

Sustainability report

03.2021 - 03.2022







Statement from the CEO

We at Andøya Space family continue to support the ten principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to continue with implementation of those principles. We are committed to make the UN Global Compact and its principles part of our strategy, culture and day-to-day operations of the company, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the sustainable development goals. Andøya Space with our subsidiaries have made a clear statement of this commitment to our stakeholders and the general public through our website.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report annually on progress according to the UN Global Compact COP policy.

Andenes, 25.03.2022

Ketil Olsen CEO & President, Andøya Space

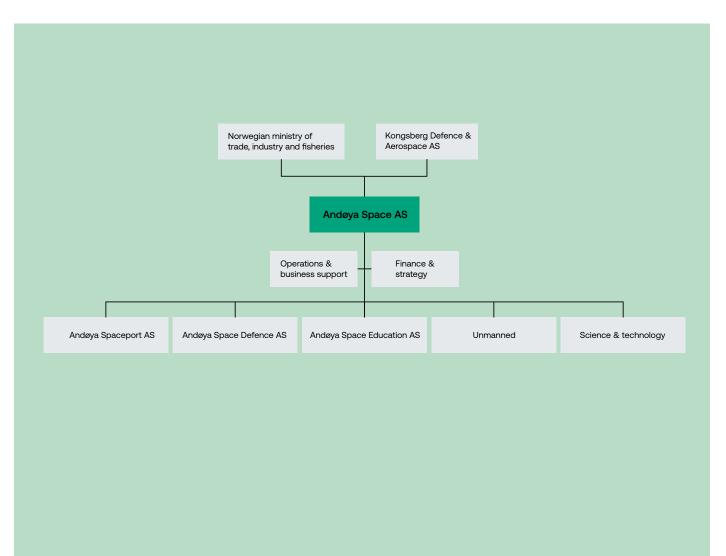




Table of contents

Statement from the CEO	3
Introduction	6
Sustainability ambitions and management in Andøya Space	7
Main focus areas	7
Health and safety	8
Occupational health and safety	8
Onboarding	8
Diversity	9
Co-existence	10
Value-chain management	10
Procurement	10
Co-existence with the local community	10
Environmental program	11
Emission	11
Environmental impact and consumption	11
Pollution	12
Waste management	12
Energy consumption	12
Preservation of nature	12
Protecting cultural heritage	12
Preservation of marine ecosystems and coastal areas	12
Preservation of natural habitats and biodiversity	12





Introduction

Andøya Space is an aerospace company in continuous operation and development since 1962. Today, the company's services and products enable scientists, engineers, students and government entities to achieve mission success and move our world forward. The company provide services and technologies within space and atmospheric science, system engineering and testing, unmanned systems, space-related education and soon also orbital launches. Our customers range from institutional customers to private, commercial companies.

Andøya Space is owned by the Norwegian government through the Ministry for Trade and Fisheries (90%) and Kongsberg Defence and Aerospace (10%). The company is organized with 5 business divisions - defined by the targeted market segment - and supporting functions Operations and Business Support, and Finance & Strategy. Geographically, Andøya Space serves customers in several countries, including Norway, Germany, France, Japan, and United States.

Andøya Space has been a UN Global Compact member since March 2020 and are committed to implement the ten principles of the UN Global Compact. We consider this report to be our Communication of Progress (COP) to the UN Global Compact for the period March 2021 – March 2022 (Active reporting level).

Andøya Space anchor our commitment to the 10 Principles of the UN Global Compact through key documents within the topics of Environment, Community and Economy, i.e. the Environmental Program, our ethical guidelines and Code of Conduct.

Sustainability ambitions and management in Andøya Space

As a service provider to various science and technology endeavors, Andøya Space' vision and ambition is to "empower explorers" which for us means that our services shall fulfill our customers and partners ambitions, whether they are to investigate complex scientific mysteries in the Arctic region by using sounding rockets and ground-based instrumentation, testing and verifying technology used in research and defence, or launching small satellites into orbit.

When empowering our partners, we are always aware of our responsibility to "draw the line" and consider the sustainability of the activities we enable and perform to make sure future generations can live as prosperous as past generations have. As a company with diverse business divisions performing activities in the same geographical area, it is mandatory to establish holistic strategies and plans, rather than fragmenting and establishing goals for only parts of the company.

The company's vision to enable explorers also means we strive to facilitate for all initiatives that re-think how we act based on evidence and prosper new possibilities with the use of space technology. As an organisation and key actor in the space industry value chain, Andøya Space is prepared to change course when new information arises.

Topic SDG Main priority Health and Employee health and safety 5 GENDER EQUALITY safety Diversity **Co-existence** Sustainable growth wrt 8 DECENT WORK AND to the local community Environmental Emissions • 13 CLIMATE ACTION impact and • Pollution consumption • Waste management Energy consumption • 14 LIFE BELOW WATER 15 LIFE ON LAND Preservation of marine ecosystems and coastal areas Preservation of natural habitats and biodiversity

Main focus areas

Health and safety

KPI	Goal	2021
Absence due to on-job injury	0 days	Not achieved
Overall sick-leave	< 3%	Not achieved
Employee satisfaction score*	> 80%	Achieved

* Employee satisfaction is measured in employee surveys every 2nd year

Andøya Space is committed to:

- We shall operate according to our company's Code of Conduct, and only work with partners and customers that are aligned with the Code of Conduct
- We shall conduct our procurements according to the company procurement regulations and the Public Procurement Act where this applies.
- Implementing KPIs for diversity in the next reporting period

Job safety is a key topic and responsibility for Andøya Space towards our employees to ensure their health and safety is ensured.

As a technology-driven workplace, talent availability and employee satisfaction are topics of high importance to Andøya Space. The majority of positions in Andøya Space are full-time, permanent positions, with the exception of season-driven jobs.

Occupational health and safety

Andøya Space regularly performs high-risk tasks as part of our commitment to provide services to science and technology testing. The company's focus on health and safety in our daily business is a key factor in our track-record with performing rocket launches without injuries or deaths for almost 60 years.

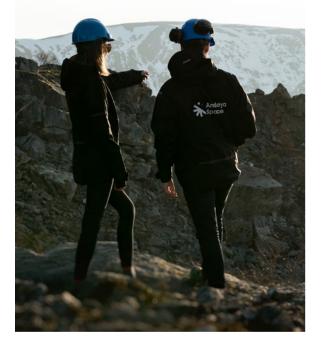
The HS&E system provides all employees with the necessary guidelines and information on how to conduct our work within laws, regulations and company procedures. Reporting of non-conformities, accidents, near-accidents, observations and improvement suggestions is easily available for all employees and a key part of the company Onboarding program for new employees:

Onboarding

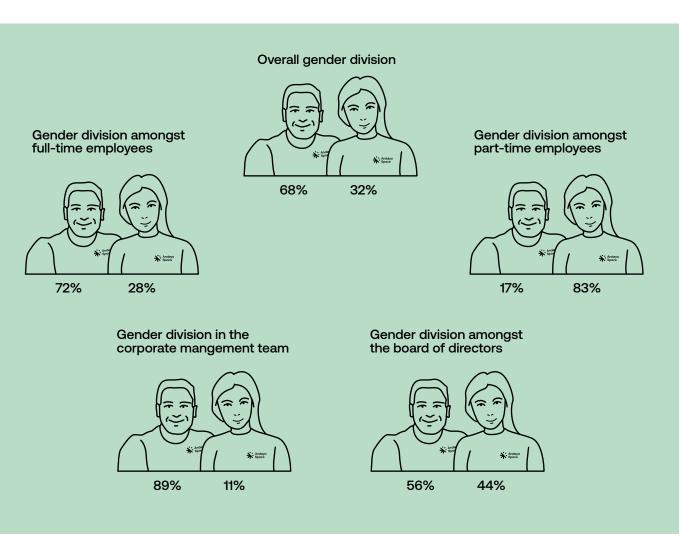
An extensive onboarding- and training program is established to ensure all employees are given the best possible premises to safely perform their work and ensure integration into the community that is Andøya Space.

On-job training is used for companyspecific topics and devices, in combination with courses and certifications for special tasks requiring additional training.

Since fall 2021, the competency required to perform operational tasks has been defined in the Andøya Space Training Program, where mandatory courses and check-out for different operational roles is defined.







Diversity

The Board of Directors is comprised of 9 members¹ – of which 7 are owner-elected and 2 are employee-elected. In 2021, the board was comprised of 4 women and 5 men.

The Andøya Space corporate management is comprised of the CEO, CFO, COO and the heads of the different business divisions. In 2021, the corporate management was comprised of 9 members – 1 woman and 8 men.

¹ https://www.andoyaspace.no/who-weare/board





Co-existence

Andøya Space is committed to:

- Through our work, we shall ensure co-existence with other actors in the national and global Space Industry, as well as a sustainable co-existence with other industry actors in and around Vesterålen and Nordland county.
- Implementing KPIs for co-existence and procurement in the next reporting period

Value-chain management

Through the company Code of Conduct, we aim to ensure our partners and suppliers in different parts of the value chain adhere to the same principles of human and labour rights, enviro nmental responsibility and anti-corruption. The Code of Conduct is available on our website .

Procurement

A significant part of our impact on environment and society is made through procurements and consumption. In addition to the principles established in the Code of Conduct, Andøya Space procurement strategy emphasizes that procurements shall be made locally and with focus on short distance from manufacturer to Andøya Space.

Co-existence with the local community

As a major actor in the local community in Vesterålen, co-existence with other industries and stakeholders is a high priority. Communication and mutual understanding of each other's way of doing business is key to ensure a fruitful co-existence.

The operational activities impact several stakeholders on land, in the air and on sea through the activation and evacuation of safety zones during launches.

Co-existence with the fishing industry is currently a particularly relevant topic. The sea areas around Andøy are some of the most important fishing grounds in the nation, and amongst other, hosts a major part of the very important winter cod-fishing in the period from January to March. Andøya Space aims to solve the potential areaconflicts through dialogue and agreement of procedures with the fishing industry.

On land, our operational activities impact both the local community through limited access to outdoor areas, and the tourist industry through road closings and limited access to areas. Regular stakeholder meetings with both local stakeholders and tourist industry is established to ensure sufficient information is provided to all our impacted stakeholders.





Environmental impact and consumption

Andøya Space is committed to:

- We shall be ambitious in our approach to minimize and mitigate the negative impact on environment caused by our activities in all business areas
- In a long-term perspective, we shall not only avoid "doing harm" but continue searching for ways to "do good" where possible.
- Implementing KPIs for environment target in each business division in the next reporting period

Environmental program

The environmental goals for Andøya Space are established in our Environmental Program (EP). The EP focuses on increasing knowledge, establishing baseline information about emissions, pollution and other topics negatively impacting the environment and reducing the environmental footprint through.

A wide range of specific goals are established in the environmental program,

and periodic environmental surveillance plans (ESP) further detail the actions for measurements and mitigations.

In 2021, Andøya Space focused on establishing the environmental program and first periodic surveillance plan. The program for 2022 includes requirements to establish CO₂-baseline for the company's activities, continuous improvement of the waste management system and reduction in energy consumption.

Company procedures emphasizes that all new projects shall be assessed based on their impact on all three aspects of sustainability: environment, community and economy, prior to approval and initialization.

Emission

In 2022, Andøya Space will establish an overview of all emissions within Scope 1, 2 and 3. In addition, the work to increase knowledge and awareness of pollution to soil, water and air continues.



Pollution

Work was initiated in 2021 to define investigation scope for a measurement campaign to detect pollution to air and ground / snow from rocket launches performed at our launch-base in Ny-Ålesund during a sounding rocket campaign in May 2022.

Waste management

Andøya Space handles different types of hazardous materials in day-to-day operations. Procedures to ensure handling of hazmat in accordance with laws and regulations is established in the company HS&Esystem, from procurement to disposal.

General waste management is designed in cooperation with the local waste company, Reno-Vest. Our goal is to reduce the amount of unsorted waste through increasing the use of sorting opportunities provided in Vesterålen.

Energy consumption

Andøya Space is reliant on local power companies for the delivery of energy to our operating facilities in Andøy², Ny-Ålesund³, Tromsø⁴ and Oslo⁵. We are continuously working to reduce our energy-consumption.

Preservation of nature

Andøya Space is continuously expanding our activities with new business divisions, new types of activities and growth in employees. Due to this expansion, new construction projects are performed every now and then. Currently, a major development and construction project is ongoing for the establishment of a spaceport for launching small satellites on a new location in Andøy, 35 km. from the company headquarter .

Protecting cultural heritage

Andøy is rich on cultural heritage sites, and

5 Office facilities

all our construction projects are carried out with great care not to disturb protected sites. In accordance with laws and regulations, on-site inspections are performed by archaeologists prior to any construction work.

Preservation of marine ecosystems and coastal areas

Both the current headquarter and the new spaceport are in coastal areas of Andøya. Andøya Space takes care to ensure public access to the coastal area as far as safety and security around our operations allow it. Areas that require physical security measures are limited as far as possible, and with ensured access to the coast for the general public.

In establishing the spaceport, Andøya Space is partnering in a local research project («Havtrykk») to uncover parameters to be monitored and reported on during the construction and operational phase to be able to quantify the impact of our establishment.

Preservation of natural habitats and biodiversity

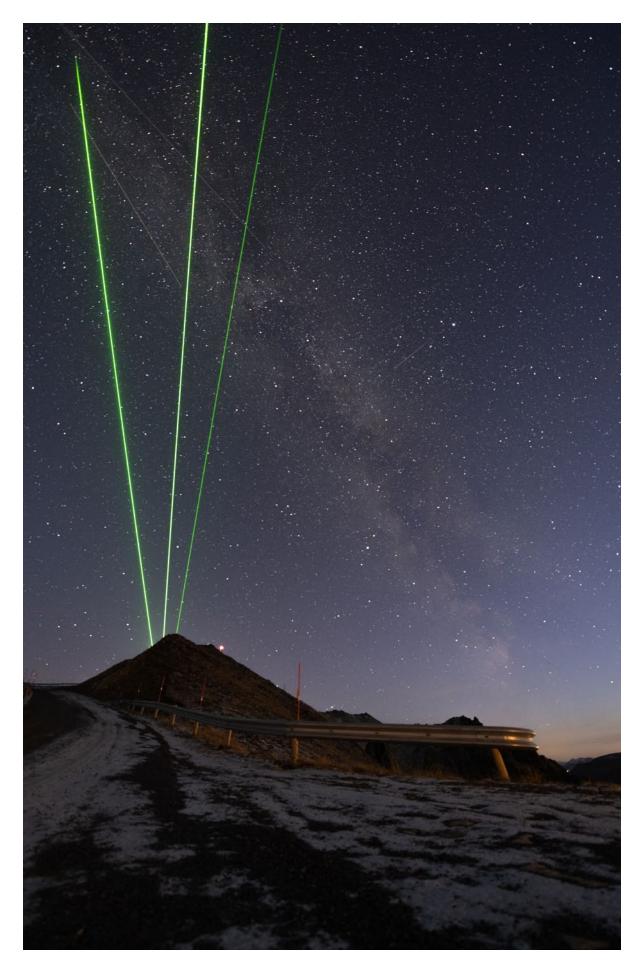
In all new establishments, public planning processes with Environmental Impact Assessments are performed to investigate the local characteristics. Environmental plans for the specific construction activities describe how to avoid deterioration, monitor and measure status and if needed, mitigate or restore areas.

² Launch site for sounding rockets, weapon system testing, drone operations and satellite launches (being established in 2022)

³ Launch site for sounding rockets

⁴ Office facilities







03.2021 - 03.2022







Andøya Space Bleiksveien 46 8480 Andenes

Telefon: +47 76 14 44 00 info@andoyaspace.no