



# Report on ESG Compliance 2024

VERSA NETWORKS

## About Versa

Founded by security and network industry veterans, Versa is an innovative leader in SASE, security, networking, SD-WAN, cloud, and analytics. Versa enables service providers and large enterprises to transform wide area and branch networks to achieve unprecedented business advantages.

This is done through a software-based approach allowing unmatched agility, cost savings, and flexibility. We have created a feature-rich, scalable, yet simple-to-use software platform to implement many different enterprise and service provider use cases, including:

- Comprehensive SASE for on-premises and cloud implementations
- SASE for enterprises with layered security
- Full SASE on-premises for enterprise power branches
- Next-generation SASE managed services for service providers
- Low-cost managed SASE, security, SD-WAN networking, and services for service providers



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## What is ESG

ESG stands for Environmental, Social, and Governance, three critical factors used to evaluate the sustainability and ethical impact of an investment in a company.

Environmental factors refer to the environmental impact on the environment, such as its carbon footprint, waste management practices, and use of natural resources.

Social factors refer to the company's impact on society, including its relationships with employees, customers, suppliers, and local communities. factors such as labor practices, human rights, community engagement, and diversity and inclusion.

Governance factors refer to the company's leadership and management practices, including the composition of the board of directors, executive compensation, and shareholder rights. Good governance ensures that a company is run responsibly and ethically.

Investors use ESG criteria to assess the long-term sustainability and ethical impact of a company and to make more informed investment decisions. Many investment funds and financial institutions have adopted ESG criteria to guide investment decisions and engage with companies on ESG issues.

## Introduction to Versa ESG

Versa is a leading provider of software-defined networking and security solutions for enterprises and service providers. Our mission is to enable secure, agile, and efficient digital transformation for our customers, and our success depends on our ability to operate in a sustainable and socially responsible manner.

As part of this commitment, Versa has implemented an Environmental, Social, and Governance (ESG) compliance program to ensure that we are meeting the highest standards of sustainability and ethical conduct. This report provides an overview of our ESG performance and compliance, focusing on our environmental impact, social responsibility, and governance practices.

Versa is also ISO 9001, ISO 20000, ISO 14001, and ISO 27001 certified, demonstrating our commitment to quality management, service management, environmental management, and information security management. These certifications reflect our dedication to excellence in all aspects of our operations and our continuous improvement efforts.

In this report, we will first discuss our environmental compliance, including our efforts to reduce our carbon footprint and minimize waste. We will then outline our social responsibility initiatives, including our commitment to diversity and inclusion, labor practices, and community engagement. Finally, we will detail our governance practices, including board composition, executive compensation, and risk management strategies.

Our ESG compliance program is essential to our long-term success and ability to create value for all our stakeholders. We are committed to transparency and continuous improvement, and we welcome feedback and engagement from our customers, investors, and other stakeholders to help us achieve our goals.

## Executive Summary

Versa is committed to operating in a sustainable and socially responsible manner. We have implemented an Environmental, Social, and Governance (ESG) compliance program to ensure we meet the highest standards of sustainability and ethical conduct. This report provides an overview of our ESG performance and compliance, focusing on our environmental impact, social responsibility, and governance practices.

## Environmental Compliance

Versa is committed to reducing our environmental impact and has implemented several initiatives to reduce our carbon footprint and minimize waste. We have implemented an Environmental Management System (EMS) and are ISO 14001 certified, demonstrating our commitment to environmental responsibility. We have also implemented several energy-efficient practices and have established a recycling program to minimize waste. We are committed to improving our environmental performance and reducing our impact on the planet.

## Social Responsibility

Versa is committed to promoting social responsibility to support our employees, customers, and communities. We are committed to diversity and inclusion and have established policies and practices to ensure that we create a workplace that is welcoming and inclusive for all. We are also committed to providing fair and safe labor practices for our employees and supply chain partners. Additionally, we are actively engaged in our communities and support several social and environmental initiatives.

## Governance Practices

Versa is committed to strong governance practices and has implemented several policies and procedures to ensure we operate ethically and responsibly. We have a diverse and independent board of directors and are committed to transparency in our reporting and disclosure practices. We have implemented risk management strategies and are committed to ensuring that our executive compensation practices are aligned with our long-term business goals.

Overall, Versa is committed to creating long-term value for all our stakeholders, including our customers, employees, investors, and communities. Our ESG compliance program is essential to achieving this goal, and we are committed to continuous improvement and transparency in our ESG performance and reporting. We welcome feedback and engagement from our stakeholders and look forward to continuing to drive positive social and environmental impact through our operations.

## Environmental Compliance

Versa is committed to reducing our environmental impact and has implemented several initiatives to reduce our carbon footprint and minimize waste. We have implemented an Environmental Management System (EMS) and are ISO 14001 certified, demonstrating our commitment to environmental responsibility.

### Carbon Footprint

We recognize that our operations impact the environment and are committed to reducing our carbon footprint. We have implemented many energy-efficient practices, including using energy-efficient lighting, implementing power management strategies for our IT equipment, and optimizing our HVAC systems. We have also implemented video conferencing and telecommuting options to reduce the need for travel and have established a green transportation policy to encourage the use of public transportation and electric vehicles.

### Waste Reduction

Versa is committed to minimizing waste and has established a recycling program to reduce the amount of waste we generate. We recycle paper, cardboard, plastics, batteries, and electronics, and we also compost food waste in our break rooms. Additionally, we encourage our employees to reduce waste by using reusable water bottles and coffee cups.

### Environmental Compliance

We are committed to complying with all environmental laws and regulations and regularly monitor our operations to ensure that we are meeting the highest standards of environmental compliance. We also conduct regular environmental impact assessments to identify areas where we can improve our environmental performance and reduce our impact on the environment.

### Supplier Engagement

Versa recognizes that our supply chain also impacts the environment, and we are committed to working with our suppliers to improve their environmental performance. We require our suppliers to comply with all relevant environmental laws and regulations and encourage them to adopt sustainable practices.

Overall, Versa is committed to reducing our environmental impact and operating in an environmentally responsible manner. We continuously improve our environmental performance and are committed to transparency in our reporting and disclosure practices. We welcome feedback and engagement from our stakeholders and look forward to continuing to drive positive environmental impact through our operations.

## Social Compliance

At Versa, we believe that operating in a socially responsible manner is essential to our long-term success. We are committed to promoting social responsibility and have implemented many initiatives to support our employees, customers, and communities.

### Analysis of Social Impact and Performance

We regularly conduct social impact assessments to identify areas where we can improve our social performance and better support our stakeholders. We monitor our social impact through key performance indicators (KPIs) and use this information to inform our social responsibility strategy and decision-making.

### Compliance with Labor Laws and Regulations

Versa is committed to providing fair and safe labor practices for our employees and supply chain partners. We comply with all applicable labor laws and regulations and have implemented many policies and practices to ensure that we create a safe and respectful workplace. We conduct regular audits of our labor practices and supply chain to ensure that we are meeting the highest standards of labor compliance.

### Health and Safety Policies and Initiatives

The health and safety of our employees are a top priority at Versa Networks. We have implemented several health and safety policies and initiatives to ensure that our employees work in a safe and healthy environment. We conduct regular safety training and have established emergency response protocols to ensure our employees are prepared for any situation.

### Diversity and Inclusion Efforts

Versa is committed to diversity and inclusion and has established policies and practices to ensure that we create a workplace that is welcoming and inclusive for all. Diversity and inclusion are critical to our success, and we have implemented several initiatives to promote diversity and inclusion, including unconscious bias training, mentorship programs, and employee resource groups. We also regularly review our diversity and inclusion policies and practices to ensure they align with best practices.

### Community Engagement and Impact

Versa is actively engaged in our communities and supports some social and environmental initiatives. Our success is tied to the success of our communities, and we are committed to making a positive impact. We regularly partner with local organizations to support education, environmental sustainability, and social justice initiatives. We also encourage our employees to volunteer their time and skills to help our communities.

Versa is committed to creating a positive social impact and promoting social responsibility. Our social compliance program is essential to achieving this goal, and we are committed to continuous improvement and transparency in our social performance and reporting.



## Governance

At Versa, we are committed to maintaining the highest standards of corporate governance and ethical conduct. We believe that strong governance is essential to our long-term success and the success of our stakeholders.

### Description of Governance Structure and Practices

Versa Networks has established a governance structure to promote transparency, accountability, and ethical conduct. We have a Board of Directors that oversees the company's management and ensures that we are operating by our values and principles.

### Compliance with Corporate Governance Codes and Regulations

We comply with all applicable corporate governance codes and regulations. We also regularly review our corporate governance practices to ensure that we are meeting the highest standards of governance and ethical conduct.

### Board Diversity and Independence

Board diversity and independence are critical to effective governance and decisionmaking. We have a diverse Board of Directors that includes individuals with various backgrounds and experiences. We also have independent directors on our Board, which ensures that our decisions are made in the best interests of our stakeholders.

### Executive Compensation and Remuneration Policies

Versa Networks has established a compensation program that is designed to align the interests of our executives with the long-term success of the company. We use a combination of cash and equity-based compensation to reward our executives for their performance and to incentivize them to drive long-term value creation. Our compensation program is reviewed and approved by our Compensation Committee, comprised of independent directors.

Versa Networks is committed to maintaining the highest standards of corporate governance and ethical conduct. Our governance structure and practices are essential to our success and the success of our stakeholders.

## ESG Risks and Opportunities

At Versa Networks, we recognize that environmental, social, and governance (ESG) risks and opportunities are critical to our long-term success and the success of our stakeholders. We have identified and assessed a range of ESG risks and opportunities that are relevant to our business. We have implemented strategies to mitigate these risks and capitalize on these opportunities.

Versa Networks operates in the cyber security software service and product industry, which presents many ESG risks and opportunities. We have identified and assessed the following ESG risks and opportunities that are particularly relevant to our business.

### Environmental Risks

Our operations have a significant impact on the environment, particularly in terms of energy consumption and carbon emissions. We have implemented several strategies to reduce our environmental impact, including using renewable energy sources, energy-efficient equipment, and sustainable business practices.

### Social Risks

Our operations also have a significant impact on society, particularly in terms of data privacy and security. We have implemented a number of strategies to protect our customers' data and ensure that our operations are conducted responsibly and ethically.

### Governance Risks

As a private company, we are subject to various corporate governance codes and regulations. We have many strategies to ensure that we comply with these codes and regulations and maintain the highest standards of governance and ethical conduct.

To mitigate the ESG risks and capitalize on the ESG opportunities that we have identified and assessed, we have implemented strategies and action plans. These include:

### Environmental Mitigation

We have implemented various energy-efficient and sustainable business practices, including renewable energy sources, equipment, and sustainable procurement practices. We have also set ambitious targets to reduce our carbon emissions and improve our environmental performance.

### Social Mitigation

We have implemented various policies and practices to ensure our operations are conducted responsibly and ethically. These include data privacy and security policies, as well as policies to promote diversity and inclusion and ensure the health and safety of our employees.

### Governance Mitigation

We have implemented a range of corporate governance practices to ensure that we comply with all applicable codes and regulations and maintain the highest standards of governance

and ethical conduct. These practices include regular reviews of our governance structure and practices, as well as engagement with our stakeholders on governance-related issues.

Overall, our ESG risks and opportunities are critical to our long-term success and the success of our stakeholders. We remain committed to implementing strategies and action plans to mitigate these risks and capitalize on these opportunities.

## Performance Metrics and Reporting

At Versa Networks, we are committed to measuring and reporting our ESG performance in a transparent and accountable manner. We use a range of ESG performance metrics to track our progress and identify areas for improvement. We constantly review our reporting practices to ensure we provide accurate and relevant information to our stakeholders.

We use a range of ESG performance metrics to measure our performance in key areas, including:

### Environmental Performance

We track our energy consumption, carbon emissions, and waste generation, and we set annual targets to reduce our environmental impact.

**Social Performance:** We track our employee turnover, employee engagement, and employee diversity, and we conduct regular surveys to understand our employees' perspectives on our social performance.

**Governance Performance:** We track our compliance with corporate governance codes and regulations, as well as our board diversity and executive compensation practices.

### Review of ESG Reporting Practices and Transparency

We are committed to providing transparent and accurate ESG reporting to our stakeholders, and we regularly review our reporting practices to ensure that we meet their expectations.

### Stakeholder Engagement

We engage with our stakeholders regularly to understand their perspectives and feedback on our ESG performance, and we incorporate this feedback into our reporting and initiatives.

### Independent Verification

We engage independent third-party verifiers to assess our ESG performance and reporting practices, and we make the results of these assessments publicly available.

Transparent and accountable ESG reporting is critical to building trust with our stakeholders and demonstrating our commitment to sustainable and responsible business practices. We will continue to review our reporting practices and enhance our ESG performance metrics to ensure that we are meeting the highest standards of transparency and accountability.

## Conclusion and Recommendations

In conclusion, Versa Networks is committed to sustainable and responsible business practices and managing our ESG risks and opportunities. We have made significant progress in our ESG performance and compliance, as demonstrated by our ISO certifications and our commitment to transparency and accountability in our reporting.

Through our ESG analysis, we have identified several key areas for improvement, including enhancing our environmental performance and social impact. We have developed action plans and mitigation strategies to address these risks and opportunities, and we are committed to monitoring our progress and reporting our performance to our stakeholders.

Recommendations for Improvement:

### Environmental Performance

We recommend that Versa Networks continue to invest in energy efficiency and renewable energy initiatives, as well as to set more ambitious targets for reducing our carbon emissions and waste generation.

### Social Performance

We recommend that Versa Networks enhance our employee diversity and inclusion initiatives and invest in employee health and wellness programs to improve our overall social impact.

### Call to Action and Next Steps

We call on all our stakeholders to engage with us in our ESG initiatives and to hold us accountable for our performance. We will continue to report transparently on our ESG performance and progress, and we invite feedback and suggestions on improving our sustainability practices.



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