, we started a process to create a 3rd party Code of Conduct -document. This document will become operational in 2023, and set standards for our company's operations in supplier-, and partner management.

In the document, we will establish ground rules for who we accept as our partner, how the validation process must be conducted, and how we are monitoring our partners' actions. With the document, we wish to be more transparent of who we work with, and make more thoughtful decisions in the future.

Happy customers

Our goal is to be a reliable partner among all of our stakeholders. In order to achieve this, we engage in continuous dialogue with various stakeholders to discuss Naava's goals, principles of operation, and the challenges we face. Based on the data we have collected, we are a trustworthy partner, which is best demonstrated by our 2022 **customer retention rate of over 90%**.

Naava's customer retention rate has remained above that milestone for several years, which we are proud of. Some of our first customers from 11 years ago are still within our service. In the future, we aim to be more present for our customers in relation to sustainability challenges. The first steps towards this were taken in the form of a sustainability survey in the summer of 2022, but we want to continue the dialogue around this topic more broadly. It is also important for us to be able to further improve the customer experience of our services, which we are constantly working on, especially in terms of quality control.

NPS

In 2022, our NPS score (Net Promoter Score) in Finland was 53. Our partners' NPS score (outside of the USA and Sweden) was 63. NPS scores are always industry-specific, but a score of 50 can be considered excellent in Naava's industry.

The reason why we do not have NPS scores from all markets is that we sell our products through a partner network in many countries. Therefore, we do not have direct contact with all our customers, and communication often takes place through a partner. Our goal in the future is to send NPS surveys to all countries where we operate through the partner network.

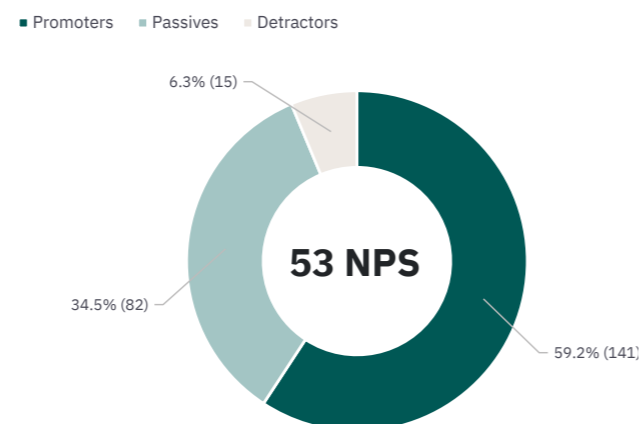
In customer's words

"As a longstanding customer of Naava, we have consistently been impressed with the quality of the products and the expertise of their team. We appreciate the exceptional service we receive from Naava, and their commitment to sustainability aligns with our company values. Overall, we are highly satisfied with Naava as a reliable and eco-friendly provider of green walls."

- **Kaisa Wallin, Executive assistant iLOQ**



Net promoter score



Business milestones

After launching the N-series and **Nature as a Service** - business model Naava has focused on developing its internal efficiency and preparing for a new growth strategy developed in 2022. Our growth was affected by the pandemic, causing a temporary deceleration, but we have since resumed our prior pace in 2022 and are committed to continuing it in the future.

In 2022, our key ambition was to find growth again after the tough pandemic stretch, when the office furniture market wasn't at its best for understandable reasons. Yet in 2022 we sensed that there is more need for healthy workplaces than ever before, which we now strive to capitalize.

We are still heavily investing in our expansion to get our services to as many people globally as possible. Hence, at the beginning of 2022 we raised a **funding of seven million euros** to help us get started with the next chapter of our journey. With this investment round we got new investors such as Mika Ihamuotila on board to help us with our ambitions.

Consequently, for the first time in Naava's history we achieved new sales of over 1 million euros in every quarter. The Q4 was the best of our company's history with 1.4 million euros in new sales. Due to these achievements we achieved a growth of 35% in 2022 new sales, when compared to 2021.

The biggest highlight of 2022, was our success in North America where we crossed the 1 million mark in new sales. Growing in North America is one of the most important initiatives of our current strategy. Hence, we are very pleased with this accomplishment, and strive to continue on the same path going forwards.

Simultaneously, together with outside help, we created a new growth strategy that extends to year 2026. Due to the tough macroeconomic situation, we are uncertain if Naava is capable of reaching the full extent of the strategy, but at the end of 2022, we began to carry it out by establishing the first pieces of our in-house service operations in the Tri-state area of the United States.

The strategy focuses on reaching profitability via strong focus on building density within our current main markets. Improving the efficiency of our supply chain and achieving concentration on our sales operations are two key factors for the strategy to be successful.

GRI 201-1, Direct economic value generated

Datapoint	2022	2021
Direct value generated, Meur		
Revenue	5.2	4.3
Direct value distributed		
Operating costs	4.5	3.6
Wages & Additional costs ^{3,6}	4	2.7
Payments to providers of capital	0.1	0.3
Payments to government	1.3	1

The chart isn't a presentation of a financial statement, as it don't include depreciations or other deferrals. Find more information of our financial status from the [Finnish trade register](#).

Societal impact

The impact Naava has on society arises from all jobs we offer and taxes we pay. On a larger scope, this impact can be seen as the sum of our own direct impacts and also the indirect impacts caused by our varied partners globally. However, the impacts shown on this page showcase the direct impacts of Naava.

Employer status

As of now, Naava employs 80 people, of whom 35 work in supportive roles and 45 in contact with our customers. Naava complies with all legislative requirements relevant to specific regions. Majority of our employees are in Finland. Hence, the Finnish Employment Contracts Act is the most relevant for us, and due to the comprehensive nature of that law, we aim to follow it in other markets as well. Simultaneously, together with outside help, we created a new growth strategy, that extends to year 2026. Due to the tough macroeconomic situation, we are uncertain if Naava is capable to reach the full extent of the strategy, but at the end of 2022, we begun to carry it out by establishing the first pieces of our in-house service operations in the Tri-state area of the United States.

The strategy focuses on reaching profitability via strong focus on building density within our current main markets. Improving the efficiency of our supply chain and achieving concentration on our sales operations are two key factors for the strategy to be successful.

For example, all our employees in US have the full healthcare coverage provided by Naava.

We have strived to put our employees first. During the difficult pandemic years our total employee count increased every year, and the 2022 total is the highest number in Naava's history. We are proud to have been able to look after our employees even in times of uncertainty.

Tax footprint

+300 Keur

From 2021
2022 total 1300 Keur

Tax footprint

As well as in all other operations, The company adheres to all regulatory requirements, ensuring that it pays taxes in a timely and accurate manner. We at Naava understand that fulfilling our fiscal responsibilities is an important part of our social responsibility. Therefore, we aim to increase our transparency around the topic, and this report is the first step towards that ambition.

In 2022, our tax footprint consisted of VATs and taxes from paid wages. The footprint increased from 2021 due to the increased number of employees, and consequently paid wages. VAT's are a key source of revenue for governments and are used to fund important social and economic programs. Furthermore, by paying its employees fairly and complying with tax laws, the company is contributing to the economic well-being of its employees and their families.

In addition to paid taxes, Naava has also contributed to the supporting of those in need, by for example, donating 3800 euros to Ukraine, and managing a collection of apparel for the disadvantaged children of Finland during the Christmas season of 2022.

04 Reporting process



Story of creation
Behind the report
GRI standards
Epilogue

This is a sustainability report of Naava Group Ltd. Naava Group Oy (Naava) is a privately owned limited liability company. Naava's headquarters is located in Helsinki, Finland, but it also has its own operations in Sweden and US, and distribution to 13 other countries through various sales partners. This is the first public sustainability report of Naava. Naava strives to make the publishing of such report a yearly event. At the heart of our reporting process is a commitment to transparency and accountability, as we strive to provide our stakeholders with a comprehensive overview of our sustainability performance.

Story of creation

In this chapter, we will outline the restrictions, challenges, and basic guidelines that have guided the development of this report. Producing a sustainability report is not without its challenges. To address these challenges, we have adopted a set of guidelines and principles that have guided the development of this report.

Guidelines

These guidelines include the ¹Global Reporting Initiative (GRI) Sustainability Reporting Standards, which provide a comprehensive framework for reporting on sustainability issues. This report has been done according to the newly set Universal Standards of GRI, which came into effect in January 2023. Additionally, we have also sought to align our reporting with the United Nations' Global Compact framework and Sustainable Development Goals (SDGs), which provide a global blueprint for sustainable development.

We have also been mindful of the need to balance the interests of our stakeholders with the practicalities of reporting. As such, we have focused on material issues that are of most relevance to our business and our stakeholders, and have strived to provide clear and concise information that is accessible to all.

Challenges

The most significant challenge for Naava during this reporting period was the fact that this report is the first one. We haven't been systematic in collecting all the needed information in the past, which is why we don't have access to all data points from the years prior to 2022. In the future, this challenge will diminish as we have the 2022 numbers as a ready baseline to build upon.

During this reporting period, we were unable to obtain certain significant data points that would interest our stakeholders, such as calculating the full lifecycle emissions of our products, which was too complex to achieve at the time. However, we plan to correct this in 2023.

The reason for leaving these data points out from this report is solely the lack of resources. This report was conducted by a small group of employees who also focused on other projects simultaneously. Hence, getting everything set for the first year wasn't possible. Yet we now have high hopes for 2023, as we have the baseline for the next reports as well as more knowledge to provide new data points.

The aforementioned guidelines emerged as very significant in mitigating the mentioned challenges, as they offered the baseline for this first report. Now that we had to start from a clean sheet, building the report would have been a lot harder task without these guidelines.

Eager to know more?

For more information about Naava's sustainability, and our work on enhancing it, please contact us at sustainability@naava.io. We're glad to answer any questions you may have!

Behind the report

The building of this report demanded us to create a lot of new information and set up various new processes and frameworks. As this is the first report of Naava, we had to establish the reporting process from the ground up, which consists of various elements. Previously, we had several documents including information of company culture, sustainability initiatives, and science behind our products, which we used as the foundation for this report. Simultaneously with the report, we created a new Code of Conduct -document and a Company Culture Guide. A third party Code of Conduct -document is also in process. With these documents we aim to support this report in further developing Naava's culture around sustainable business conduct.

Naava's management has been included in the reporting process from the beginning. Initially, the idea to create the report arose from discussions between our board of directors and CEO Arttu Salmenhaara. Our management has been deeply involved throughout the reporting process. No independent external assurance has been used, but our manufacturing related data has been compiled together with our contract manufacturer Scanfil. Naava is planning to include external assurance in its forthcoming reports. As a non-public company, the release of Naava's financial statements are not tied to the release of the sustainability report.

Board of Directors

Naava's highest governance body is the board of directors, which is composed of a minimum of five and a maximum of eight members. The sustainability strategy has been impacted and approved by the board. Naava has two board members who have deep experience on sustainability. Their expertise has been used to oversee the reporting process. Naava has consciously pursued to get sustainability expertise to its highest governance body.

The composition of the board is determined by Naava's shareholders, typically in a general meeting. A normal board member's term lasts one year, starting from the close of the general meeting that elected the member and expiring at the close of the next annual general meeting after the election. There is no limit on the number of terms a board member can serve. The board of directors chooses a chair and vice chair from among its members.

The current board consists of eight members, who are all non-executive directors. The current chair of the board is Teemu Mäkitalo. The board of directors is responsible for Naava's governance and ensuring proper operations in compliance with applicable laws and regulations, the company's Articles of Association, and decisions made by the general meetings. The board has confirmed a charter outlining its duties, meeting practice, and decision-making process. The board's primary responsibilities include managing the company's operations, confirming its business strategy and budget, overseeing the company's solidity, liquidity, as well as the management, reviewing the consolidated financial statements and related releases, appointing and dismissing the CEO, and confirming the terms for the service contract.

The board delegates responsibilities to the CEO Arttu Salmenhaara, while the management reports to the board when necessary but at least quarterly. Naava's management communicates any critical concerns to the board in a punctual manner. The members of the board are paid a standard fee for their services, which changes in relation to the position of a member. All directors and employees must avoid conflicts of interest between themselves, their family members, and Naava Group Oy, as per the Code of Conduct document. The activities of the board are evaluated at the annual general meeting, with no external parties involved.

GRI content index

Statement of use – Naava Group Oy has reported in accordance with the GRI Standards for the period 1st of January 2022 to 31th of December 2022.

GRI 1 used – GRI 1 Foundation 2021

GRI 2: General Disclosures 2021

1. The organization and its reporting practices

Disclosure	Title	Location	Additional information	Omissions
2-1	Organizational details	p. 53		
2-2	Entities included in the organization's sustainability	p. 2 , 51		
2-3	Reporting period, frequency and contact point	p. 2 , 53-55	The reporting period is 1st of January 2022 to 31th of December 31 2022. All data from other time frames have been noted separately.	
2-4	Restatements of information		No restatements	
2-5	External assurance	p. 28 , 55	No external assurance has been directly used for the creation of this report.	

2. Activities and workers

Disclosure	Title	Location	Additional information	Omissions
2-6	Activities, value chain and other business relationships	p. 2 , 15 , 28 , 48	No significant changes have occurred at Naava considering disclosure 2-6, when compared to 2021.	
2-7	Employees	p. 35-36		
2-8	Workers who are not employees	p. 35-36		

3. Governance

Disclosure	Title	Location	Additional information	Omissions
2-9	Organizational details	p. 55	More information of the board	
2-10	Entities included in the organization's sustainability	p. 55	More information of the board	
2-11	Reporting period, frequency and contact point	p. 55	More information of the board	
2-12	Restatements of information	p. 55		
2-13	External assurance	p. 55		
2-14	Role of the highest governance body in sustainability reporting	p. 55		
2-15	Conflicts of interest	p. 55	Naava's 2023 Code of Conduct	
2-16	Communication of critical concerns	p. 55		Number of critical concerns reported isn't followed.

2-17	Collective knowledge of the highest governance body	p. 55	No external services have been used to advance the collective knowledge.	
2-18	Evaluation of the performance of the highest governance body	p. 55	The activities of the board are evaluated in the annual general meeting.	
2-19	Remuneration policies	p. 55		
2-20	Process to determine remuneration		Remuneration policy is discussed and accepted in the general meeting.	
2-21				The annual total compensation ratio wasn't followed. Naava plans to disclose this in the future.

4. Strategy, policies and practices

Disclosure	Title	Location	Additional information	Omissions
2-22	Statement on sustainable development strategy	p. 5-7		
2-23	Policy commitments	p. 17 , 48	Naava's 2023 Code of Conduct	
2-24	Embedding policy commitments	p. 17 , 48	Naava's 2023 Code of Conduct	
2-25	Processes to remediate negative impacts	p. 23 , 45		
2-26	Mechanisms for seeking advice and raising concerns	p. 40-44	Naava's 2023 Code of Conduct	
2-27	Compliance with laws and regulations	p. 48-49		
2-28	Membership associations	p. 2		

5. Stakeholder engagement

Disclosure	Title	Location	Additional information	Omissions
2-29	Approach to stakeholder engagement	p. 16-18		
2-30	Collective bargaining agreements	p. 2 , 51		The rate of employees covered wasn't followed. Naava plans to disclose this in the future.

Material topics

GRI 3: Materials Topics 2021

Disclosure	Title	Location	Additional information	Omissions
3-1	Process to determine material topics	p. 21		
3-2	List of material topics	p. 21	No changes to 2021.	

GRI 201: Economic performance 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 51-52		
201-1	Direct economic value generated and distributed	p. 21 , 51-52		

GRI 205: Anti-corruption 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 47-49		
205-1	Operations assessed for risks related to corruption	p. 48		
205-3	Confirmed incidents of corruption and actions taken	p. 48		

GRI 302: Energy 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 25-27		
302-1	Energy consumption within the organization	p. 25-27		
302-2	Energy consumption outside of the organization			Energy consumption of the whole value chain was not followed in Naava's 2022 report.
302-3	Energy intensity	p. 25-27		
302-4	Reduction of energy consumption			Information not available. Naava plans to disclose the data in 2023.

GRI 303: Water and effluents 2018

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 28		
303-1	Interactions with water as a shared resource	p. 30		
303-2	Management of water discharge-related impacts	p. 30	The water used to maintain our products is sourced from the facilities the products are in. We monitor water quality in our service operations to ensure health of Naavas, but no further control is executed. We'll assess the need for new standards in 2023.	
303-3	Water withdrawal			Information not available. Naava plans to disclose the data in 2023.
303-4	Water discharge		Majority of water given to the products is circled to the surrounding indoor environment due to the plants' natural circle. Waste water left off the circle is changed once a year, and discharged at the customers' premises.	Information not available. Naava plans to disclose the data in 2023.

GRI 305: Emissions 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21-23		
305-01	Direct (Scope 1) GHG emissions	p. 25-27		
305-02	Energy indirect (Scope 2) GHG emissions	p. 23-25		
305-03	Other indirect (Scope 3) GHG emissions			Information not available. Naava plans to disclose the data in 2023.
305-04	GHG emissions intensity	p. 23		
305-05	Reduction of GHG emissions	p. 23-25		

GRI 306: Waste 2020

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 26-28		
306-1	Waste generation and significant waste-related impacts	p. 26-29		
306-2	Management of significant waste-related impacts	p. 26-30		
306-3	Waste generated	p. 26		
306-4	Waste diverted from disposal	p. 26-27		Naava didn't collect information on how the materials brought to recycling centers were handled afterwards. We aim to correct this in 2023.
306-5	Waste diverted from disposal	p. 26-27		Naava didn't collect information on how the materials brought to recycling centers were handled afterwards. We aim to correct this in 2023.

GRI 308: Supplier environmental assessment 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 48		
308-2	Negative environmental impacts in the supply chain and actions taken	p. 28 , 48		Information not available. Naava plans to disclose the data in 2023.

GRI 401: Employment 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 35		
401-1	New employee hires and employee turnover	p. 35		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 35-36		
401-3	Parental leave	p. 35-36		

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 39-43		
403-1	Occupational health and safety management system	p. 42-44		
403-2	Hazard identification, risk assessment, and incident investigation	p. 42-44		
403-3	Occupational health services	p. 39-43		
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 43		
403-5	Worker training on occupational health and safety	p. 41-43		
403-6	Promotion of worker health	p. 36 , 41-43		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 48		
403-8	Workers covered by an occupational health and safety management system	p. 36 , 41-43		
403-9	Work-related injuries	p. 40		
403-10	Work-related ill health	p. 41-42		

GRI 404: Training and education 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 39-43		
404-1	Average hours of training per year per employee			Excluding specific programs, Naava hasn't collected information on this topic. Plan is to improve calculation in the future.
404-2	Programs for upgrading employee skills and transition assistance	p. 36 , 40-44		
404-3	Percentage of employees receiving regular performance and career development reviews	p. 36		

GRI 405: diversity and equal opportunity 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 44-45		
405-1	Diversity of governance bodies and employees		Information of the board	
405-2	Ratio of basic salary and remuneration of women to men	p. 44		Naava decided not to disclose the data due to its size. Naava is planning to disclose the data in the future.

GRI 406: Non-discrimination 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 44-45		
406-2	Incidents of discrimination and corrective actions taken	p. 45		

GRI 414: Supplier social assessment 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 48		
414-2	Negative social impacts in the supply chain and actions taken	p. 28 , 48		Information not available. Naava is taking a 3rd party code of conduct in action during 2023 to help unveil the data.

GRI 416: customer health and safety 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 48-50		
416-1	Negative social impacts in the supply chain and actions taken	p. 33-34 , 48		
416-2	Assessment of the health and safety impacts of product and service categories		Naava did not identify any non-compliance with regulations in 2022	

GRI 418: Customer privacy 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 21 , 44-45		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Naava did not identify any substantiated complaints in 2022.	



Epilogue

When most people look at Naava's products, they see a beautiful green surface and the association with sustainability is immediate. For us at Naava, this creates an opportunity, but also a responsibility to make a dent in the fight against the climate crisis, but also on a broader view on sustainability.

We have an opportunity to improve the health and happiness of people, simply by doing what we do as a business: bringing nature and healthy natural air indoors. Hence, we feel that the handprint of ours has always been there, and it increases as our business grows. This adds up to our motivation to grow our business, which is also stated in our mission statement.

On the other hand, there is the side of how we deliver the handprint – the footprint of Naava's operations. Here we see that we still have a long way to go. We are actively searching for solutions to decrease our footprint, and become a more net positive actor. We are also proud of the accomplishments we have achieved in 2022 and prior, and can already say that we are doing very well in many areas of sustainability.

Development starts from setting the ambitions. We have done that in this report, and strive to provide our stakeholders information, that is aligned with those targets in the reports to come. Firstly, we aim to reach carbon neutrality by 2027. In the 2023 report we are surely more capable of bringing a more detailed pathway to that goal, as then we should also know our scope 3 emissions in detail.

However, we also recognize that sustainability is not a destination, but an ongoing journey. As such, we are continually seeking new ways to improve our sustainability performance and inte-

grate sustainability into our business strategy in more depth, than with just the carbon neutrality target and sustainability reporting. This includes setting ambitious targets for other matters as well, engaging with stakeholders more regularly, and driving innovation and collaboration together with our great customers and partners.

Looking towards the future, we are optimistic about the opportunities that lie ahead. As the world faces unprecedented environmental and social challenges, we believe that sustainability will become increasingly important for organizations across all sectors. We are committed to being at the forefront of this transition, and to using our influence and resources to make a positive contribution to our global society with our holistic view on sustainability. True sustainability of a company is the sum of plusses and minuses, and in this net positivity we strive to excel.

In closing, we would like to express our gratitude to all those who have contributed to this report, and to our stakeholders for their ongoing support and engagement. We remain committed to our sustainability journey and look forward to continuing to work towards a more sustainable future.

Best regards,
Naava's reporting team



NAAVA