

NAAVA

SUSTAINABILITY REPORT

2023



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Naava is a Finnish health-tech company providing AI-enabled plant walls. Naava operates on the furniture market in 12 different countries. The report is published in Naava's own medias on 19.12.2024. 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 24. 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.



CEO's greetings
Naava as a company

01 OVERLOOK

This document is Naava's **second public sustainability report**. The report will offer our stakeholders a comprehensive overview of Naava's sustainability efforts. Key objective of this report is to showcase the development of our sustainability strategy, which was first presented in the initial report. The report will again cover all three pillars of sustainability—**environmental, social, and economic**—and has been prepared in accordance with GRI standards.

CEO's greetings

Dear stakeholders,

As we reflect on 2023, it is clear that the year brought both challenges and opportunities for Naava. Despite a tough macroeconomic environment and the need to adjust our operations, particularly in the U.S., our commitment to sustainability and our mission to reconnect humanity with nature has remained steadfast. At Naava, we believe that **sustainability** is not a separate goal but a core component of who we are and how we operate.

Our **Nature as a Service™** model continues to deliver measurable benefits for our customers, enabling healthier, more productive, and inspiring workplaces. In 2023, our products positively impacted approximately 405,000 people globally every day, reaffirming the importance of our mission. This impact is central to our sustainability strategy, which focuses on creating a significant positive handprint while continuously minimizing our environmental footprint.

While economic pressures have required us to scale back certain initiatives and focus on stabilizing our operations, we have also taken important steps forward.

We began transitioning our manufacturing to Scanfil's facility in Sievi, Finland, further strengthening our local operations and reinforcing our commitment to responsible sourcing. Additionally, we continued to uphold the high standards that guide our partnerships, ensuring alignment with our values even as we navigated uncertain times.

We continue to align our efforts with the **UN Sustainable Development Goals** (SDGs) and prioritize measurable progress across environmental, social, and governance dimensions. From reducing emissions in our service fleet to advancing workplace well-being through our solutions, every step we take contributes to a more sustainable and equitable future.

Thank you for your continued trust and support as we navigate this evolving landscape. Together we will build on our achievements and ensure that Naava continues to create healthier, more sustainable spaces for years to come.

Sincerely,
Jarno Haikonen

Naava as a company

Founded in 2011, Naava is a Finnish health-tech company dedicated to transform indoor environments and **reconnect people with nature and each other.**

We spend more than **90% of our time indoors**, disconnected from our natural habitat, and in addition to major changes in the way we work, even from each other. In a time when we are more connected than ever, we are also lonelier than ever before.

Our buildings are more than just places to work or study. They are places where we live, feel, and create communities. By making our environment more attractive, healthy, and inspiring, our spaces become places to connect.

We achieve this by offering **Nature as a Service.**

With a team of ~60 employees, Naava operates in 12 countries, serving more than 400,000 users daily. Naava's headquarters are in Helsinki, Finland, with additional offices in Oulu, Jyväskylä, and Stockholm. We collaborate with like-minded partners across Europe, North America, Asia, and the Middle East, driven by the shared vision of creating a positive impact through Naava's innovative solutions.

2023 revenue

5,3 M eur

+1,9% from 2022

2023 GHG intensity (Scope 1 & 2)

11,7 Tonnes

Of CO₂e per Meur of revenue

-48,5% from 2022



Sustainable strategy
 Sustainability survey
 Progress overview

02 SUSTAINABILITY AT NAAVA

As the world becomes increasingly aware of the importance and benefits of sustainable practices for both **people and the planet**, this positive shift also presents opportunities for misuse. Naava’s products, with their lush green surfaces, naturally create an impression of sustainability at first glance. While this gives us an initial advantage, it also motivates us to further commit to genuine sustainability. We strive to ensure that these positive first impressions hold up under closer scrutiny. Therefore, beyond the initial “**wow**” factor, we aim to impress with both a low environmental footprint and significant health benefits.

1 kg

2 l

10 000 l

Strategy for sustainability

In our 2022 report we presented the key components of our sustainability strategy. In 2023, the commitments made kept guiding our sustainability work. We are aligned with Agenda 2030 and are a participant in the **UN Global Compact initiative**, adhering to its standards. In the strategy, the overarching goal was to maximize net positive impact by continuously improving sustainability practices while minimizing negative outcomes. In 2023, we are still committed to **achieving carbon neutrality by 2027** through the adoption of carbon-friendly energy sources and more sustainable materials, ensuring sustainability is deeply embedded in our core strategy.

The UN initiatives continue to provide a strong foundation for our sustainability strategy. We have made notable progress in switching to carbon-friendly energy sources, which has put us on track to meet our 2027 carbon neutrality target. In our 2022 report, we set the goal of including Scope 3 calculations in this year’s report. However, the calculation process is still ongoing, so once again, we are only reporting Scope 1 and Scope 2 emissions. We remain confident that we will be able to provide Scope 3 calculations, along with a Life Cycle Assessment, in next year’s report, as we have already gathered data on most of our Scope 3 emissions.

We continued to use the UN Global Compact and SDGs, alongside the Global Reporting Initiative (GRI), as frameworks for measuring our sustainability impact. Yet, during 2023 the EU’s CSRD directive started to make waves within the European sustainability space. We have already explored the potential opportunities this initiative may offer and are preparing to adapt our reporting practices to meet the CSRD requirements as appropriate. While we focus on multiple areas of development, it’s essential that our governance remains aligned with legislation and stakeholder expectations. Safety and trustworthiness remain top priorities.

Our SDG’s



Good Health and Well-being

We promote well-being by developing solutions that bring back the ancient virtues of nature into people’s lives.



Reduced Inequalities

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



Sustainable Cities and Communities

Our science-based solutions enable communities to have effective ways to strengthen their connection with nature.

Sustainability survey 2023

Naava conducted its second sustainability survey in August 2023, aiming to understand which sustainability-related actions are most important to our stakeholders. The survey was sent to a wide range of stakeholders, including investors, employees, and customers. This year, we received **196 responses**, which resulted in 904 total votes, showing a slight increase in participation compared to the 2022 survey.

Respondents were asked to select the sustainability actions they felt Naava should prioritize. On average, each respondent selected 4.61 actions. The response rate was around 5%, with the majority of participants coming from our customer group, which accounted for 38% of the responses.

Once again, the clear top priority across all stakeholder groups was “supporting the circular economy,” securing 112 votes—identical to last year’s result. This was followed by “pursuing more sustainable materials” (83 votes) and “improving energy efficiency” (75 votes), showing a consistent focus on key sustainability issues.

Among customer groups, we received 73 responses, with the Finnish language group contributing 56 answers and the English language group 17. The circular economy remained a top concern for both groups. Meanwhile, 11 investors participated, casting a total of 55 votes, offering us insights into their preferences for Naava’s sustainability efforts.

A total of 25 Naava employees took part in the survey, contributing 112 votes. “Improving employee satisfaction” emerged as the most important action for employees, with 17 votes. “Supporting the circular economy” and “improving workplace safety and healthcare” followed closely with 10 votes each.

The results from the 2023 survey align closely with Naava’s current sustainability goals, affirming that we are on the right path. However, new insights, such as increased interest in biodiversity, will be factored into our future sustainability strategies. We plan to continue conducting these surveys to track changing priorities and trends among our stakeholders.

3 favourites of all respondents

112 Circular economy	83 Material choices	75 Energy efficiency
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3 favourites of customer group

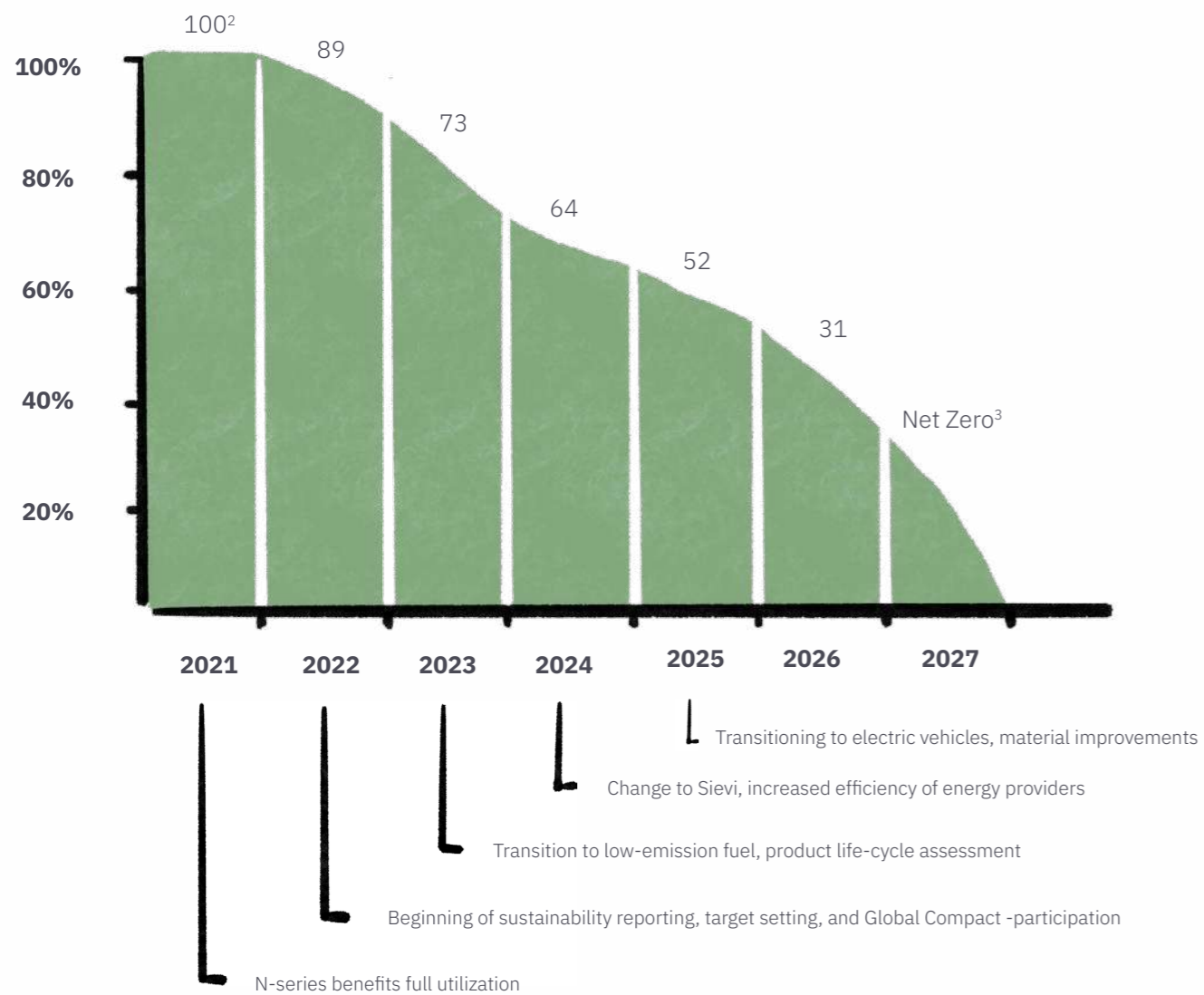
41 Circular economy	30 Material choices	26 Energy efficiency
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3 favourites of employee group

17 Employee satisfaction	10 Health & safety	10 Circular economy
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Progress overview

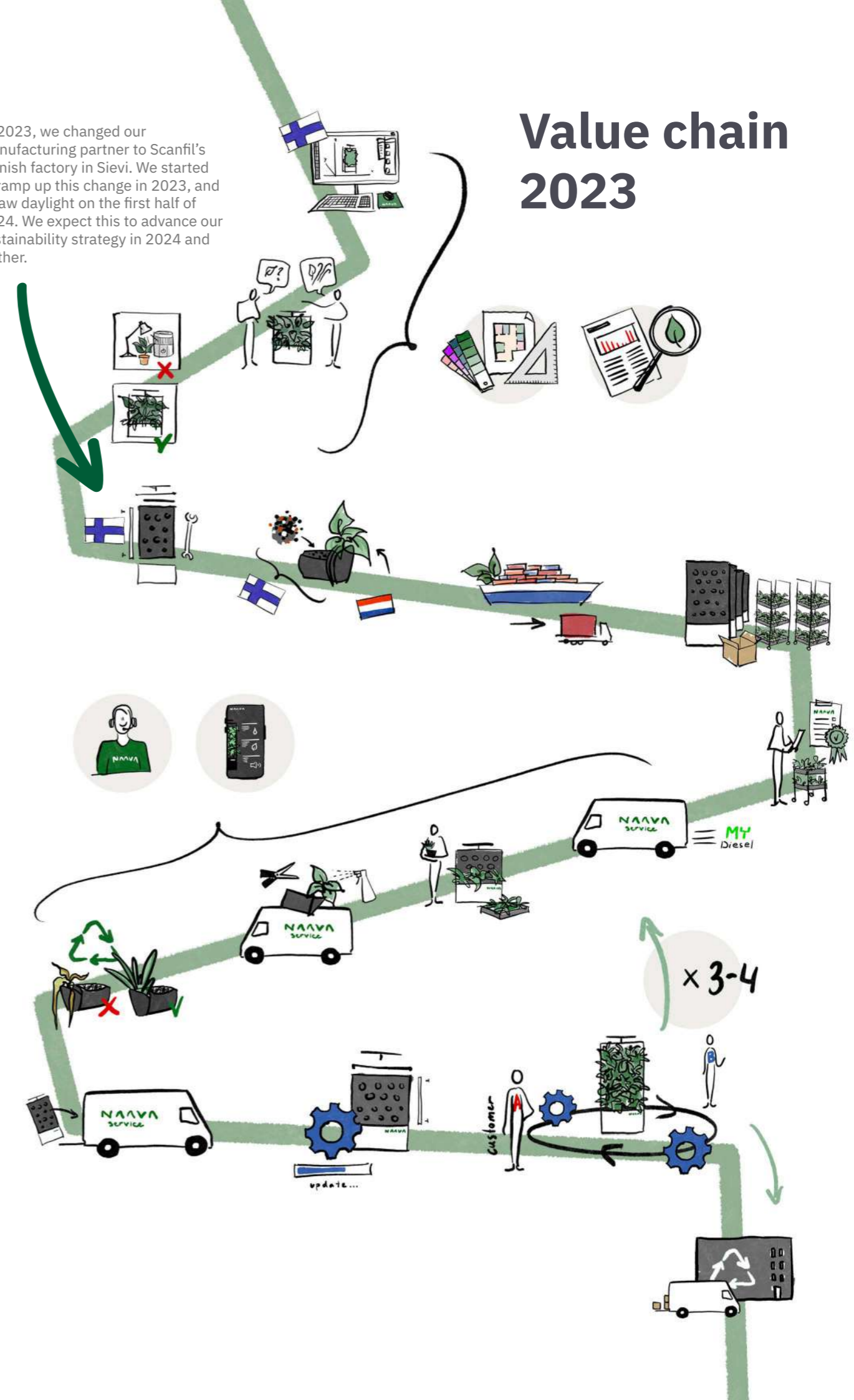
A key focus of our sustainability strategy is reducing the environmental footprint of our operations. In 2022, we committed to achieving carbon neutrality by 2027, introducing a “**Road to Net Zero**” model with a 2023 target of 72%. While we missed this target by one percentage point, reaching 73%, we still consider this a strong achievement. We remain close to our goal and are determined to hit the target in 2024.



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. Yet initial calculations are in line with Upright, so no changes are expected to the roadmap in 2024.
 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.

In 2023, we changed our manufacturing partner to Scanfil’s Finnish factory in Sievi. We started to ramp up this change in 2023, and it saw daylight on the first half of 2024. We expect this to advance our sustainability strategy in 2024 and further.

Value chain 2023





Environmental
Social
Economic

03 TRIPLE BOTTOM LINE

Naava adheres to the **Triple bottom line framework**¹, which allows it to assess the company's sustainability performance across three key dimensions: social, environmental, and economic. Furthermore, the Triple bottom line can be divided into six spaces, when the division to footprint and handprint is applied for all three. Naava strongly believes that by focusing on these six dimensions, a more holistic perspective on our company's overall performance is achieved.

¹. [Harvard's take on the Triple bottom line](#)

How we track our impact

We identify our impacts by mapping our company's actions within the **Triple Bottom Line framework**, utilizing the GRI G4 Construction and Real Estate Sector Standards as a guide. Our experienced stakeholders have assisted in identifying all significant, actual, potential, positive, and negative impacts on the economy, environment, and society.

This collection of impacts represents our net impact, which we aim to maximize. Our employees and board members have played a key role in defining our material topics, while insights from our sustainability survey have provided valuable perspectives from various stakeholder groups, including customers and investors.

The material topics we report on have been prioritized based on their importance to our stakeholders and their potential influence on our business and society. We have also taken the UN Sustainable Development Goals (SDGs) into account when selecting these topics.

Relevant information about these impacts is included in the corresponding sections of our sustainability report. We are committed to continually enhancing our sustainability performance and will report on our progress regarding both aspects of our net impact in the future.

Naava's material topics

¹FP = Footprint
²HP = Handprint

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



Environmental sustainability

Environmental sustainability refers to all the positive and negative impacts Naava has on the environment. In this section, Naava will present an overview of its environmental performance, emphasizing both its accomplishments and areas where it can improve. Naava's business is closely linked to nature, as it relies on its resources for operations. Therefore, it is crucial for Naava to honor its fragility in everything it does.

Our emissions

2022 marked the first year that Naava conducted comprehensive calculations of its **greenhouse gas emissions** (GHG). For this report, we have compiled our Scope 1 and Scope 2 emissions from 2023, while also including figures from 2022 and 2021 to illustrate our progress in this area. The

two calculated scopes reflect the operational footprint that Naava directly controls, as well as all purchased energy used to support those operations. In calculating the reported GHG emissions, we adhered to the Greenhouse Gas Protocol, ensuring that all emissions are categorized into one of three scopes.

In 2023, our **service vehicles** remained our only source of Scope 1 emissions, as our manufacturing operations are outsourced to the Finnish technology subcontractor Scanfil. Our fleet, consisting of 10 vehicles, covered a total of **258,486 kilometers** during the year. We took significant steps to reduce the carbon footprint of our vehicle fleet by transitioning 42% of our diesel consumption to Neste MY Renewable Diesel.

This switch contributed to a **decrease in our Scope 1 emissions to 39.5 tonnes of CO₂-equivalents**. Our Scope 2 emissions decreased to 22.6 tonnes of CO₂-equivalents, a notable reduction compared to 2022. A larger proportion of our electricity now comes from greener energy suppliers, lowering the emissions intensity of our operations in Finland, Sweden, and the Netherlands.

GRI 305-1	2023	2022	2021
Total emissions (Scope 1 & 2), Tonnes CO ₂ e	62.1	118.2	116.2
GRI 305-1, Scope 1 emissions, Tonnes CO ₂	39.5	54.0	46.6
GRI 305-2, Scope 2 emissions, Tonnes CO ₂	22.6	64.1	69.6
GRI 305-4, Emissions intensity, Tonnes CO ₂ e / Revenue (Meur)	11.7	25.6	34.0

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

Energy & fuel consumption

Through the course of 2023, our average emissions were **reduced to 2.58 kilograms** of CO₂e per liter of fuel, compared to 3.1 kilograms in 2022. Similarly, emissions per kilometer decreased to 152.7 grams of CO₂e per kilometer, down from 180 grams. These improvements demonstrate the positive impact of integrating renewable fuels into our operations.

In 2023, **all our facilities had adopted renewable electricity** and over 50% were using renewable heating and cooling. This marks significant progress compared to 2022, when 80% of our facilities were adopting renewable electricity and 20% were using renewable heating and cooling. When calculated from the energy volumes used, the share of renewable electricity

increased to 80.42% in 2023, up from 68% in 2022. The total share of renewable energy sources (electricity, heat, and cooling) also rose substantially to 57.05%, compared to 22% in 2022.

This increase reflects the combined effects of several initiatives, including the **implementation of the solar plant** in the Netherlands, the **adoption of carbon-neutral heat** at one of our Finnish facilities, and our strategic use of Neste MY Renewable Diesel. Looking ahead, we remain committed to further optimizing our energy consumption and emissions. As our transition to renewable energy sources nears completion across all facilities, we anticipate continued reductions in our carbon footprint in 2024 and beyond.

GRI 302-1	2023	2022	2021
Energy consumption, GJ	1656	2231	2096
Direct energy consumption, non-renewable	343	646	630
Diesel	343	646	630
Direct energy consumption, renewable	223	21	29
Bio-diesel	223	21	29
Indirect energy consumption, renewable	722	474	312
Electricity	268	271	183
District heat	454	202	129
Indirect energy consumption, non-renewable	373	1090	1125
Electricity	65	125	182
District heat	308	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	2023	2022	2021
Energy intensity, mWh / Revenue (Meur)	87	119	135

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

Circular economy and materials

Naava remains deeply committed to circular economy principles, designing products for long lifecycles and efficient reuse. Since our inception, **almost all of the over 6,000 Naava green walls produced are still in use**, reflecting our goal of giving each product at least 3-4 “homes” over a potential lifespan of 10-15 years or more.

However, in 2023, the termination of 2G and 3G connections forced the early retirement of some older product lines, increasing our waste volumes. Despite this setback, we are committed to designing products that avoid similar limitations in the future by **ensuring their technology remains adaptable and updatable**.

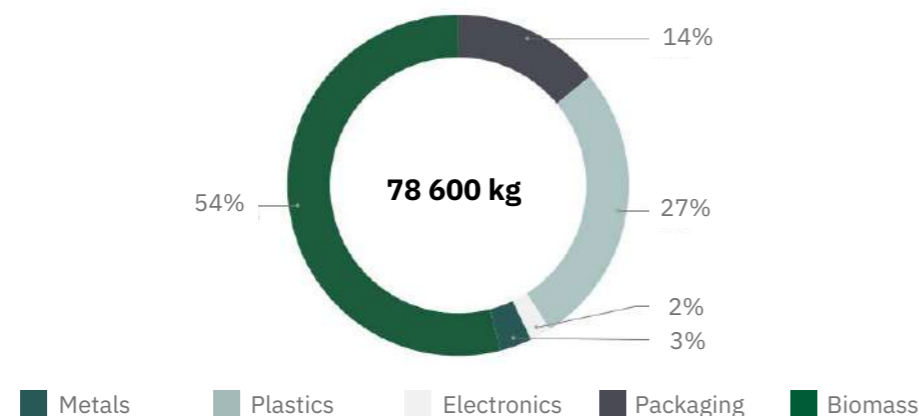
This year, we generated 36.2 tonnes of waste, up from 26.7 tonnes in 2022. Of this, 31.4 tonnes were non-hazardous, with 25.5 tonnes being biomass. The increase reflects the unavoidable disposal of older models. However, our ongoing efforts to refurbish products and circulate parts ensure minimal environmental impact.

With the N-series as our flagship product line, we’ve prioritized modular design and material efficiency to further extend product lifecycles. In 2023, we used 78.5 tonnes of materials, **a significant reduction** from 128.7 tonnes in 2022. We continue to explore ways to source sustainable materials, such as increasing recycled aluminum content and seeking durable alternatives to plastic.

GRI 306-3	2023	2022	2021
Total waste generates, tonnes	36.2	26.7	21.7
Non-hazardous waste	31.4	23.8	20.1
Biomass	25.5	20.3	17.6
Metals	4.5	2.7	2
Plastics	1.4	0.8	0.5
Hazardous waste	4.8	2.9	1.7
Electricity	4.8	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.

GRI 301-1, Materials used by weight



This figure includes all plants, manufacturing materials and repair parts supplied to produce and maintain all Naavas globally.

Origin

The frames for Naava products were produced in Pärnu, Estonia, by Scanfil, a Finnish subcontractor committed to ISO 9001, 14001, and 45001 standards. In 2023, **we initiated a move to Scanfil’s factory in Sievi, Finland**, which further strengthens our Finnish supply chain.

Primary materials, including metals, plastics, and electronics, are sourced from Finland, Norway, and Estonia, with secondary suppliers spanning the EU and Asia. Other components, such as biofilters and growth media, are locally sourced from Finland, while plants are supplied mainly from the Netherlands. Our packaging for the N-series continues to prioritize efficiency and sustainability. Each Naava One N100 requires only 7 kilograms of recycled fiberboard, representing a 76% reduction in material and 81% less packaging volume compared to older models.

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 month**¹, 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.



Social sustainability

Social sustainability pertains to a company's commitment to being socially responsible and mindful of the social impacts of its operations, products, and services. This encompasses promoting social equity, diversity and inclusion, respecting human rights, and ensuring fair treatment of employees, among other aspects. At Naava, we have always held the belief that healthy employees can more effectively convey the health benefits of our services.

Naava as an employer

Naava has a workforce of 60 individuals, nearly all of whom are permanent employees. While the majority of our team is located in Finland, we also have colleagues in Sweden, as well as some non-employee workers in the Netherlands.

We strive to provide the best possible care for our employees. As an employer, Naava recognizes that its overall impact includes the well-being of its team. We are dedicated to being a positive influence in this regard, which aligns our employer practices more closely with our handprint than our footprint.

GRI 401	Total	Female	Male
Total number of employees	60	38	22
Permanent employees	59	37	22
Temporary employees	1	1	0
Full-time employees	56	36	20
Part-time employees	4	2	2
New hires	15	9	6
New hire rate	0.19	0.19	0.2
Leavers	33	19	14
Turnover rate	0.42	0.4	0.47
Workers who are not employees	0	0	0

GRI 2-7, 2-8	Total	Nordics	NA	Europe
Total number of employees	60	58	0	0
Permanent employees	59	57	0	2
Temporary employees	1	1	0	0
Full-time employees	56	55	0	1
Part-time employees	4	3	0	1
New hires	15	6	7	2
New hire rate	0.19	0.08	0	1
Leavers	33	22	11	0
Turnover rate	0.42	0.3	1	0
Workers who are not employees	0	0	0	0

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.

Employers responsibilities

At Naava, we remain dedicated to being a responsible employer that prioritizes the well-being, safety, and inclusion of our employees. As in previous years, we adhere to regional employment regulations, ensuring all mandatory employer and insurance contributions are paid. For employees outside Finland, we strive to offer benefits comparable to those provided in Finland.

Our benefits extend beyond legal requirements to promote employee well-being. For example, we offer flexible vacation policies tailored to employees' individual needs and circumstances, lunch benefits for regularly traveling employees, fitness and cultural benefits, and discounts for Naava products.

In 2023, Naava employed 60 people, down from 74 in 2022, due to strategic restructuring and operational adjustments. The gender balance shifted slightly, with 60% female and 35.56% male employees, and 4.44% preferring not to disclose their gender. 84% of office employees and 100% of service employees participated in work evaluations, reflecting our commitment to continuous employee development.

We are committed to fostering a positive work environment, prioritizing employee **well-being, safety, and inclusion**. By continuing to measure and act on feedback, we aim to further enhance our workplace culture and ensure every employee feels valued, supported, and empowered to succeed.

GRI 401-3, parental leave	Total	Female	Male
Employees who were entitled to parental leave	2	2	0
Employees who took parental leave	2	2	0
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	0	0	0
Return to work -rate of people who took parental leave	0	0	0

GRI 404-3, % of performance reviews	Total	Female	Male
% of employees who received a performance review during 2023	90%	91%	90%
% of service employees who received a performance review during 2023	100%	100%	100%
% office of employees who received a performance review during 2023	84%	82%	87%

The employees who joined Naava in 2022 are included in these figures. Naava aims to conduct regular performance reviews for all of its employees. The performance management and implementation of training programs has been better organized within our service teams. Key reason to this is the systematic, but precise nature of our service work.

Well-being at work

Employee well-being remains a cornerstone of our values at Naava. In 2023, we continued conducting the **KivaQ work well-being survey** twice a year. The overall index for December 2023 was **7.37**, down slightly from 7.58 in 2022. The Service team's index decreased to 7.29, while the Office team's score was 7.4, remaining above the industry average of 7.23. These results guide us in identifying areas for improvement and implementing targeted actions to enhance employee satisfaction and engagement.



GRI 403-9, work related injuries	2023	2022	2021
Number of work-related injuries ¹	1	1	3
Rate of work-related injuries ²	9.9	8.5	36.2
Number of work-related minor injuries ³	12	12	7
Rate of work-related minor injuries	119.4	101.4	84.6
The number of hours worked	100521	118328	82770
Near misses reported ⁴	5	3	-

All Naava's employees are included in the figures. The numbers have been collected from Turvallinenyritys-system, which Naava uses to track incidents and near misses. 1. Work-related injuries include all accidents that led to lost time or restricted work. 2. Both rates have been calculated based on 1,000,000 hours worked. 3. Minor injuries include all reported accidents, that did not lead to lost time or restricted work. 4. Near 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.

Occupational safety

In 2023, we maintained a strong focus on occupational safety. The number of reported minor injuries (12) remained consistent, and there was one injury requiring attention but not leading to lost time. Near-miss incidents increased from 3 in 2022 to 5 in 2023, reflecting improved reporting and awareness. We will continue to emphasize risk mitigation, safety training, and fostering a culture of safety across all teams.

Diversity, Equity, and Inclusion (DEI)

Naava remains committed to fostering a workplace that celebrates diversity, ensures equity, and promotes inclusion for all employees. We believe that a supportive and inclusive environment enhances collaboration, creativity, and the overall well-being of our team. In 2023, Naava employed 60 people across its operations, with 60% identifying as female, 35.56% as male, and 4.44% preferring not to disclose their gender.

Our employees bring a wealth of experience and varied backgrounds. Among them, 6.67% identify as part of the **LGBTQIA+** community, and 17.78% reported having

disabilities or health conditions that impact their ability to work. These figures highlight the importance of accommodating diverse needs and fostering an environment where every employee feels supported.

At Naava, equality is a fundamental value. We take any reports of discrimination seriously, and in 2023, **no cases of intentional discrimination** were reported. However, we recognize that 14% of employees in 2022 noted unintentional bias. We are committed to reducing even unintentional forms of inequity through continued training and awareness initiatives.

87% of employees feel comfortable discussing their race, nationality, gender identity, disability or any other part of their identity, with their colleagues.

93% of employees feel that Naava policies and practices are inclusive and respectful for all employees.

62% of employees have been promoted or provided a wider scope of work.

Demographics of employees

60% identify as female	7% identify as LGBTQIA+
84% are Finnish nationals	18% have a disability that affects their work



Our handprint

At the heart of Naava’s handprint is our mission to address one of the most significant environmental health challenges—poor and polluted indoor air. By improving air quality, we aim to **positively impact human health and well-being**.

The handprint of our products can be understood through a simple equation: the number of people influenced by Naavas globally multiplied by the varied health benefits provided by Naava’s indoor environments. While it’s challenging to precisely measure these health benefits, this equation highlights the essence of our impact.

Using our proprietary tracking system, the **Breathe Index**, we estimate that approximately 400,000 people worldwide benefit daily from Naava’s influence. The Breathe Index is managed through our app, which tracks the spaces where Naavas are installed.

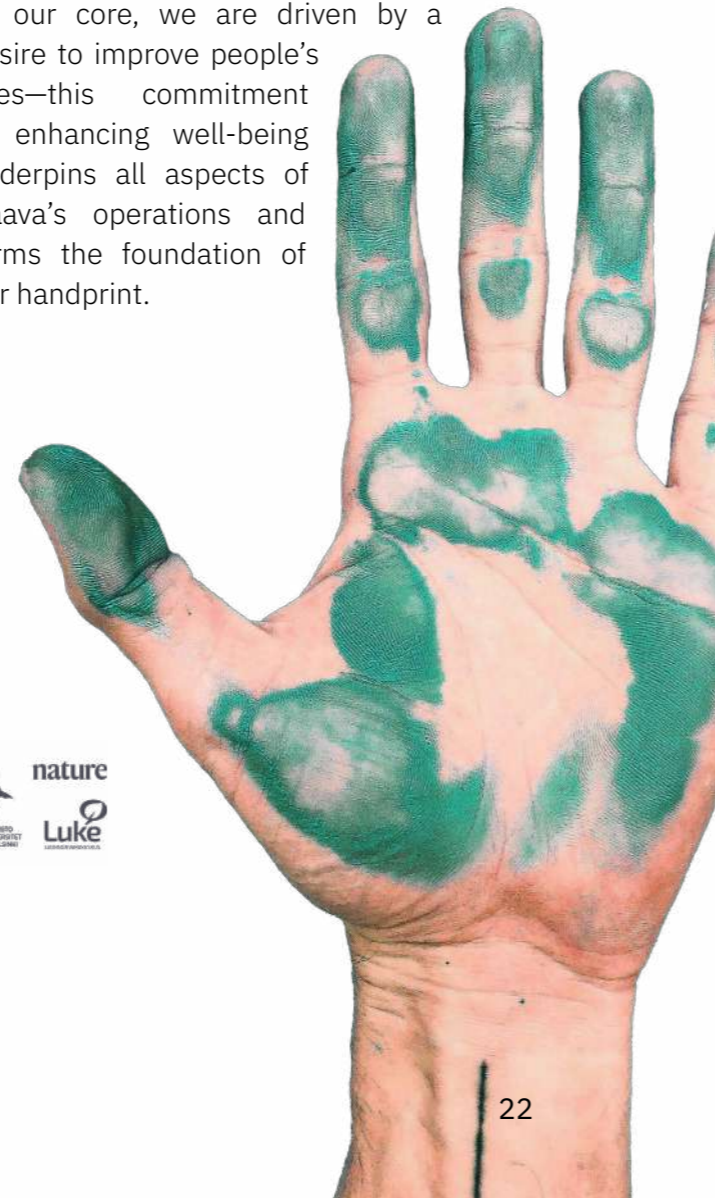
Each space has an estimated daily occupancy, which is used as a multiplier to calculate the total number of people impacted.

These individuals experience benefits such as:

- Healthier skin microbiota supports our immune system¹
- Fresher and healthier indoor air, promoting overall well-being²
- Reduced cortisol levels help alleviate stress, improve focus, and reduce errors³

Naava’s handprint extends beyond the direct benefits of the products. As a company, our handprint also includes the broader societal contributions we make, such as providing employment opportunities, paying taxes, and fostering social sustainability.

At our core, we are driven by a desire to improve people’s lives—this commitment to enhancing well-being underpins all aspects of Naava’s operations and forms the foundation of our handprint.



1. ADELE project, Published in Nature, 2022
 2. JYU & UEF, Published in Indoor Air, 2018
 3. Naava Study, 2016



Economic sustainability

Economic sustainability pertains to the financial impact an organization has on its stakeholders, including investors, employees, customers, and the wider community. Operating within the strict framework of Finnish business law, we maintain a zero-tolerance policy for corruption and conduct our business through fair labor practices.

Our governance

Since our inception in 2012, Naava has upheld zero tolerance for corruption, bribery, and breaches of fair labor practices. In 2023, we continued to ensure ethical and legal compliance through regular briefings and active monitoring of our partners and collaborators. Following Finnish business law, renowned globally for its emphasis on transparency and fairness, provides a solid foundation for our operations.

Naava remains committed to complying with all environmental legislation and increasing awareness of climate and biodiversity impacts among employees. In 2023, we integrated sustainability topics into company-wide activities, fostering a culture of environmental consciousness that supports continuous improvement in operations and product development.

Code of conduct

In 2023, we completed the implementation of **Naava’s Code of Conduct**, which consolidates our principles for ethical and transparent business practices. The document is publicly available and serves as a key tool for onboarding employees and guiding day-to-day operations. Oversight of these principles is supported by our Occupational Health and Safety Committee, ensuring alignment with our values at all levels of the company.



Quality Management

In 2023, we took a significant step in advancing our partnership with Scanfil by initiating the relocation of our manufacturing to their factory in Sievi, Finland, further enhancing the Finnish contribution to Naava's supply chain.

Our products continue to uphold high-quality standards, **meeting CE, FCC, KC, and ETL certifications**. 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.

We remain dedicated to continuous improvement, systematically collecting and acting on feedback from customers and suppliers to refine our operations and ensure excellence in product quality.

Suppliers & Partners

To assemble one Naava product, various different suppliers must first be engaged into the supply chain. **75%** of our suppliers are Finnish companies, and over **90%** of all work regarding the manufacturing of our products is done within European borders. The transition to Sievi reinforces Naava's commitment to maintaining a predominantly Finnish and European supply chain.

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 Dubai and 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.

In 2023, while we did not fully operationalize our Third-Party Code of Conduct, we maintained our commitment to upholding high ethical standards in selecting and collaborating with partners. Each partnership has been carefully evaluated to ensure alignment with Naava's values, emphasizing integrity, transparency, and sustainability.

Financial performance

In 2023, Naava faced a challenging macroeconomic environment characterized by high interest rates and market volatility. These conditions affected our growth strategy, leading to a strategic decision to downscale our operations in the United States. Despite these setbacks, we remain committed to stabilizing our business and focusing on profitability to build a sustainable foundation for future growth.

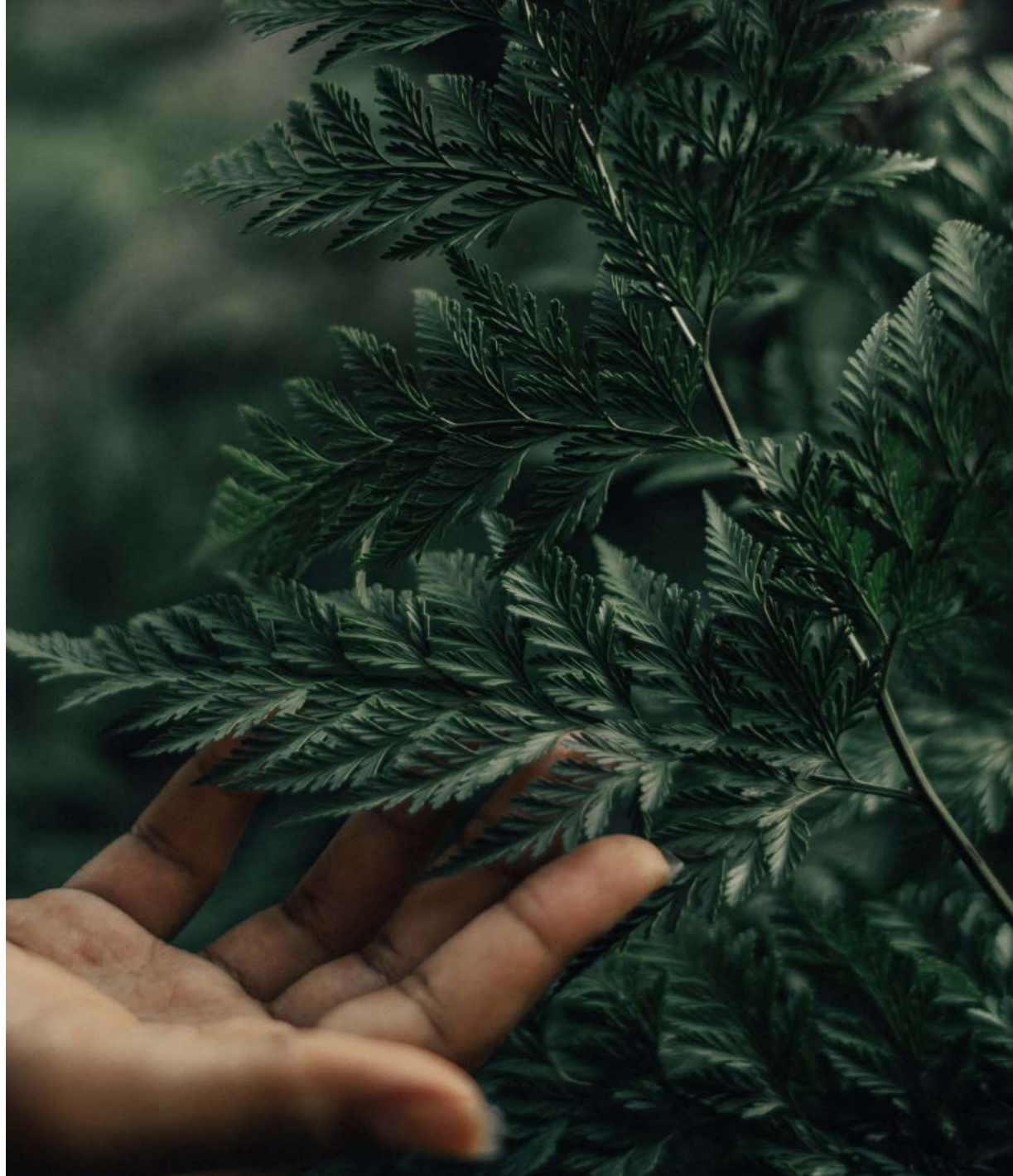
Societal Impact

Naava's societal impact extends beyond our direct business activities to include the jobs we provide and the taxes we pay. In 2023, despite economic challenges, we maintained a focus on fair treatment of our employees and compliance with all regional regulations.

Our contributions to governments through VATs and employee-related taxes reached **€1.4 million**, demonstrating our commitment to supporting public programs and services. By continuing to prioritize employee well-being and fulfilling our tax obligations, we aim to positively contribute to society even during uncertain times.

GRI 201-1	2023	2022	2021
Direct value generated, Meur			
Revenue	5.3	5.2	4.3
Direct value distributed			
Operating costs	4	4.5	3.6
Wages & Additional costs	3.5	4	2.7
Payments to providers of capital	0.1	0.1	0.3
Payments to government	1.4	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.



Story of creation
Behind the report
GRI standards
Epilogue

04 Reporting process

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 own operations in Sweden, and distribution to 13 other countries through various sales partners. This is the second public sustainability report of Naava. Naava is in the process of making 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 1 Global 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 2023 sustainability report marks Naava's second year of reporting, building on the foundation set in 2022. However, this report was created with a slightly reduced scope due to limited resources and significant changes within the organization during the reporting period. These challenges required us to prioritize other critical projects, which temporarily delayed some of the goals we set for ourselves in the previous report.

Despite these limitations, we remain committed to enhancing our reporting practices. In particular, we aim to address areas we could not fully cover this year, such as calculating Scope 3 emissions, in our 2024 report. With the experience gained from this reporting cycle and a renewed focus on expanding the scope, we are optimistic about achieving these goals in the coming year.

While resource constraints affected the depth of this report, the baseline established in 2022 continues to guide our efforts, ensuring consistency and progress in our sustainability journey.

Eager to know more?

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

[1. Global Reporting Initiative](#)

Behind the report

Our second sustainability report builds on the foundation laid in 2022, refining our processes and frameworks for tracking and sharing our sustainability efforts. This year's report continues our commitment to transparency and accountability in sustainable business practices.

The involvement of Naava's leadership, including CEO Jarno Haikonen, was integral to the creation of this report. Our management team actively participated throughout the process, ensuring alignment with the company's strategic goals. While external assurance has not yet been incorporated, data related to manufacturing was compiled in collaboration with our partner, Scanfil, ensuring accuracy in key areas.

As a non-public company, Naava's sustainability reporting timeline remains independent of its financial reporting. For future reports, we aim to reintroduce a broader scope, include external assurance, and further enhance the depth and transparency of our reporting. This ongoing evolution reflects our dedication to embedding sustainability into every aspect of our business.

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.

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, all non-executive directors. as Sami Laine as the chairman of the board. 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 Jarno Haikonen, 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 2023 to 31th of December 2023.

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. 26		
2-2	Entities included in the organization's sustainability	p. 25, 36		
2-3	Reporting period, frequency and contact point	p. 25, 26	The reporting period is 1st of January 2023 to 31th of December 31 2023. All data from other time frames have been noted separately.	
2-4	Restatements of information		No restatements	
2-5	External assurance	p. 28	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 2022.	
2-7	Employees	p. 18-21		
2-8	Workers who are not employees	p. 18-21		

3. Governance

Disclosure	Title	Location	Additional information	Omissions
2-9	Organizational details	p. 22		
2-10	Entities included in the organization's sustainability	p. 22		
2-11	Reporting period, frequency and contact point	p. 22		
2-12	Restatements of information	p. 22		
2-13	External assurance	p. 22		
2-14	Role of the highest governance body in sustainability reporting	p. 22		
2-15	Conflicts of interest	p. 22	Naava's 2023 Code of Conduct	
2-16	Communication of critical concerns	p. 22		Number of critical concerns reported isn't followed.

2-17	Collective knowledge of the highest governance body	p. 22	No external services have been used to advance the collective knowledge.
2-18	Evaluation of the performance of the highest governance body	p. 22	The activities of the board are evaluated in the annual general meeting.
2-19	Remuneration policies	p. 22	
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. 4		
2-23	Policy commitments	p. 8, 23	Naava's 2023 Code of Conduct	
2-24	Embedding policy commitments	p. 8, 23	Naava's 2023 Code of Conduct	
2-25	Processes to remediate negative impacts	p. 14, 21		
2-26	Mechanisms for seeking advice and raising concerns	p.18-21	Naava's 2023 Code of Conduct	
2-27	Compliance with laws and regulations	p. 23		
2-28	Membership associations	p. 2		

5. Stakeholder engagement

Disclosure	Title	Location	Additional information	Omissions
2-29	Approach to stakeholder engagement	p. 8-12		
2-30	Collective bargaining agreements	p. 2, 25		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. 13		
3-2	List of material topics	p. 13	No changes to 2022.	

GRI 201: Economic performance 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 25		
201-1	Direct economic value generated and distributed	p. 13, 25		

GRI 205: Anti-corruption 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 23-25		
205-1	Operations assessed for risks related to corruption	p. 23		
205-3	Confirmed incidents of corruption and actions taken	p. 23		

GRI 301: Materials 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 14-16		
301-1	Materials used by weight or volume	p. 14-16		Share of renewable and non-renewable materials unknown. Naava plans to disclose the share in the future, and works to increase the number simultaneously.
301-2	Reclaimed products and their packaging materials			

GRI 302: Energy 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 14-16		
302-1	Energy consumption within the organization	p. 14-16		
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. 14-16		
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. 13, 17		
303-1	Interactions with water as a shared resource	p. 17		
303-2	Management of water discharge-related impacts	p. 17	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.	
303-3	Water withdrawal			Information not available
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

GRI 305: Emissions 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13-15		
305-01	Direct (Scope 1) GHG emissions	p. 14-16		
305-02	Energy indirect (Scope 2) GHG emissions	p. 14-15		
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. 14		
305-05	Reduction of GHG emissions	p. 14-15		

GRI 306: Waste 2020

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 16-17		
306-1	Waste generation and significant waste-related impacts	p. 16		
306-2	Management of significant waste-related impacts	p. 16		
306-3	Waste generated	p. 16		
306-4	Waste diverted from disposal	p. 14-16		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. 14-16		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. 13, 23		
308-2	Negative environmental impacts in the supply chain and actions taken	p. 16-17,23		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. 13, 18		
401-1	New employee hires and employee turnover	p. 18		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 18-21		
401-3	Parental leave	p. 19		

GRI 403: Occupational health and safety 2018

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 18-21		
403-1	Occupational health and safety management system	p. 20		
403-2	Hazard identification, risk assessment, and incident investigation	p. 20		
403-3	Occupational health services	p. 20		
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 20		
403-5	Worker training on occupational health and safety	p.20		
403-6	Promotion of worker health	p. 19-20		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 23		
403-8	Workers covered by an occupational health and safety management system	p. 19		
403-9	Work-related injuries	p. 20		
403-10	Work-related ill health	p. 20		

GRI 404: Training and education 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13		
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. 18-19		
404-3	Percentage of employees receiving regular performance and career development reviews	p. 19		

GRI 405: diversity and equal opportunity 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 21		
405-1	Diversity of governance bodies and employees			
405-2	Ratio of basic salary and remuneration of women to men	p. 21		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. 13, 19-21		
406-2	Incidents of discrimination and corrective actions taken	p. 19		

GRI 414: Supplier social assessment 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 23		
414-2	Negative social impacts in the supply chain and actions taken	p. 23		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. 13, 23-25		
416-1	Negative social impacts in the supply chain and actions taken	p. 23-25		
416-2	Assessment of the health and safety impacts of product and service categories			Naava did not identify any non-compliance with regulations in 2023

GRI 418: Customer privacy 2016

Disclosure	Title	Location	Additional information	Omissions
3-3	Management of material topics	p. 13, 23		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			Naava did not identify any substantiated complaints in 2022.

NAAVA

