

kalera®

Environmental, Social and Governance Report 2021



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Providing communities around the world
with locally grown, nutrient-rich and tasty
greens all year round.

About this report

This is our first ESG report, which outlines our strategy and approach to deliver on our mission to provide fresh, safe, sustainable and affordable nourishment. The report covers activities and data from our 2021 financial year which ended 31st December 2021. As this is our first report, we have included other activities outside this reporting period where relevant.

We are aligning our reporting to best practice where possible including referencing the Sustainability Accounting Standards Boards (SASB), Global Reporting Initiative (GRI), and the United Nations Sustainable Development Goals (UN SDGs). We acknowledge the requirements from the Securities and Exchange Commission (SEC) and the Singapore Standard SS661 regarding measuring and reporting of GHG emissions and climate risk, and we will abide by these requirements once they come into effect. We will continue to review our ESG strategy and reporting approach to ensure that we align to best practice, meet stakeholder expectations and remain at the forefront of sustainability in the vertical farming industry.



CEO Statement

We strive to set a good example in the vertical farming industry on environmental, social and governance issues. At the heart of our business is a strong commitment to a better world.

I am pleased to present our first ESG report which aims to build on an already firm ESG foundation to transform Kalera into a truly sustainable business, delivering superior nutrition in the markets we serve.

We strive to operate at the cutting-edge of sustainable agriculture and contribute to the mitigation of global issues surrounding food security. We leverage data and plant science, machine learning, proprietary plant genetics and a deep technology stack to better fulfill our responsibilities.

The COVID-19 pandemic and the war in Ukraine have demonstrated the vulnerability of global food supply chains. International agreements launched at COP26 such as the Agriculture Innovation Mission for Climate (AIM for Climate/ AIM4C) aim to tackle climate change and global hunger through investments in climate-smart agriculture and food systems innovation over five years (2021 – 2025). It is widely believed that the world has less than a decade to take decisive action on climate change. We understand that we have a critical role to play in the transformation of food systems - shortening food supply chains, reducing waste, increasing nutrition, and providing a sustainable supply of fresh food detached from seasonal and weather-related fluctuations. Through optimized genetics and controlled growing conditions, our products are more nutritious and tastier than average greens and are commercially viable as demonstrated by strong demand in the USA and beyond. Growing demand will allow us to scale our ESG impact globally; the demand for our products continues to grow in Florida, Texas, Georgia and Kuwait and sales in the retail and foodservices segments are rapidly increasing in the USA.

We strive to set a good example in the vertical farming industry on environmental, social and governance issues. At the heart of our business is a strong commitment to a better world. We have demonstrated leadership in Controlled Environment Agriculture (CEA), which is transforming produce farming, addressing mounting global challenges regarding water stress, arable land erosion, fresh produce availability, quality and safety, and the climate impact of traditional, long-distance perishable food supply chains.

We are committed to developing robust ESG KPI tracking and reporting processes and systems, in accordance with accepted reporting standards. We expect to fortify our data collection for ESG KPI reporting as our production facilities become fully operational. We aim to become a global leader in the contribution of vertical farming towards a more sustainable future.



Jim Leighton

President and Chief Executive Officer



SECTION 1

About Kalera

We operate the world's largest network of vertical farms to serve communities on four continents with the cleanest greens all year round.

About Kalera



A team of scientists and engineers founded Kalera in 2010, formerly known as Eco Convergence Group, to envision and develop technologies applicable to a 'green city of the future' concept in central Florida. Founder Dr. Cristian Toma is still with us today and serves as our Chief Science Officer.

In 2018, we opened our first vertical farm set directly on the premises of a major hospitality center, the HyCube™ at the Orlando World Center Marriott®.

In April 2019, the company was renamed "Kalera" and the first of our larger farms was opened in Orlando in February 2020. In 2021, we have continued to expand in the United States, opening large scale farms in Atlanta and Houston. In May 2021 we acquired Vindara, the leader in AI-assisted plant variety breeding for Controlled Environment Agriculture. In October 2021 we acquired &ever, a leading

German vertical farming company, which has been operating an automated farm in Kuwait. We continue to expand in 2022, with one new farm opening in Denver in March 2022, and multiple farms under construction in the United States and in Singapore. We have embarked on an ambitious plan aiming to provide communities across the globe with cleaner, tastier, and more nutritious greens.

We are a high growth company – total revenue increased by 222% to USD 2.9 million in 2021, up from USD 0.9 million in 2020.

We grow the largest assortment of lettuce, herbs and microgreens in vertical farming.

Vision, Mission & Values



Mission

"Serve humanity - wherever we are - fresh, safe, sustainable and affordable nourishment."



Vision

"To become the global leader in vertical farming for leafy greens."



Values

"We grow the future. At Kalera, we grow things! This includes plants, people, careers, innovation, technology, sales, profits, and relationships to name a few. We ask and expect that you are personally responsible in helping **grow the future of Kalera!**"

"Do the right thing, always. When we interact with our employees, our customers, our partners, vendors and suppliers, our shareholders and investors, and the world / communities we serve, **we do the right thing, always!**"

"Own it, all of it. Ownership of all we do is critical to our success! Going above and beyond, completing the task at hand, helping others, and taking full responsibility are all examples of **Own it, all of it!**"



**Our core belief:
We are ready for a third
wave of farming.**

It is time to bring the third wave of fresh greens to consumers and contribute to greater food security.

We believe that vertical farming will help our world to secure access to fresh produce, while supporting an increasing global population in the conservation of water and fertile farmland. We seek to mitigate the impact of soil erosion and climate change to deliver a more sustainable way of serving fresh products for our planet and communities.

Wave 1

Organic production
of greens



Wave 2

Industrialized production
of greens (greenhouse)



Wave 3

Vertically farmed
production of greens



SECTION 2

Our approach to ESG





Our business and ESG mission are the same: to serve humanity, wherever we are, with fresh, safe, sustainable, affordable nourishment.







Our approach to ESG

With a growing global population, degraded farmlands, depleted water resources, and recurring outbreaks of foodborne illnesses, the need for safe, reliable, and sustainable agriculture solutions is more pressing than ever. We believe that Kalera is part of the solution.

Our business and ESG mission are the same: to serve humanity, wherever we are, with fresh, safe, sustainable, affordable nourishment. To achieve this, we need to attract more consumers, investors, and talent – to grow our business and deliver sustainable products to more people.

We have four main ESG focus areas:

	SDG Goals	Our goals
Water Stewardship		<p>Promote food production that is compatible with protecting water resources by improving water use efficiency at our farms and ensure water that is discharged does not compromise water quality.</p> <p>We will:</p> <ul style="list-style-type: none">• Excel in the efficient use of water at all our farms• Conduct water resource reviews across existing and new farm sites• Implement programs to reduce water withdrawal, reuse water and use alternative water sources such as rainwater harvesting• Set strict targets for water discharge quality, for water returning to the environment• Ensure that our operations do not compromise the right to water and sanitation of local communities
		
		
		

	SDG Goals	Our goals
Climate		<p>Achieve carbon neutrality by 2030 and set GHG reduction targets for our own operations and value chain once we have measured our carbon footprint, identified emissions hotspots and associated reduction opportunities.</p> <p>We will:</p> <ul style="list-style-type: none"> • Measure and report Scopes 1, 2 & 3 emissions (own operations and value chain) on an annual basis and to set an emissions baseline from which progress can be tracked • Optimize plant yields through AI-driven breeding programs • Source electricity from renewables – either from on site generation or from certified sources • Minimize waste, remove all unnecessary packaging and ensure our packaging is widely recyclable • Improve refrigeration efficiency and reduce refrigerant emissions • Reduce emissions from logistics by maximizing fuel efficiency across load, route planning and driver behavior • Switch to decarbonized transport and address emissions from heating/cooling by trialing innovative technologies • Take cross-industry action to improve climate outcomes and support positive public policy on climate
		
		
		
Nutrition & health		<p>Provide fresh, safe, sustainable and affordable nourishment in all our locations with zero food safety incidents.</p> <p>We will:</p> <ul style="list-style-type: none"> • Optimize the nutritive value of our produce through AI-driven breeding programs • Measure crop nutrient levels systematically across the Kalera group • Launch marketing campaign with nutrition message, starting with school systems
		

	SDG Goals	Our goals
Developing 21 st century farmers	<div>4 QUALITY EDUCATION</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<p>Expand educational and research and development partnerships.</p> <p>We will:</p> <ul style="list-style-type: none"> • Launch ‘Kalera University’ and internship programs • Launch school outreach programs

Our point of difference

At Kalera, we believe that our customers don't have to sacrifice healthy and delicious produce for sustainability. Our efficient operations allow us to produce high-quality leafy greens better than organic products, at a competitive price. We use plant variety breeding techniques that generate high-yielding tasty greens while consuming much less water and land and with a lower carbon footprint distribution chain.

Our hydroponic facilities produce several hundred times more output per square foot than traditional farming, using approximately 99% less land and is not subject to seasonal and regional limitations.



What makes us different

Clean and safe

- Eliminates human pathogen contamination such as e-coli, which has caused outbreaks linked to traditional farming
- No harmful chemicals, hormones, additives, pesticides, fungicides, or insecticides
- Non-GMO seeds

Healthy, delicious and affordable

- High quality, rich in minerals, vitamins, and antioxidants due to optimized genetics and growing techniques
- Avoids the loss of nutritional value found with traditional fresh produce shipped over long distances, which can be significant for certain nutrients
- Efficient operations allow for competitive pricing

Sustainable and local

- Produced locally and safely, reducing transportation emissions and extending shelf-life by 5 to 14 days (depending upon variety)
- 95% reduction in water consumption and 99% less land vs. field farming

No seasons

- Reduced unpredictability from changing climates allows us to grow and sell our products 365 days a year
- Product categories are determined by customer choice, not by market availability or seasonality

Space efficient

- Significantly better yields due to growth environment and vertical distribution
- Several hundred times more output per square foot than traditional farming

Branding potential

- We believe that our product is 'better than organic' which increases our ability to develop strong customer engagement, particularly with the health and wellness market segment
-

SECTION 3

Growing superior products

Our greens are rich in flavor and nutrition, with at least a 50% increase in proteins, vitamins, and minerals.



Growing superior products

We are committed to producing clean, great-tasting products with higher nutrient density, non-GMO, 100% pesticide free, with no washing needed. We have adopted the Safe Quality Food (SQF) program, which is a rigorous standard also recognized by the Global Food Safety Initiative (GFSI). Our farms are audited on both the Food Safety as well as Quality audit requirements under SQF, specifically the SQF Primary Plant Production Edition 9 and SQF Quality Code Edition 9 audit schemes. Every year, a licensed SQF certification body sends an SQF expert to audit our farms in order to renew the certificate for the following year.

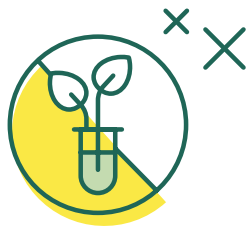
Three farms – Orlando, Atlanta and Houston – are SQF certified with an Excellent rating. Five additional farms will be SQF or GFSI certified in 2022 and 2023.

Food Safety KPIs for 2021

- Zero incidents of non-compliance concerning the health and safety impacts of products
- Zero product recalled
- Audits identified zero major non-conformances and a minor non-conformance rate of 2 per audit. Corrective actions have been carried out for all non-conformances



Our goal: Zero food safety incidents



Our produce is 100% pesticide-free and 100% non-GMO.

Kalera's automated vertical farm in Kuwait produces baby leaf crops with consistently high yields and quality.



Local and fresh

We situate our farms close to our customers, allowing them to buy our produce within hours of harvest, rather than weeks for conventionally farmed products. This enables our produce to retain superior quality and freshness. Our products also have a longer shelf life than traditional farmed products, which reduces spoilage and helps to reduce food waste at home or in the restaurant.

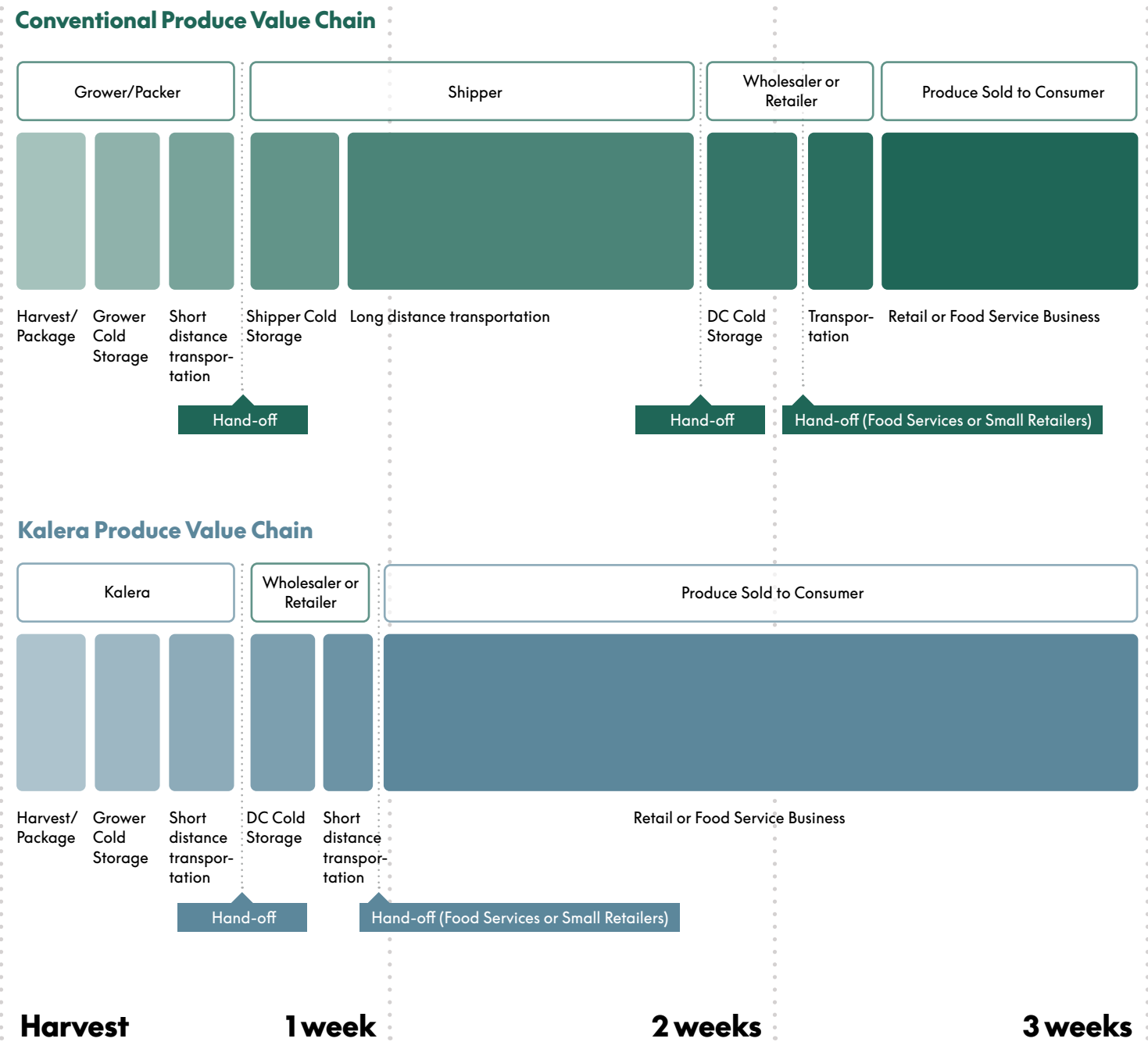
As our system does not rely on agricultural land, we can grow close to our consumers in cities, where availability of land is often limited, providing nutritious greens in a consistent and affordable way, as demonstrated today by our farm in Kuwait, and in the near future by our Singapore and Honolulu farms.



Customers at Edeka in Munich enjoy fresh high quality produce grown in Kalera's in-store Grow Tower.

Kalera produce value chain

Kalera significantly reduces the length and costs inherent in the conventional value chain while reducing the carbon footprint associated with long distance transportation and storage.



Sources:

- Roberta Cook, UC Davis, US Fresh Fruit and Vegetable Value Chain, 2010, based on UC Davis and Cornell U., compilations of USDA and US Census data.
- Don Goodwin & Tom Thomson, Golden Sun Marketing and UC Davis, Controlled Environment Agriculture: Disruption in the California Leafy Green Industry.

Case study

Growing local in Singapore

Singapore currently imports more than 90% of its food, leaving it vulnerable to global price increases and supply disruption. Announcing its 30 by 30 goal in 2019, the city state aims to produce 30% of its nutritional needs locally by 2030.

We have been awarded funding under the Singapore Food Agency's '30x30 Express' grant to help ramp up local food production. The grant is awarded to companies that make use of highly productive farming systems that can be constructed and implemented quickly.

Our new vertical mega-farm in Singapore, currently in construction, will produce up to 500 tonnes of clean, great tasting and highly nutritious leafy greens per year.

The farm will also apply the newly launched Clean and Green standard, which facilitates local food production in a cleaner and more sustainable manner, while striving towards productivity and leveraging on innovation.

In addition, with support of the Economic Development Board, we are setting up our global R&D center in Singapore. The research focuses on innovations to continuously "grow more, with less, sustainably".

Our new vertical mega-farm in Singapore, currently in construction, will produce up to 500 tonnes of clean, great tasting and highly nutritious leafy greens per year.





Clean and pesticide free

Our non-GMO greens are grown indoors in optimal conditions, are free of pesticides, and are harvested at just the right time for peak freshness.

We grow produce in clean, bio-secure environments where operators wear protective equipment, and there is no washing of the product, eliminating common entry points for pathogens. This addresses the product safety risks typically associated with

field and glasshouse production, such as bacterial outbreaks. We monitor and test for pathogens which, since inception, has prevented the need for a product recall. We guarantee excellent produce quality via the Safe Quality Food (SQF) program at all farms in the USA.

Health and taste

The difficulties of traditional farming mean that most farmers prioritize the aesthetics, shelf life and resilience over the nutrition and taste of their produce. Our controlled growing environment and short supply chain allows us to focus plant variety breeding efforts on taste and nutrition supported by our partnership with seed-specialist, Vindara.

Our optimized, non-GMO genetics and innovative growing methods result in flavorful leafy greens with

superior nutritional qualities. We will measure nutrient levels systematically across the group and provide better communication about the improved levels of nutrition, particularly with the school system and healthcare customers.

We believe our products are “better than organic”, and are competitively priced between conventional and organic produce, depending on the market.





Case study

Vindara's breeding process shortens development time from the usual 5 to 7 years to a remarkable 12 to 18 months.

Tastier, more nutritious and efficient – it's all in the seeds

What we need from seeds and plants in a vertical farm is almost exactly opposed to outdoor growers. Based on our ability to control the environment, we are much less concerned about resistance to disease and pests. We focus instead on flavor, nutritional value and yield. Therefore, in May 2021 we acquired Vindara, the leader in AI-driven plant variety breeding for Controlled Environment Agriculture.

Vindara is the first company to develop seeds specifically designed for use in vertical indoor farms. Non-GMO, Vindara's seeds are designed entirely through AI and analytics, and offer higher yields, reduced growth cycle and production efficiencies. Vindara's breeding process shortens development time from the usual 5 to 7 years to a remarkable 12 to 18 months, which provides much greater opportunities to customize our products to maximize yields, marketable qualities, and nutritional value.

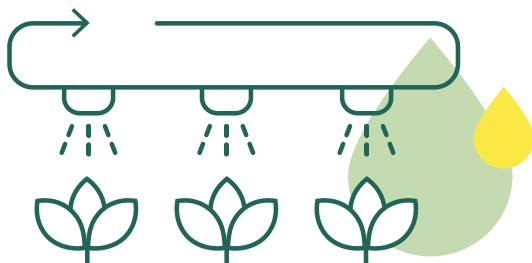
SECTION 4

Growing with respect for the planet

**Our crop uses only a
fraction of water and land
compared to traditional
farming methods.**

Growing with respect for the planet

We believe that our produce has a compelling environmental story as it uses less land and water than traditional growing methods and is highly resource-efficient in producing fresh, delicious and nutritious produce for consumers.



Our closed loop irrigation systems consume approximately 95% less water than traditional field farming with no harmful fertilizer runoff.

Goals:

- We are committed to achieving carbon neutrality by 2030 and we are looking to set appropriate GHG reduction targets for our own operations and value chain once we have measured our carbon footprint, identified emissions hotspots and associated reduction opportunities
- We are seeking to help close the loop on packaging to ensure it is treated as a valuable resource and help prevent environmental problems associated with plastic waste. In support of this we aim to remove unnecessary packaging wherever we can
- Going forward, we aim to measure and report a range of environmental KPIs in subsequent ESG reports across energy, water, fertilisers & pesticides, GMOs, waste (including food waste), and land use

Energy and carbon

Food production and distribution is a significant source of greenhouse gas emissions and, at the same time, is highly susceptible to the impacts of climate change. Growing indoor crops mitigates these negative externalities and allows for continued production during extreme weather conditions which would have otherwise damaged or destroyed field grown crops.

While using artificial lighting and air conditioning requires electricity, we have taken a holistic perspective of greenhouse gas emissions from farm-to-fork, comparing our value chain to traditional farming. Our approach of situating farms close to our customers reduces emissions from refrigerated distribution required in traditional supply chains. In the USA, for example, 90% of greens are grown in California or Arizona and are then refrigerated and transported thousands of miles in trucks. In comparison, our farms have notably lower food-miles from farm to consumer.

To help us understand the carbon impact of our products we will measure our carbon footprint from suppliers to customers. Our analysis will help us target our activities to reduce energy intensity and GHG emissions at a farm level and across our value chain and enable us to develop our roadmap to carbon neutrality.



Our goal: Achieve carbon neutrality by 2030



Higher yields and nutritive value through optimized genetics and growing conditions

We see a huge opportunity in improving plant productivity through advanced breeding technology. We are working with Vindara, our plant breeding partner, to improve our plants' physiology, resulting in varieties that grow quicker and are ready for harvest earlier, increasing yields and efficiency. We are also optimizing how we use light to maximize nutrition and yields. For example, we apply specific light spectra to plants a few days before harvest which reddens the leaves while accumulating more antioxidants and other nutrients.

Water and fertilizers

Agriculture accounts for approximately 70% of all freshwater withdrawals globally. With rising temperatures and increasing water stress globally, our methods use less water compared to traditional farming. Our closed loop irrigation systems consume approximately 95% less water than traditional field farming with no harmful fertilizer runoff.

Our technology-driven approach enables us to operate farms in water-stressed areas, such as Kuwait. We are currently evaluating technological solutions to further reduce our water consumption by capturing evaporated water and reintroducing it into the irrigation cycle.

Our goals:



By 2030 achieve a ~97% reduction in water consumption compared to traditional farming methods



No fertilizer runoff

Growing leafy greens in ideal conditions to produce crops with higher yields and nutritional content, while using a fraction of the inputs associated with traditional methods.

Case study



Growing greens in a desert

Kuwait is one of the world's most water stressed nations, having the lowest per capita renewable internal freshwater availability in the world¹. Kuwait also faces extreme weather conditions with heavy rain, flooding, humidity and extreme temperatures – this makes agricultural innovation vital to improving Kuwait's food security.

Our first vertical farm in Kuwait opened in 2020 and has the capacity to produce up to 500 kilograms of fresh tasty salads and culinary herbs every day. Our produce has met the highest local expectations for food quality, selling to premium restaurants, and has replaced imported produce from Italy and Netherlands. The farm can grow up to 250 varieties of greens and herbs using our patent-pending technology which generates faster growth cycles than traditional outdoor farms.

Our farm in Kuwait shows the incredible value of vertical farming in extreme environments. Our cooling systems have been designed to handle extreme temperatures. The farm can continue to operate for up to 5 days in the unlikely case of a cut to water supply. The farm uses a fully closed irrigation loop and any water that cannot be recirculated is used to irrigate nearby gardens.

We strive to continuously improve our methods and are currently evaluating the feasibility of using renewable energy to power the farm in Kuwait as well as in other locations. This may include combining photovoltaic solar panels with wind and biogas to bolster our operational sustainability and resilience.

¹ Source: <https://kuwait.un.org/en/125746-valuing-water>



Land use

Farmland is a limited resource. As populations grow, it is forecast that food production will need to rise by 70% by 2050 to feed an additional 2.7 billion people. However, 80% of arable land is already in use and 23 hectares of arable land are lost to erosion, pollution, and urban sprawl every minute. By 2050, soil erosion alone could lead to a 10% reduction in crop production.

Our hydroponic growing methods are soil-less, and our indoor vertical farms are situated in cities and use approximately 99% less land compared to traditional farming for the same quantity of produce. Our farms grow produce in three dimensions – we can thus produce significantly more crop in the same space compared to a traditional farm. In addition, we avoid the degradation of fertile soil by growing indoors – a significant issue in traditional farming.

Nonetheless, a challenge to our production is that we currently use peat-based grow media. While it is an excellent medium for hydroponic systems, we recognize that it is unsustainable in the medium to long-term. We are therefore working diligently with industry partners to identify suitable, cost-effective and sustainable alternatives using biodegradable or compostable materials.



Our goal: By 2030 phase out peat-based grow media by replacing it with biodegradable media.

Packaging

We recognize that our stakeholders, including customers, investors, and the public, are increasingly concerned about packaging and single use plastics. Our product packaging is fully recyclable and we are looking into biodegradable alternatives.



Our goal: By 2030 use only widely recyclable packaging, with all paper and board to come from certified sustainable sources.



Waste

We constantly seek to improve circularity and reduce waste – whether for damaged or unsold products, or other materials and inputs. Global food waste levels today are untenable. According to the UN, the global toll of food waste comes to 2.6 trillion USD per year².

Our short supply chains allow us to maintain freshness for longer and reduce product spoilage in transit to the end consumer – in direct contrast with conventional supply chains where over one-third of the greens can be lost in transit due to spoilage. Furthermore, we are piloting alternative channels for waste product, including repurposing unsold product as animal feed.



Our goal: By 2030 totally eliminate landfilling of organic waste generated by our farms.

² FAO. The State of Food and Agriculture 2019. Moving forward on food loss and waste reduction. (Rome, 2019)

SECTION 5

Growing careers and communities

We strive to bring out the best in our people and add value to our local communities.

Growing careers and communities

From consumers, to colleagues, to the communities in which we operate and serve; people are at the heart of what we do. We aim to provide a great and safe place to work, where diversity is welcomed and celebrated, and colleagues have opportunities to develop both personally and professionally. We also aim to support our local communities and create strong, fair supply chains.

Providing high quality jobs with meaningful benefits

We create meaningful and rewarding jobs for people in the local community. To attract and maintain the best talent, we offer significant benefits over typical roles in agriculture, including healthcare benefits, opportunities for progression and career development. Our recruitment strategy involves community outreach, local events, recruitment fairs, and open house events.

Due to our food production methods, we are often looking for people with a specific combination of skills – acumen, manufacturing and plant science expertise. As there are few individuals with such a specific skillset, we offer internal and external training to develop our people and provide the skills we need.

We have big ambitions for our company and encourage colleagues to do the same. We want our people to think big, look beyond their current position, and help them to develop their career within the company. We support homegrown management and the promotion and transfer of employees.



Building careers

We want our people to develop and grow with us and provide opportunities for promotion and movement within the business. Two colleagues, Johnas and Gaby, have shared their career stories at Kalera.



JOHNAS MAURICE

Director of Operations, USA

Johnas joined Kalera in March 2021 as Assistant General Manager of the Orlando farm. He immediately began refining and innovating processes and supporting others to achieve key objectives. His passion for leading farm operations and ability to inspire and motivate people was clear from the start and he was soon promoted to General Manager of the Orlando farm.

When the Atlanta farm was experiencing a leadership change, he stepped in to help, traveling between the farms during the transition. Both farms thrived because of the processes and leadership he provided. Once he secured a new General Manager for the Atlanta farm, he developed a comprehensive training plan that has now been implemented throughout the company. Due to his boundless energy, leadership, inspiration of others, and process innovation, he was promoted to Director of Operations of all our US farms. His contribution has been key to the success of the farms, with the Orlando farm consistently exceeding expected yields.



Working for Kalera, has been the most incredible journey and I honestly love what I do. What drives me is to be a part of an organization that directly helps to solve world hunger and impacts local and global communities through the development of a sustainable method of farming with a small carbon footprint. Being a trusted leader at Kalera has given me the opportunity to fine tune my soft skills in supporting, helping, inspiring, and encouraging others. What I have accomplished thus far with my Kalera career path motivates me to strive for more responsibility and chances to connect and build up other leaders within our globally growing organization.



**GABY SOTOMAYOR****Microgreens Support Manager, USA**

Gaby joined our Orlando farm in April 2020 as an entry level production farm worker. Soon after, she was recognized as an effective team leader and promoted to 'trainer' where she supported the success and onboarding of new employees. Given her interest in biology, Gaby was promoted to 'horticulturist' at our corporate headquarters, where she developed a small indoor grow room and began growing microgreens. From concept to operations, Gaby directed all aspects of this project including research and development, operations, growing, labor, equipment, supplies, cost management, assisting sales, and fulfilling orders. One year on, Gaby hired a team to support the project and now she manages the large-scale microgreens department at the new Denver farm. The farm's microgreens are a great success, and consistently sold out, thanks to Gaby's dedication and expertise.



Working at Kalera has been a fulfilling journey. It has polished me as a grower and developed my operation and team skills while instilling in me the importance of determination, ownership, and never giving up on a vision. Combined with my passion in this field and the support I had behind me, we have been able to prove a concept once thought to be too challenging. It has been a privilege to be the one pushing this project through, and I stay grateful to the production team for giving me the opportunity two years ago and teaching me the skills I needed to thrive. Kalera has taught me that with the right mindset, determination, and a passionate group of leaders, nothing is impossible! I am excited to continue growing within Kalera and turning the microgreens department into the next big thing!





Diversity and Inclusion

Having a diverse mix of people working at Kalera is the right thing to do and it makes good business sense.

We want our employees to be excited about coming to work and share in our mission to change the world.

We provide equal employment opportunities to all employees and applicants for employment without regard to race, creed, color, religion, national origin, ancestry, marital status, sex (including pregnancy, sexual orientation, gender expression, and gender identity), age, physical or mental disability, genetic information, citizenship status, military or veteran status, or other class protected by federal, state, or local law. We apply this policy to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, training, recreational programs, and retirement. We encourage employees to report any complaints of discrimination that

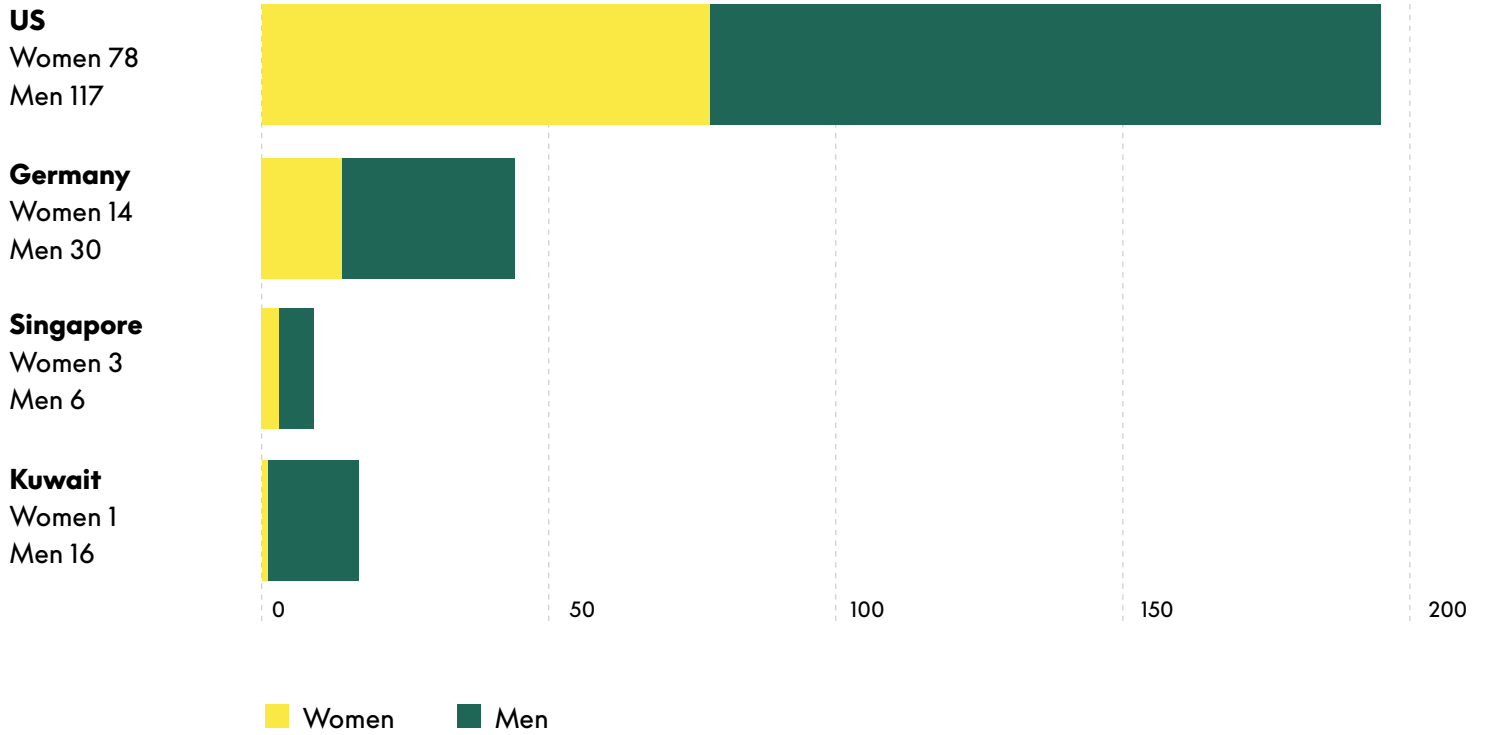
they observe or experience to a Manager, Director, CEO, CHRO, or to any member of management with whom they feel most comfortable.

We want to build trust amongst all employees with a culture that encourages communication. We want our employees to work together and discuss opinions, problems, suggestions and comments as a team.

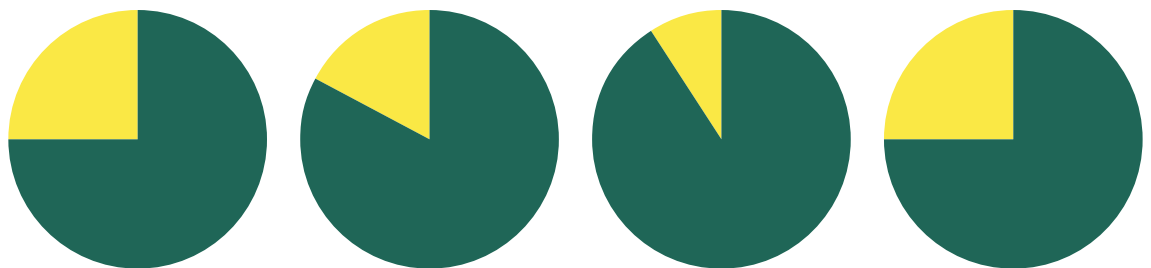
Diversity is essential and we seek to place women into roles traditionally occupied by men, and actively promote our opportunities at women-focused events. Diversity and inclusion are not limited to gender; we promote diversity in all its forms with a focus on colleague capabilities, motivators and values. We seek to employ people from a variety of backgrounds, with diversity of thought and a mix of personality types, which we believe creates additional value for the business.

We provide equal employment opportunities to disabled applicants and employees to ensure that all with the ability to perform essential job functions can enjoy the benefits of employment.

Employees by gender

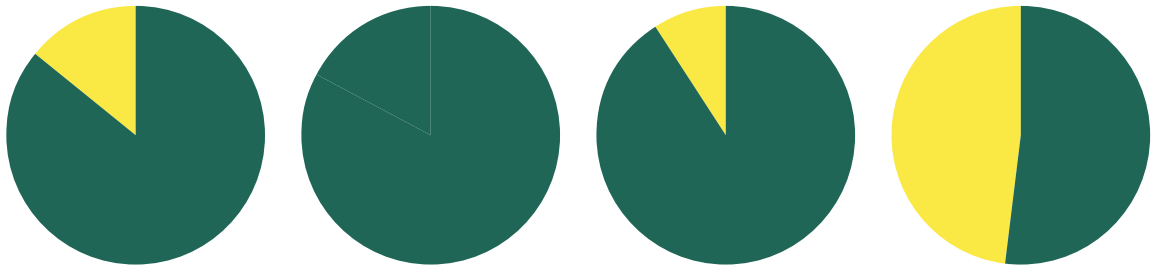


Women in leadership³



³ As of December 31 2021

Underrepresented categories in management positions (US only)⁴



Management level	C-Level	Vice President	Director	Manager
Employees	7	5	11	31
Underrepresented	1	0	1	15
Underrepresented (%)	14%	0%	9%	48%



25% of our C-Level and Manager roles are occupied by women

48% of our managers in the USA are from underrepresented groups

⁴ As of December 31 2021. In the US, underrepresented categories include African-American, Hispanic/Latinx, Native-American and Native-Hawaiian and Other Pacific Islander



Health and safety

Our priority is to establish a safe and healthful workplace that maintains conditions and adopts practices reasonably necessary to protect employees on the job and ensure that employees are provided with sufficient protection for all reasonably foreseeable hazards.

We are committed to protecting workers' rights required by the Occupational Safety and Health Administration (OSHA) standards, as applicable to our facilities, to achieve the goal of a 'safe & healthful workplace'. The rights of our workers include, but are not limited to, a right to file a complaint with OSHA, to seek safety and health on the job without fear of punishment, and to have a worker representative accompany the OSHA inspector during inspections.

Occupational Health and Safety KPIs for 2021

- Zero fatalities
- Zero high consequence injuries
- Two recordable injuries
- Two work-related ill-health incidents

On average production employees receive 4-12 hours of safety training per year, depending on position and responsibilities. All production employees receive 4 hours of food safety training during orientation. Order picker and scissor lift operators receive 10-12 hours of safety training and horticulturists receive an additional 2-4 hours of training on the safe usage and handling/storage of chemicals.



Our goal: Zero occupational health and safety incidents

21st century farmers

We are contributing to the development of the farmers of the 21st Century through educational and R&D cooperation with key universities and institutes.

Driven by cutting-edge innovations in agrotechnology, 21st century farmers seek out solutions to improve efficiency in a sustainable manner and require strong mentorship in order to stay competitive and on top of market trends. Our training platform, 'Kalera University', is under development and we intend to expand our partnerships and launch school outreach programs. Our focus remains on the development of the workforce through continuing education, internships and work-study programs.

Community engagement

We are part of the communities we serve; we want to give voice to local people and forge good relationships within our communities. Our community related activities include:

- Orlando – The Orlando farm currently sends food donations to three charities who are providing food to those in need: Second Harvest, Catholic Charities, and United Against Poverty.
- Atlanta – We are supporting people who are food insecure through our relationship with the Atlanta Food Bank.
- Houston – The Houston farm regularly donates leafy greens to the Houston Food Bank, which is the second largest food bank in the United States. In January 2022, the Houston farm made our first delivery to Brighter Bites, a Houston-based nonprofit that delivers fresh fruits and vegetables directly to families.

"We got our first donation into Houston from you all this week and boy was our team excited! We don't often get such beautiful greens for our families and they were thrilled to see the lettuce in their boxes. I look forward to growing our partnership and getting more of your wonderful greens to our families!"

Amy Priebe,
Sourcing Manager, Brighter Bites



SECTION 6

Governance – the roots of the business

We are building on our foundations to enable us to deliver on our mission of serving humanity, wherever we are, with fresh, safe, sustainable, affordable nourishment.



Governance – the roots of the business

We are committed to building a purpose-led, commercially driven business. As we grow, we are strengthening our governance structures to ensure we can deliver on our aims. We aim to define and implement policies in line with relevant reporting frameworks regarding board and senior leadership; code of conduct; cyber security and data protection; and anti-corruption.





Corporate governance

Our corporate governance structure is based on the principles of efficiency, transparency, and accountability to protect stakeholder and shareholder interests. Our Board of Directors directly oversees and approves any business planning and strategy implementation efforts in collaboration with management. This includes areas such as commercial strategy, financial management, risk assessments, technology and innovation, people and culture, sustainability & ESG, customer relations, and compliance. Our governance structure allows our Board to stay close to day-to-day business operations, allowing us to make swift decisions and stay agile.

In order to carry out its duties in an efficient manner, our Board of Directors has established the following committees: Nomination and Governance, Talent and Compensation, Audit, and Financing, all led by Board members with extensive public board experience.

General oversight with respect to the governance of the Board of Directors is provided by the Nomination and Governance Committee, chaired by an independent Board member. This committee also oversees reputational risks and conduct risks within its scope of responsibility.

Executive compensation is overseen by our Board's Talent and Compensation Committee, is chaired by an independent Board member supported by an independent executive compensation consultant. Decisions are made based on performance and balanced between short and long-term incentives.

The Audit Committee is chaired by an independent Board member and meets both the NASDAQ and SEC requirements. We are developing our formal enterprise risk management process – in line with NASDAQ requirements and are taking all necessary steps regarding cyber security and protecting proprietary intellectual property.

We aim to maintain a high level of independence of the Board from management and shareholders to protect the interests of minority shareholders and ensure fairness for all. We also recognize the importance of diversity at the Board level and are committed to increase the representation of women and minorities in our Board.

We are developing our position on political contributions and intend to disclose any contributions we may make. However, our stance is clear - we want to be a good corporate citizen, not a political pundit.

Board demographics⁵

	Number	Percentage
Women	2	29%
Underrepresented categories	1	14%
Independent⁶	5	71%

⁵ In the US, underrepresented categories include African-American, Hispanic/Latino, Native-American and Native-Hawaiian and Other Pacific Islander

⁶ On December 31 2021 Kalera was listed on the Euronext Growth exchange, whose rules were used to determine board member independence status

Code of Ethics

We are in the process of expanding our code of ethics, to include anti-bribery, corruption, conflict of interest, and modern slavery policies to support existing policies that currently cover diversity and inclusion, disability and medical condition, anti-harassment, violence prevention, and whistleblowing. We are also in the process of setting up training programs to support the implementation of these policies.



Our goal: Zero Code of Ethics violations

Approach to tax

We believe that paying the right taxes is an important part of corporate responsibility. Given that we operate in several states and countries, our approach to tax follows local and state regulations, and local statutory filings and reporting are managed by the local accounting offices in each country where we operate. We have an Enterprise Resource Planning system that consolidates all information for the company and records all transactions. Each invoice and receipt is digitally recorded in the system and serves as an audit trail to perform all tax calculations. In addition, we review tax assets and liabilities on a quarterly basis to assess if the company has any due payments or receivables that could impact its financial position or liquidity. To guarantee strong risk management, we review our tax policies and tax assets and liabilities every year to identify risks and to determine its potential economic and regulatory impact to the company and wider community. Our Chief Financial Officer and Head of the Audit Committee oversee the annual tax review process.

Cybersecurity and data protection

We believe that cybersecurity and data protection are critical to maintaining trust amongst our stakeholders, particularly in relation to the security of our farm assets. Periodic penetration tests are conducted to ensure IT systems remain secure and our technical infrastructure is regularly examined to prevent attacks, safeguard data and increase resilience. We are committed to protecting the confidentiality, integrity and availability of information across our business. We continuously develop our cybersecurity framework in alignment with industry best practice and implement updates across existing sites and to new sites as they are built. We continually track cyber threats and keep abreast of developments in the jurisdictions where we operate.

In 2021 we experienced zero cyber security or data breaches and we conducted one penetration test performed by a third party.



Our goal: Zero cyber security or data breaches

ESG management

Our Board of Directors has oversight and leadership of ESG matters. The ESG performance of the business will be reported and reviewed by the Board at least annually. We are committed to appointing an ESG manager to coordinate a working group drawn from relevant departments such as Operations, HR, IT, and R&D, to steer ESG-related projects.

Snapshot of our 2021 ESG KPIs

Environment

100%

pesticide-free

100%

non-GMO

Governance

29%

of our Board are women

0

cyber security or data breaches

Social

25%

of our C-Level and Manager roles are occupied by women

48%

of our managers in the USA are from underrepresented groups

0

fatalities

0

high consequence injuries

2

recordable injuries

2

work-related ill-health incidents

5

charities

2030 goals

Water

Achieve a ~97% reduction of water consumption compared to traditional farming methods



Climate

Achieve carbon neutrality



Land use

Phase out peat-based grow media by replacing it with biodegradable media



Packaging

Use only widely recyclable packaging, with all paper and board to come from certified sustainable sources



Waste

Eliminate landfilling of organic waste generated by our farms



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