

Sustainability Report 2019

Etraveli Group



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A note from the CEO

Sustainability has really made it to the top of the agenda within Etraveli Group during 2019. We have substantially enhanced our efforts to reduce greenhouse gas emissions caused by Flights in order to meet the increasing environmental awareness in society and among consumers. Our efforts include initiatives to cut emissions in the short-term but also to support a sustainable growth of the industry in the long-term. Although being an intermediary rather than a producer, we recognize our position to influence airlines and airline manufacturers to produce more sustainable products as well as to convince consumers to make more sustainable choices. Our efforts therefore stretch from supporting production of biofuel to sort flight options based on carbon footprint for consumers.

Through the concept *Etraveli Cares* we pursue a number of activities and frequently engage our employees to take part in our initiatives. These activities, besides environmental efforts, include having people come closer to each other and support the ones in need. We build these initiatives primarily from the locations where we operate, i.e. supporting refugees in Greece and integrating immigrants in Sweden.

This text is written in the middle of the coronavirus crisis where other fundamental and urgent questions like health and job security are competing to be top of the agenda, but our commitment to the environment and supporting refugees and immigrants prevail.

Sustainability report 2019

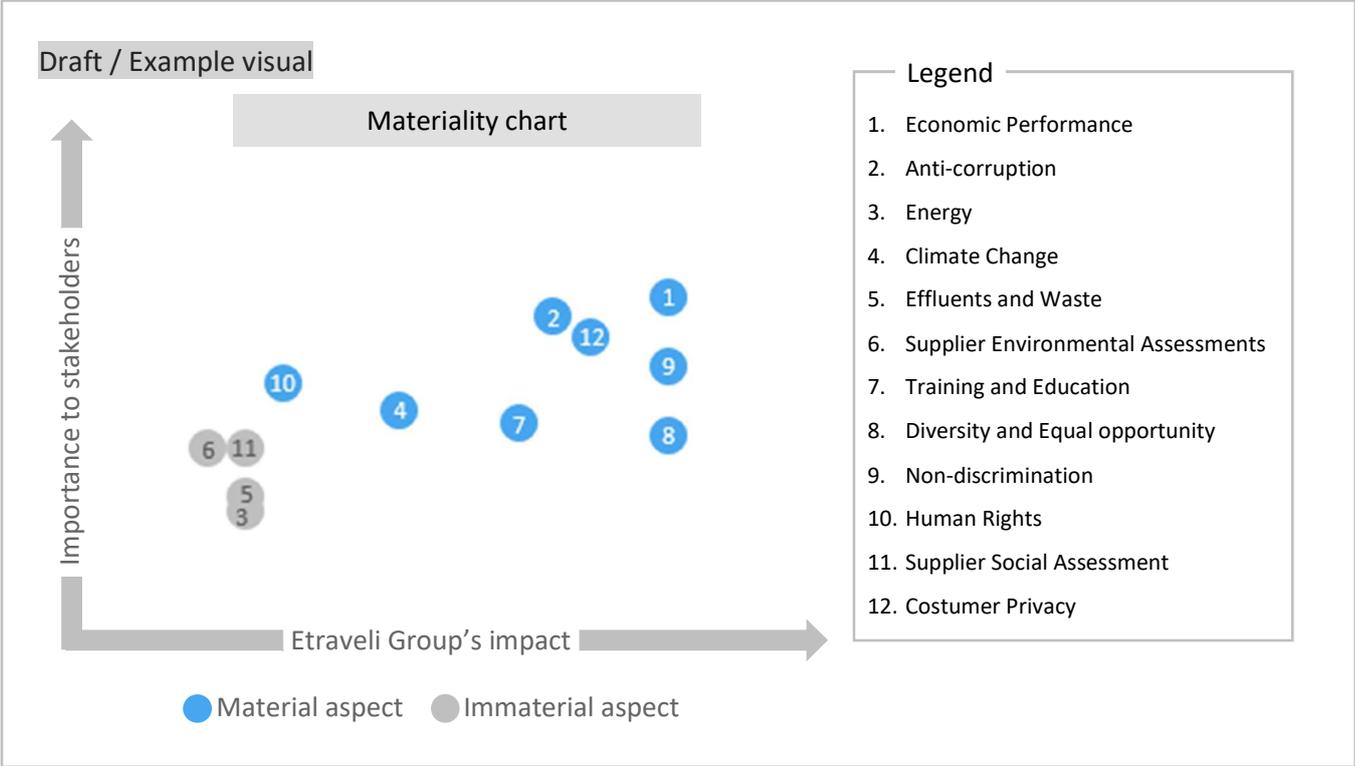
This sustainability report covers Flugo Group Holdings AB (“Etraveli Group”, “Etraveli”, “the group” or “we”) and its subsidiaries. All information provided in the report concern the financial year ending December 31, 2019, unless otherwise specified.

Etraveli Group is the leading global technology provider for flights and one of the largest flight-centric online travel agencies. We position ourselves as a leading, innovative and modern company, built on a foundation of e-commerce expertise, knowledge about travel and technology, and the drive to be the best in our industry.

Governance of sustainability issues and topics are an integral part of our business and is integrated in our day-to-day operations. The board together with the CEO has the overall responsibility for how we govern and manage sustainability. Particular tasks and responsibilities related to different sustainability areas are today managed on an ad hoc basis by appropriate parts of the organization. Given the group’s high growth in recent years we have identified the need to formalize our governance structures and procedures throughout our business. During 2020 we will therefore strengthen our internal control team with the new role, Internal audit Manager, that will be supporting the development of a more formal and structured governance model.

During 2019 we have performed a materiality assessment to define our material sustainability areas around which our efforts, initiatives and reporting will be concentrated in the coming years. The assessment was performed by an internal working group that initially selected twelve relevant sustainability areas out of a broad universe of sustainability topics with inspiration from the Global Reporting Initiative (GRI) Standards, UN Global Compact and the Sustainable Development Goals (SDGs). Thereafter, each area was ranked based on its materiality considering the importance to stakeholders as well as Etraveli Group’s ability to impact. Based on this assessment and requirements

in the Swedish Annual Accounts Act, eight areas were considered material for inclusion in the group’s continued sustainability efforts.



The material areas range from customer privacy and integrity to greenhouse gas emissions and anti-corruption - and are grouped into three sub-categories in this report to better align with the structure of the group’s internal management of each area.

Employment – Includes talent, non-discrimination, diversity and equality within the Etraveli Group.

Environmental Impact – Covers our environmental efforts and how we are addressing climate change.

Responsible Business – Includes our efforts within customer privacy and information security, anti-corruption, respect of human rights and community support.

Information on economic performance is covered by the group’s financial statements whereas the remaining seven areas are included in the scope of this sustainability report.

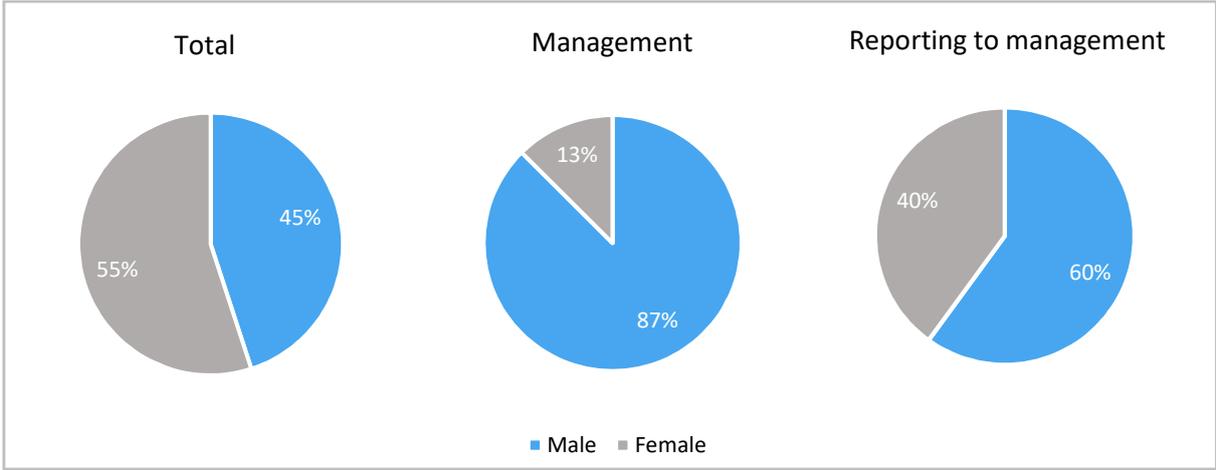
Employment

We value our employees as our greatest contributors to our long-term success – and we are always striving to improve our work environment and the wellbeing of our people. In the competitive landscape we are operating in, our people help us to deliver on our goal to become the most attractive flight centric search, book and fulfilment company.

Our role and foremost responsibility as an employer is to provide a safe and healthy workplace where every employee is treated fair and equitable. Etraveli have zero tolerance against any act or threat of violence, regardless of it being serious or not, direct or indirect. We are committed to creating an environment in which all members of staff can work productively and flourish without fear of harassment or discrimination. Our ambition, responsibilities and expectations are expressed in our Code of Conduct, which is a non-negotiable document signifying how we act and do business in an ethically, socially and environmentally sound way. We encourage our people to speak up and we thoroughly follow up and investigate all potential breaches of our policies and values.

As an equal opportunity employer, we seek to prevent any acts of discrimination. All our current and future employees shall have equal opportunities and terms of employment free from bias and independent of gender identity or expression, ethnicity, religion or other belief, sexual orientation, disabilities or age. Our vision when it comes to diversity and equal opportunity is that we as a company reflects the societies we are present in.

Our people are mastering over 20 languages and we have websites translated into more than 30 languages. At year-end 2019, gender representation of the group’s total workforce was 55 percent female and 45 percent male. Our top management team is formed by eight individuals with gender representation corresponding to 12,5 percent female and 87,5 percent male. The focus has been to put together an internationally diverse management team that currently includes four nationalities. Amongst our middle and senior management teams, reporting directly to top management, female and male representation is 40 and 60 percent respectively.



Attracting and retaining qualified talent is essential for our success and continued growth. Failure to do so poses a risk to the future development of the organization. Therefore, this is considered a challenging and prioritized task for Etraveli. To integrate and educate new talent, all new hires within customer support participate in an onboarding program. The duration of the program is between 5 and 7 weeks depending on experience. During this time, theoretical education is mixed with on-the-job-training including introduction to internal systems, processes and general tasks within our operations. During 2019 a total of 116 individuals participated and were trained in our onboarding program in Athens (72 people) and Uppsala (44 people).

The launch of a new e-learning platform has been initiated under 2019 and will be available for all our employees in 2020. This new platform will enable us to increase our talent development efforts and supports us in building the most attractive flight centric search, book and fulfilment company.

Environmental Impact

Our overall ambition, stated in our group wide Code of Conduct, is to minimize the impact of our business on the environment – While still making travel accessible to everyone. We want to give travelers the chance to experience all the wonderful destinations of the world by making flight tickets as affordable as possible.

At the same time, we do acknowledge that air travel today is not sustainable and has an impact on our climate. Environmental issues pose risks to our business and therefore constitute important aspects of our risk management. With increasing environmental awareness, especially regarding climate change, in society and among our consumers, we need to work proactively to ensure continued demand for our services in the future. Therefore, we are constantly working hard trying to lessen the impact of our business. Our efforts are concentrated around the following three pillars:

- Support technological development of sustainable fuel
- Enable customers to climate compensate and help spread awareness
- Climate compensate internal business travel

By supporting the development of sustainable fuel, new technologies and making it possible for our travelers to offset their emissions, we support the transition towards a sustainable aviation industry and the industry goal of a 50 % reduction in greenhouse gas emissions by 2050 compared to 2005 levels.

New technologies will need time to replace the current environmentally unsound variants. However, industry sustainability can be more easily achieved if all industry stakeholders work together toward this common objective. That is why we have chosen to partner and sponsor several initiatives that we believe will have a significant positive effect in the long run. One of these is our 5-year partnership with SkyNRG's Board Now programme, initiated in late 2019 and officially communicated in early 2020, to support the development of Sustainable Aviation Fuel (SAF) made from renewable biomass. Our partnership with SkyNRG is twofold as we also compensate for all our internal business travel through financially supporting the development of SAF. Starting from 2020 we will report annually on our contribution and the implication this initiative has to our environmental footprint.

Our belief is that supporting the development of new technologies will enable travelers to continue to explore our planet while protecting it for future generations. Since airplanes are not able to switch to alternative energy sources such as hydrogen or electricity immediately, fuel made from biomass

offers a possibility to significantly reduce carbon emissions from the industry while reducing the dependency on fossil kerosene. Through the development of SAF, emission abatement is possible in the short run while providing support to the sustainable growth of air travel.

We are, since mid-2019, offering our customers the possibility to offset carbon emissions associated with their travel through our partners MyClimate and GoClimateNeutral. We also offer users of our meta Flygresor.se a feature that enables filtering results by climate compensated flights or associated carbon emissions and offer travelers the option to offset their emissions in retrospect to ticket purchase. We are aiming on introducing these features on all our meta platforms over the coming years.

Even though the environmental impact of our business mainly originates from the service we provide, we also try to limit the impact from our own daily operations. For powering, heating and cooling our locations we try to only select providers offering these services from renewable sources. Out of our seven offices, three have been powered by renewable sources during 2019. For the remaining four offices Etraveli is not the contract holder for these services. Instead they are included in the lease agreements. We seek to eliminate the use of products and consumables from non-regenerative natural resources, reduce waste as far as possible, maximize reuse and recycling and we are considering environmental criteria in our procurement and sourcing practices.

Responsible Business

Business ethics and anti-corruption

Close and consistent relationships with a variety of stakeholders are fundamental to the success of Etraveli Group. We strive to maintain professionalism and good business ethics throughout all operations. We take an active stance against all forms of corruption and anti-competitive behavior.

Our Code of Conduct, which also applies to our suppliers and their subcontractors, is our leading and guiding document for what is expected from our employees and partners regarding business ethics. The code emphasizes especially legal compliance, the condemnation of any use of child or forced labor and stresses the importance to not conduct in any corruption, fraud or bribery practices. All employees are educated on the code and need to sign it upon employment. The board has the overall responsibility for the code and making sure that it is being followed throughout our operations.

The group is currently in an expansive phase and has initiated entries to new developing markets in 2019 (e.g. Latin America and the Middle East). We realize such expansions pose increased risks related to business ethics, specifically concerning corruption and human rights issues, and manage these by consulting with third party experts in risk assessment and mitigating procedures.

During 2019 no incidents related to corruption or non-ethical business practices has been reported and confirmed.

Customer integrity

Being an online travel platform company, we continuously process personal data in our daily operations. Consequently, the business is exposed to risks for incidents related to cybersecurity and data breaches. For us it is of greatest importance that we ensure processing of personal data is in accordance with the General Data Protection Regulation (GDPR) with respect to the personal integrity of the registered individuals. Processes to protect our customers' integrities in compliance

with legal obligations, such as GDPR, are primarily guided and supported by the following policies and documents:

- *IT & Information Security Policy* – A guideline regarding IT related questions and clarification of employee responsibilities.
- *Personal Data Privacy Policy* – Sets out general requirements on processing of personal data within the group in compliance with legal obligations.
- *Data Breach Policy* – Provides instructions on how to act in the event of a data breach.

All employees must be aware and adhere to these policies. At least four times a year our legal department informs and educates all our employees on the practical implications of these policies and how we as a company need to act to protect our customers integrity – making sure we comply with applicable laws and regulations.

In addition to our legal department we also have a dedicated Privacy Manager that together with the former, are responsible for management, development and promotion of personal data protection standards within the group. Further, this team is also responsible for monitoring and analyzing performance and any new developments in the field.

No significant breaches related to loss of personal data has been identified during 2019.

Community support

Our philosophy of citizenship through sponsorship is twofold. We seek to contribute internationally; where our product touches the world, and locally; in the communities that house our main offices. Our engagement with key international and local partners not mentioned elsewhere in this report are presented below.

Uppsala Stadsmission

As the head office of Etraveli Group is located in Uppsala, we support Uppsala Stadsmission in their work to create a more humane society through social care, integration and education. Their mission is to promote social responsibility and encourage a sense of belonging, regardless of economic or social situation. In addition to contributing financially, we offer our employees the possibility to volunteer during working hours, which amounted to approximately 50 hours during 2019.

Lighthouse Relief

Our dual way of contributing also applies to our operations in Greece. Etraveli Group supports Lighthouse Relief through regular donations, but also by giving our employees the chance to serve as ambassadors or to participate in their volunteer program. Our employees volunteered approximately 100 hours during 2019. Lighthouse Relief was formed as the refugee crisis reached the shores of Greece in the fall of 2015. They remain committed to advancing dignified and empowering humanitarian emergency response operations for as long as it is needed.

ECPAT

ECPAT fights the battle against child exploitation to prevent and stop child abuse and trafficking, including the blocking of websites containing child pornographic content. This effort cannot take

place in one country alone but needs a global organization that reaches as many countries as possible. For this reason, Etraveli Group has been collaborating with ECPAT over the past 4 years.

The Swedish Childhood Cancer Fund

The Swedish Childhood Cancer Fund was founded in 1979, with the aim of creating a more hopeful future for children and teens diagnosed with cancer and to ensure that they and their families receive the needed care and support. In the 1970s, a minority of children diagnosed with cancer survived. Today, almost 40 years later, the Swedish Childhood Cancer Foundation is the largest financier of childhood cancer research in Sweden and more than 85 percent of the affected children survive. The vision of the Swedish Childhood Cancer Fund is to eradicate childhood cancer. Our meta Flygresor.se supports the Swedish Childhood Cancer Fund through a charity cycling event across Europe with Rynkeby and associated financial donations based on the distance.



Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Flugo Group Holdings AB, corporate identity number 559113-9570

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2019 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Uppsala, 26 April 2020
Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorised Public Accountant