

# **Sustainability Report 2021**

## **Etraveli Group**



etraveli  
group

## **Table of Contents**

<b>1. A note from the CEO</b>	<b>3</b>
<b>2. Sustainability report 2021</b>	<b>4</b>
<b>3. Employment</b>	<b>6</b>
3.1 Covid-19 response	6
3.2 Other Employment Areas	6
3.3 Being “close” to our employees and our local communities	8
<b>4. Environmental Impact</b>	<b>9</b>
<b>5. Responsible Business</b>	<b>10</b>
5.1 Business ethics and anti-corruption	10
5.2 Customer integrity	11
5.3 Community support	11
<b>6. Auditor’s report on the statutory sustainability report</b>	<b>12</b>

## 1. A note from the CEO

The year of 2021, just like the year before, was for the travel industry characterized by the COVID-19 pandemic. The different waves of the pandemic caused interruptions, cancellations and refunds.

The company has however worked hard during the last year to position itself even better for the future when travel demand resumes and has taken significant market shares during the pandemic, thereby expecting record volumes in 2022. In these efforts, sustainability has also continued to have a prominent place. Etraveli Group aims to make travel accessible to everyone by providing leading flight technology that give consumer choice of cheap and relevant flight tickets.

However, the impact of air travel on the climate is not negligible. This means everybody in the industry is now working to try and lessen this impact and contribute to the development of greener fuel as well as many other initiatives including new technologies. We do have to start somewhere and although we may be small in the grand scheme of things and cannot move the needle on our own, with more than 14 million customers per year in non-pandemic times, we're big enough to make just a tiny bit of difference. New technologies will need time to replace today's environmentally unsound variants, and some of them are still in the early stages of development. That's why we've chosen to sponsor several initiatives that we believe will have a significant positive effect in the long run. All to ensure that in the future, travelers can continue to fly across the world to meet with family and friends, to do their jobs, or to enjoy the experience of exotic destinations. 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. The latter is now also discussed in depth with our distribution partners with a significant wider reach than ourselves such as Google and Booking.com. On top of this we continue to pursue several activities and frequently engage our employees to take part in our initiatives through our concept *Etraveli Cares*.

Last year this text was written in the middle of the coronavirus crisis where fundamental and urgent questions like health and job security were competing to be top of the agenda and now this text is written in the middle of the Ukraine war where an immediate threat to life and democracy is taking place. Etraveli Group supports the Ukraine people in many ways; hiring refugees, directly supporting team members that host refugees financially, giving donations to the World Food Program to name a few actions. The importance of being a good global corporate citizen is more relevant than ever before.

## 2. Sustainability report 2021

*This sustainability report covers Flugo Group Holdings AB (“Etraveli Group”, “Etraveli”, “the group” or “we”) and its subsidiaries. All information provided in the report concerns the financial year ending December 31, 2021, 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.

Our Value Chain connects countless people, families, communities, and businesses around the world – that is what it means to be part of the global economy.

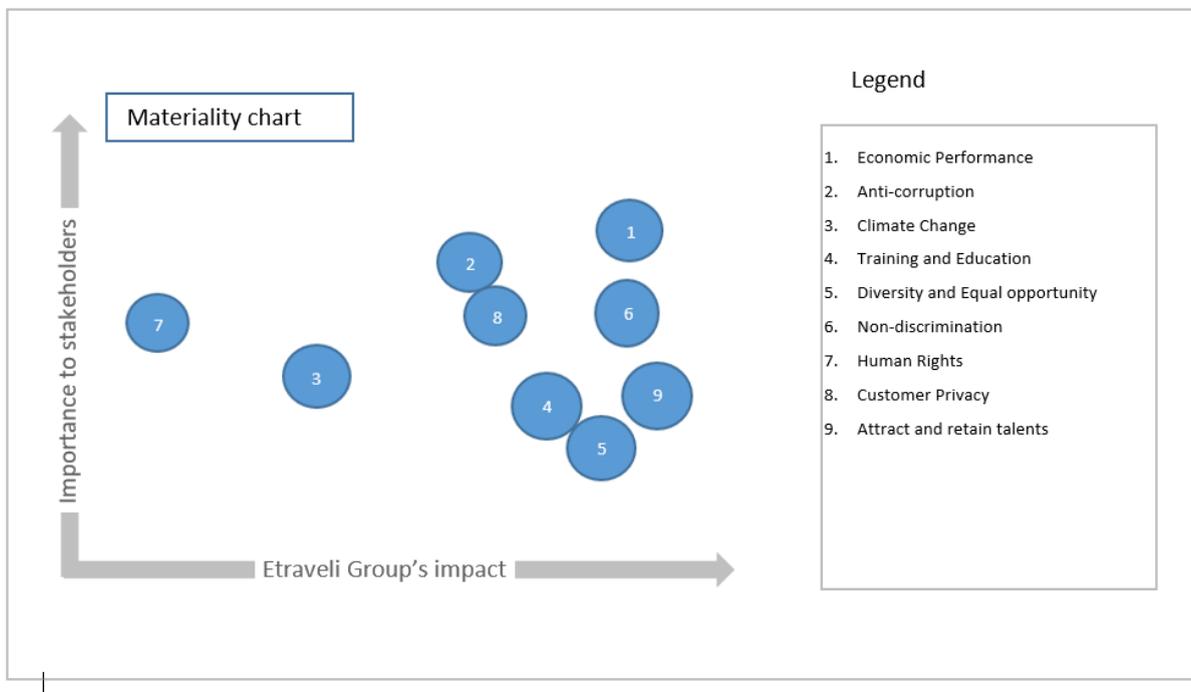
Step by step it consists of; **Suppliers**, mostly airlines, but also car rentals and hotels chains as well as insurance companies. **Inventory aggregators**, distributions systems for flights as well as aggregators of car hires and hotels. **Online travel agencies (OTAs)**, our own consumer brands for example Gotogate, Mytrip and Flight Network. **Sales Channels** for example Skyscanner and Google Flights. And last but not least the **Travelers** who buy our services and products.



Governance of sustainability issues and topics are an integral part of our business and are integrated in our day-to-day operations. The board together with the CEO has the overall responsibility for how we govern and manage sustainability. The board submits Etraveli Group Sustainability report 2021. 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. The Group Internal Audit function is responsible for strengthening our internal control and will be supporting the development of a more formal and structured governance model. This includes projects to strengthen the internal control by formalizing steering documentation, policies and documentation in a management system. The Group Internal Audit works based on the approved audit plan, the annual audit plan is approved by the Board of Directors.

We perform a yearly Corporate Social Responsibility (CSR) assessment with EcoVadis. EcoVadis is a global business partner conducting sustainability ratings. The results of the assessment are incorporated in our sustainability work going forward.

During 2021 we performed an assessment of 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 eight 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, nine areas were considered material for inclusion in the group’s continued sustainability efforts.



The material areas range from diversity and equal opportunity, attract and retain talents 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, engagement, non-discrimination, diversity and equal opportunity within the Etraveli Group, as well as our response to the covid-19 epidemic.

**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 eight areas are included in the scope of this sustainability report.

## 3. Employment

### 3.1 Covid-19 response

2021 was also a “pandemic” year. As any responsible employer, we kept our Employee’s health and safety among our first priorities, especially in geographies where there was a high risk of infection combined with low vaccination adoption levels. Thus, we continued operating mostly in a work from home set up while at the same time gradually planning ahead the return of the employees at the office, always in line with the local governmental recommendations.

While we proved in many ways that working remotely does not put the success of our company at any risk, we could not neglect the benefits of collaborating physically. Thus, after the summer and only in the geographies that was deemed appropriate, as soon as some restrictions were lifted by the local authorities, we decided to combine the best of the two worlds, the in-office collaboration alongside the flexibility of working at home. We had the pleasure to welcome back a number of employees, in a hybrid, 3 days office - 2 days home set up, supporting them at the same time with resources, tips & ideas on a dedicated intranet page, in order to make the most out of it. The pilot hybrid mandate implementation started from Sweden in the beginning of October but due to the gradual increase of covid cases later on, it was never mandated in other offices and even temporarily lifted in Sweden later on, following the governmental recommendations during Christmas time. 2022 will be the year when we foresee the return of our employees, in a hybrid set up, in all our 7 offices.

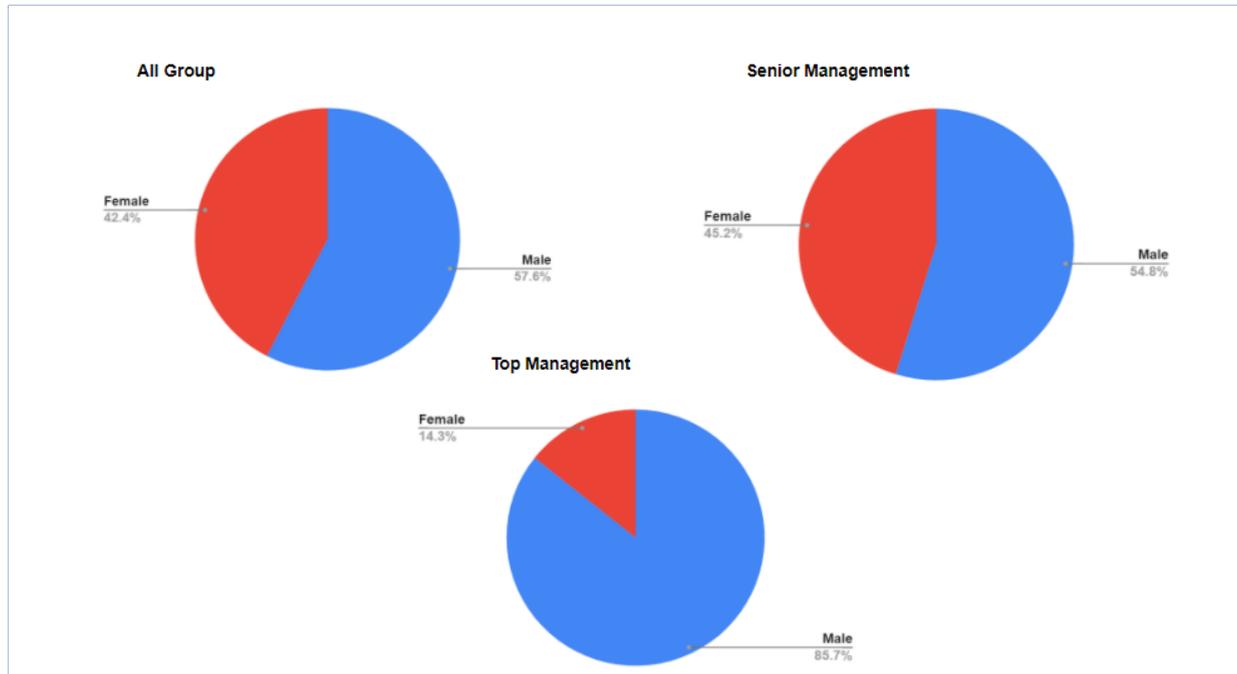
### 3.2 Other Employment Areas

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 deliver on our goal to become the most attractive flight centric search, booking and fulfillment 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 Group has 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 corporate values. In this context, all the respective documentation is uploaded on our corporate intranet (wiki) and accessible at any time, while every new employee is trained from day one on the Code of Conduct. Further information on the Code of Conduct can be found under [section 5](#) of the present report.

As an equal opportunity employer, we seek to prevent any acts of discrimination. All our employees and prospective employees shall have equal opportunities and employment free from any form of discrimination based on gender identity or expression, ethnicity, religious, political or other belief, sexual orientation, disability or age. As an Equal Opportunity Employer, this zero tolerance to discrimination is stated both in the Code of Conduct as well as in the Group Hiring Policy, which was launched during 2020. Our people are mastering 18 languages and we have websites translated into

more than 35 languages. At year-end 2021 gender representation of the group's total workforce was 42,4% ( 54,8%<sup>1</sup>) percent female and 57,6% (45,2%) male. Our top management team is formed by seven (seven) individuals with gender representation corresponding to 14,3% (14,3%) female and 85,7% (85,7%) 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 45,24% (41,2%) and 54,76 (58,8%) 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 Group. 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. More specifically, in 2021, 17 108 hours of training were delivered in our Customer Services department, a significantly higher number compared to that of the 2020 report (7 729) which is basically due to the increased number of new hirings during the year, especially in this function. At the same time, the Group has supported professional development of our staff using specialized external providers in several domains. During 2021 a total of 18 741 hours of training were delivered that, besides customer services on boarding training, covered staff related courses (1 093 hours of training in GDPR, Code of Conduct and IT security) as well as leadership training for our managers (537 hours) across all our locations.

During 2021 we continued the systematic monitoring of employee engagement that was first implemented in 2020 in order to monitor employee engagement through quarterly surveys and

<sup>1</sup> Figures in brackets indicate the respective figure in the 2020 report.

shorter regular pulse checks. In these surveys, overall staff engagement has ranged from 8 to 9 on a scale from 1 to 10.<sup>2</sup>

### 3.3 Being “close” to our employees and our local communities

Throughout the year, we kept communicating openly with our employees on a regular basis. The CEO blog, a practice that was implemented in the beginning of the pandemic, is still running on a weekly basis. A well received initiative by our staff, with a high level of engagement through likes, comments & questions, continues to update on developments, focus areas, achievements, reflecting at the same time our unique corporate culture. In addition to this, a weekly round up email summarizing all the key events that are happening across all offices was launched so that employees never miss a piece of important information and always feel connected. Last but not least, with the gradual return of the employees at the office and in the specific geographies that was deemed appropriate, a dedicated in-office communication campaign was implemented, reminding the employees of the safety measures they need to respect while coming to the office.

Operating mostly in a remote set up, limited the opportunities we had to connect on a physical set up, either to simply celebrate our successes or to participate in a team bonding or CSR activity. While in some areas the hybrid model enabled some in-office celebrations (e.g. >30K orders celebration, team bonding games for our newcomers and other mingling events across our locations) there were some great initiatives realized completely remotely, such as Forum Light Summer Quiz, an online “betting” quiz where the employees were projecting our development in 2021 and the fundraising initiative to support communities that host us in India. In the latter, with the generous contribution of our employees, we have been able to raise INR 408,000, Etraveli Group matched this amount just under x4 times, to reach the set target of INR 2,000,000 (~ EUR 24,000), we managed to provide 8 oxygen concentrators to Shree Mahaganapati Hospital in Mumbai and a biochemistry analyzer to Hirabai Cowasaji Jehangir Research Institute, in Pune, in order to help the underprivileged children of these two communities.

---

<sup>2</sup> Average answer to the question “Overall, I feel engaged with my work at Etraveli Group” in all surveys conducted during 2021.

## 4. 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 program, 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. Due to the break-out of Covid-19 the program has been moved forward and is now planned to start in the second half of 2022. 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 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 to introduce 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 are powered by renewable sources. 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.

## 5. Responsible Business

### 5.1 Business ethics and anti-corruption

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

Our Code of Conduct, which also applies to our consultants and their subcontractors, is our leading and guiding document for what is expected from our employees and partners regarding business ethics. The code is reviewed on an annual basis and emphasizes especially legal and regulatory 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. Further, the Etraveli Group prohibits any form of harassment, discrimination and violence in the workplace. Employees have the possibility to voice their concerns by using the group's "Ethics Line". The Ethics Line serves as an alternative way for personnel to ask for guidance or voice concerns in a confidential manner. All employees are educated on the code and need to certify adherence to the code on an annual basis. The board has the overall responsibility for the code and making sure that it is being followed throughout our operations.

The group continues its global expansion and entry to new developing markets in 2022 (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 2021 no incidents related to corruption or non-ethical business practices have been reported and/or confirmed.

### 5.2 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) and local legislation outside of Europe 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 designated 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 have been identified during 2021.

### 5.3 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 has been with key international and local partners focusing on CSR and Sustainability related areas. Due to the outbreak of Covid-19 our community support was carried out to a limited extent in 2020 and 2021, and will be reassessed in the first half of 2022.



This is a literal translation of the Swedish original report

## 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 2021 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 2022-04-28

Öhrlings PricewaterhouseCoopers AB

Leonard Daun

Authorised Public Accountant