

ENVIRONMENT, SOCIAL AND CORPORATE GOVERNANCE POLICY



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1. INTRODUCTION

The purpose of the Environmental, Social and Corporate Governance (“ESG”) Policy is to provide a framework to follow to adhere to the principles of ESG to maximize long-term value and benefits to Biovac’s partners, clients, shareholders, employees, funders and communities in which it operates.

Therefore, Biovac integrates ESG principles into its management approach, as well as into the products it offers. Biovac considers material ESG matters in the course of its due diligence. For the purposes of this ESG policy, material ESG issues are defined as those issues that have or have the potential to have a direct substantial impact on an organisation’s ability to create or preserve economic value as well as environmental and social value for itself, the communities where it operates, and other stakeholders.

The meaning of ESG:

- The “**E**” captures energy efficiencies, carbon footprints, greenhouse gas emissions, deforestation, biodiversity, climate change and pollution mitigation, waste management and water usage. For manufacturers, it’s not just the environmental impact of our own facilities that need to be considered but those of our wider supply chain too.
- The “**S**” is all about the impact that an organisation has on people – both externally and internally. It covers labour standards, remuneration and benefits, workplace and board diversity, racial justice, pay equity, human rights, talent management, community relations, privacy and data protection, health and safety, supply-chain management and other human capital and social justice issues.
- The “**G**” covers the governing of the “E” and the “S” categories—corporate board composition and structure, strategic sustainability oversight and compliance, executive compensation, political contributions and lobbying, and bribery and corruption. Governance relates to the way that the company is managed. It looks at issues such as board diversity, who has oversight over ESG issues, ethics, and compliance as well as other factors like shareholder rights and data security. Topics that were typically incorporated as part of ‘corporate responsibility’ like anti-bribery and anti-competitive practices are also included.

2. OBJECTIVES

- 2.1. To consider environmental, governance, safety and social issues associated with business operations and opportunities.
- 2.2. Continually engage with relevant stakeholders, including, but not limited to, local communities and all levels of government, either directly or through representatives, as appropriate, to communicate on ESG matters and priorities.
- 2.3. Actively develop and improve the long-term sustainability for the benefit of multiple stakeholders.
- 2.4. Work with partners, vendors, contractors, and stakeholders to the extent reasonably possible to improve and advance ESG initiatives.
- 2.5. Promote transparency and timeliness in communication with stakeholders.
- 2.6. Ensure compliance with guidelines that prohibit bribery and other improper payments to public officials and follow anti-money laundering laws and regulations.

3. ENVIRONMENTAL

Biovac is committed to minimising its impact upon the environment and to ensuring compliance with legal and regulatory requirements.

- 3.1. Ensure that Biovac's products and processes are environmentally friendly; where possible, alternative less environmentally harmful products or processes will be employed.
- 3.2. Demonstrate its commitment to participate with other organisations seeking to promote product recycling and environmentally conscious designs.
- 3.3. Avoid pollution and environmental contamination, where possible biodegradable chemicals will be used.

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- 3.4. Continually assess the environmental impacts of business operations and define the requirements to be adhered to.
- 3.5. Minimise or avoid the use of scarce material and non-renewable energy sources.
- 3.6. Ensure that harmful or hazardous materials and waste products are safely and responsibly transported and disposed of.
- 3.7. Minimise its energy consumption by introducing energy efficient equipment where possible.
- 3.8. Minimise the amount of waste produced through reduction, recovery, and recycling.
- 3.9. Ensure that environmental issues are subject to regular monitoring and management.
- 3.10. Encourage awareness and participation of good environmental practice by all Biovac employees and relevant stakeholders.

4. SOCIAL

Our commitment to social responsibility drives us to prioritize diversity, equity and inclusion in our workforce including our selection of service providers.

- 4.1. Biovac shall ensure a high level of business performance while minimising and effectively managing risk ensuring that it upholds the values of honesty, partnership, and fairness in its relationships with all its stakeholders.
- 4.2. Biovac's contracts will clearly set out the agreed terms, conditions and the basis of its relationship and will operate in a way that safeguards against unfair business practices.
- 4.3. Biovac shall encourage suppliers and contractors to adopt responsible business policies and practices.
- 4.4. Biovac shall encourage dialogue with local communities for mutual benefit.

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- 4.5. Biovac will register and resolve customer and community complaints in accordance with its standards of service.
- 4.6. Biovac shall support and encourage its employees to help local community organisations and activities in its region, particularly its chosen charities.
- 4.7. Biovac shall work with local schools, colleges, and universities to assist young people in choosing their future careers, being an advocate for its industry.
- 4.8. Biovac shall operate an equal opportunities policy for all present and potential future employees and will offer its employees clear and fair terms of employment and provide resources to enable their continual development.
- 4.9. Biovac shall maintain a clear and fair employee remuneration policy and shall maintain forums for employee consultation and business involvement.

5. CORPORATE GOVERNANCE

Our commitment to effective corporate governance is for the benefit of our shareholders, customers, partners, employees, and other stakeholders based on the principles of fairness, transparency, and accountability. Structures, rules, and processes are designed to enable proper conduct of business by defining the powers and responsibilities of its corporate bodies and employees. Our approach to good corporate governance follows the King IV Code.

- 5.1. Biovac ensures that the business practices comply fully with all applicable laws and regulations and incorporates best practice governance measures into its processes. Biovac strives to maintain its reputation by exhibiting diligence, honesty, fairness, and openness in all its business dealings.
- 5.2. While embracing transparency, Biovac recognises the need to respect commercial and personal confidentiality.

5.3. Biovac shall follow the below key elements to an effective corporate governance framework. The framework is to be cross-referenced with the respective and applicable policies for implementation and understanding.

5.3.1. Board Structure, composition, and membership

- Director selection and appointment process
- Non-Executive Director independence and objectivity
- Remuneration
- Formal letters of appointment to directors
- Separation of Chairman and CEO
- Committees of the board

5.3.2. Boardroom Conduct, relationships, and performance

- Agreed and understood roles and responsibilities.
- Composition and organization
- Induction and training
- Access to and relationship with independent advisors
- Management/board relationship
- Performance evaluation
- Board agenda, reporting, papers, and minutes
- Frequency, conduct, management, and outcomes of meetings
- Confidentiality of discussions
- Competent company secretary

5.3.3. Regulatory disclosures and shareholder communications

- Communication with shareholders and stakeholders
- Clear operational instructions and guidance:
 - Delegations of Authority
 - Conflicts of Interest
 - Policies and Procedures
 - Definitions of role and responsibilities
- Clearly defined and well managed relationships with stakeholders and regulators
- Continuous disclosure obligations and company announcements

5.3.4. Robust risk management and compliance process

- Policy/framework
- Board commitment, oversight, and review
- Accountability
- Risk processes:
 - Risk identification
 - Risk assessment/measurement
 - Risk response
- Robust appropriate internal control and statutory and regulatory compliance frameworks

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- Communication and training
- Monitoring, reporting and certifications.
- CEO/CFO statements:
 - Financial reports present true and fair view
 - Effective and efficient risk management and control
- External auditor
- Internal audit (where applicable)

5.3.5. Corporate Social Responsibility

- Code of Conduct:
 - Commitment to shareholders
 - Ethical Standards
 - Expectation of employees
 - Privacy
 - Compliance
- Conflicts of Interest
- Employee relations
- Health and safety
- Social and environmental obligations
- Whistleblowing

5.3.6. Strategy, planning and monitoring.

- Vision and Mission
- Strategic/corporate plan
- Business plans
- Annual budgets
- Monitoring and evaluation
- Management performance monitoring and assessment
- Management succession planning
- Component strategies e.g. CAPEX

5.3.7. Effective and appropriate committee structures

- Terms of Reference and clarity in roles and responsibilities
- Structure
- Skills/selection criteria and terms of chairman and members
- Independence and objectivity
- Frequency of meetings
- Induction and training
- Relationships with third parties/access to external advice
- Periodic performance review
- Relationship with and reporting to the board

5.3.8. Relationship with management

- Clarity of roles and responsibilities
- Value adding

- Open and honest
- Consultative
- Accessible
- Accountable
- Appropriate performance-based remuneration
- Objective performance measures

6. IMPLEMENTATION

6.1. Biovac is committed to being transparent in its reporting of activities and implementation of this ESG Policy. Biovac keeps a complete record of all ESG engagements.

6.2. The Risk and Compliance Manager is the owner of this policy and oversees the implementation.

6.3. This Policy shall be reviewed and updated, as applicable, on an annual basis such review shall include input from representatives from the relevant business units, the Human Capital- and EHS team. If changes or updates to the policy are considered significant, approval is required prior to implementation.

7. REVIEW AND APPROVAL

7.1. This Policy is administered by Biovac's Compliance Committee and shall be reviewed at least every three years.

7.2. The Policy shall come into effect on the date of approval of this Policy by the Board.