

# **Sustainability Report 2022**

## **Etraveli Group**



| etraveli  
group

## Table of Contents

<b>1. A note from the CEO</b>	<b>3</b>
<b>2. Sustainability report 2022</b>	<b>4</b>
<b>3. Employment</b>	<b>6</b>
3.1 Returning to the Office and implementing a Hybrid Model	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>11</b>
5.1 Business ethics and anti-corruption	11
5.2 Customer integrity	11
<b>6. Auditor’s report on the statutory sustainability report</b>	<b>13</b>

## 1. A note from the CEO

During 2022 the travel industry came back from two troublesome years of COVID-19. The industry suffered effects of the difficult years with shortages of staff, shortage of planes, backlogs of refunds with the consequence of over crowded airports, waiting times and a high number of delays and schedule changes.

ETG however reaped the benefits of having retained staff during the years of restrictions and lower demand. Investments into technology and partner relations created record volumes, propelled ETG into the market leader in Europe with a very positive prospect for the future. These efforts have also included sustainability which continues to have a prominent place in actions taken by the company.

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 ETG may be small in the grand scheme of things (distributing <1% of flight tickets globally on planes operated by carriers that make the important climate decisions together with the manufacturers of airplanes) and cannot move the needle on its own, with more than 20 million customers per year, 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*.

Apart from the obvious environmental question ETG is also engaged in other topics around the world to support the right cause of a sustainable society. The Ukraine war continues now more than a year after the start of the broader conflict with an ongoing threat to life and democracy. Etraveli Group continues to support the Ukraine people and support financially on an ongoing basis team members that host refugees. The importance of being a good global corporate citizen is more relevant than ever before.

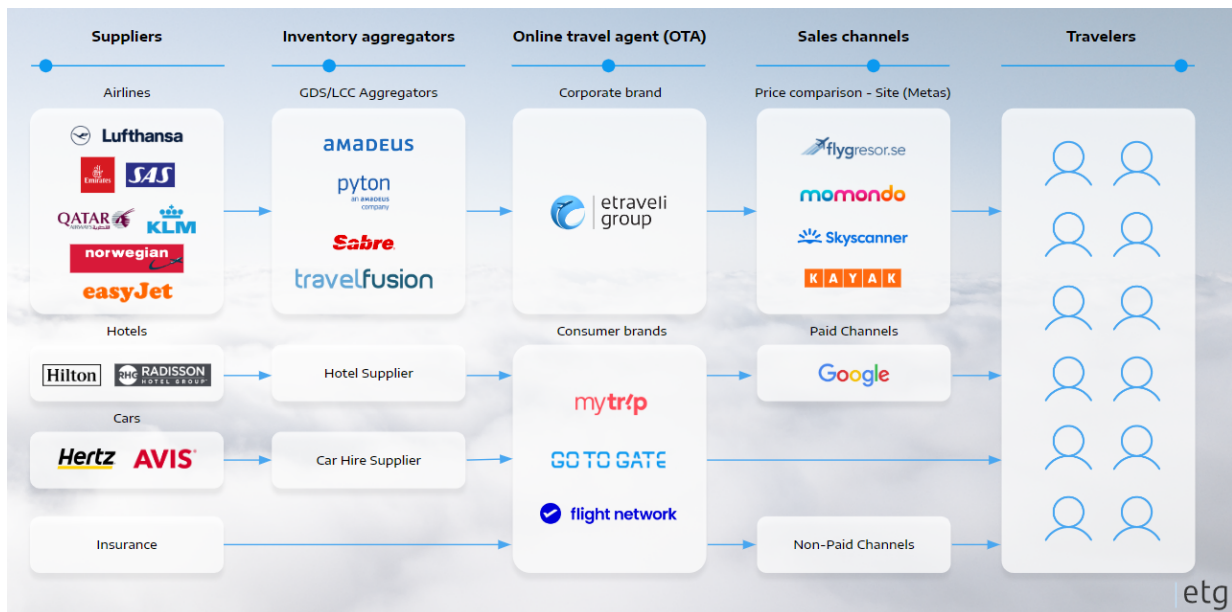
## 2. Sustainability report 2022

*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, 2022, 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.

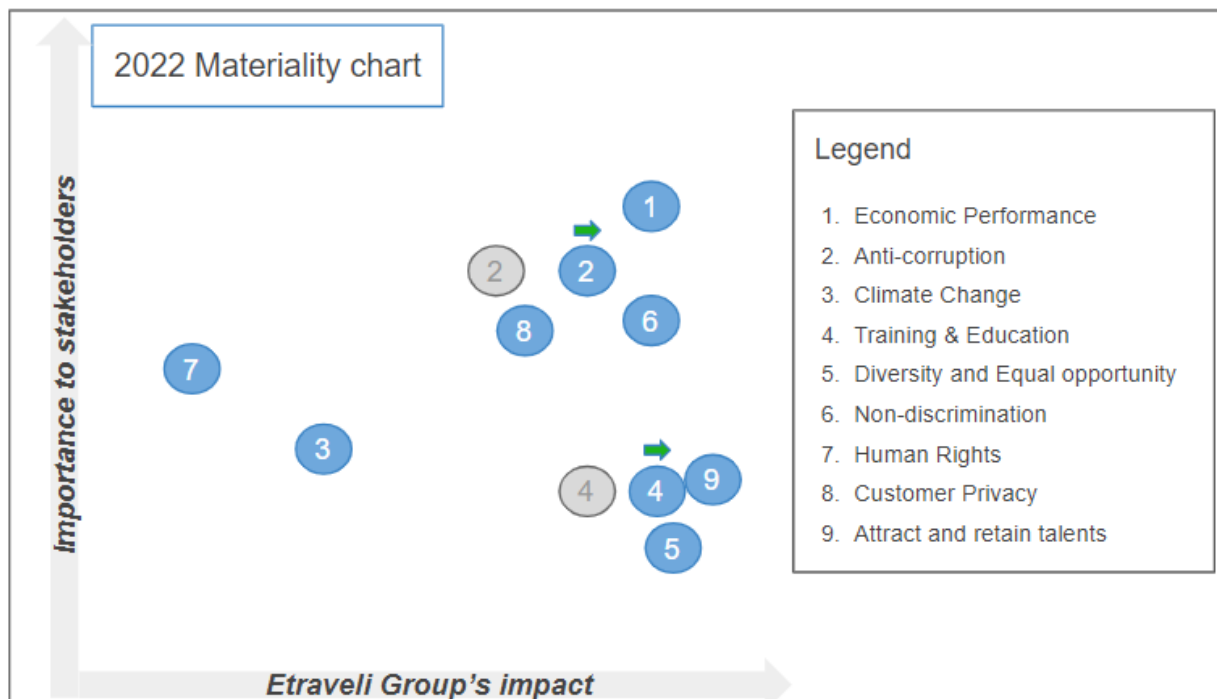
Step by step it consists of; **Suppliers**, mostly airlines, but also car rentals and hotels chains as well as insurance companies. **Inventory aggregators**, distributions systems for flights as well as aggregators of car hires and hotels. **Online travel agencies (OTAs)**, our own consumer brands for 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 the Etraveli Group Sustainability report 2022. 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.

During 2022 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 selected nine 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 below chart offers a view of the reviewed ranking, highlighting the areas where the ranking was adjusted (areas 2 and 4).



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 our focus on wellbeing and healthy work environment, as well as our back to office and hybrid approach.

**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 Returning to the Office and implementing a Hybrid Model

After two difficult years during the pandemic where we demonstrated agility adjusting to new ways of working, our 2022 focus was to ensure a safe and engaging return to the office for our employees. With the objective of enhancing collaboration, team cohesion, communication and efficiency while maintaining flexibility, we implemented our hybrid approach in all our offices. Worldwide, the approach is based on 3 days in the office and 2 days from home, with teams organizing themselves and allowing flexibility as much as possible. In addition, employees have the option of working 2 weeks per year from another location.

At the same time, health is always a priority for us. We thus ensured extra remote work flexibility for employees recovering from Covid-19 or with delicate health conditions and continued following-up on local recommendations for Covid-19 testing as well as offering free self-tests for our employees when relevant.

In addition, we put additional efforts into making our offices a great place for colleagues to collaborate, communicate and to grow professionally as the company is growing. To this end, we signed for new offices in Mumbai, Pune, Stockholm, and Gothenburg. The moves to the new offices in Stockholm and Mumbai took place at the end of 2022, the Pune office was inaugurated in January 2023 and the move for Gothenburg is planned for the second half of 2023. In the Athens office, refurbishment has been done to optimize the use of the available space and add new options both for work and leisure activities. In all our offices, the design includes healthy work environments allowing employees to focus and concentrate, flexible meeting spaces for in person meetings and virtual meetings, as well as engaging cafeterias, areas for ad-hoc conversations and equipment for leisure activities (e.g. table tennis or similar).

As Etraveli Group keeps growing internationally, we have also opened new offices, initially in co-working spaces in Krakow, Poland, and Delhi, India, as well as onboarded individual employees in Brazil and Singapore, who we actively include in our communications to ensure that a consistent and successful company culture across all locations is maintained.

#### 3.2 Other Employment Areas

As a fast growing company in a highly competitive environment, we value our employees as the strongest contributors to our long-term success. In this context, we actively address the risk of not being able to attract and efficiently onboard new employees needed to support our fast and international growth.

Thus, with over 1100 recruitments worldwide in 2022, we launched an onboarding program that ensures that all employees understand the business we operate in, learn about our values and culture and conclude important compliance training such as GDPR and the Code of Conduct. After

completing the training in our learning management system (LMS), employees have the opportunity to join a question & answer session with our CEO to raise any question they may have. This approach is also in line with our philosophy to have accessible leaders.

More precisely, in 2022 4 672 man hours of training were delivered to all newly hired employees, including 3 628 hours of onboarding training and 1 044 hours of mandatory compliance training (GDPR, Code of Conduct and IT security).

The onboarding program also includes a 30-60-90 day checklist for new joiners to complete together with their line manager in order to set learning objectives and milestones as they immerse into their roles at Etraveli Group. As we can see in the most recent onboarding survey conducted, addressed to new joiners who have already completed at least 5 months of employment, the above is very appreciated as 84.6% of the respondents validate the approach of the weekly one-to-one meetings with their managers during the first month of employment and 81.6% consider that the overall structure of the 30-60-90 days review and relevant meetings is good. In addition, 71.7% of them confirm having been well informed by their manager about the onboarding process. Finally, 73.6% of the respondents consider that the mandatory training sessions “are very good and informative” while 80% of them confirm the same for the Q&A session with the CEO.

On top of the above, as our Customer Services department is growing with a rapid pace, a lot of effort is consistently invested in technical training to introduce new hires to internal systems, processes and operational tasks as well as to refresh knowledge and support the upskilling of more senior employees, both through trainer led and self-paced training. During 2022, 196 185 man hours of training were delivered to new joiners and 338 355 man hours were delivered for refresher and upskilling training.

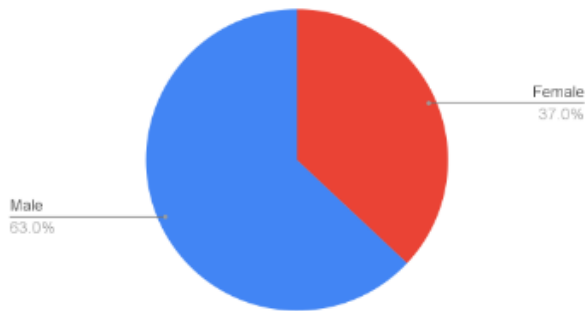
As our industry and the markets where we operate are very competitive and challenging in terms of talent attraction, we are also very conscious of the risk of losing key resources. In order to minimize this risk we are enhancing our inclusive culture and are closely monitoring employee engagement and retention levels, as described below.

Daring to be yourself and daring to ask for help are among the behaviors that we included in our leadership model, and our engagement survey results demonstrate that we are successful in this approach as 90% of our employees replied positively to the question “I am not afraid to be myself at work”. In general, engagement results for Etraveli Group and all functions and departments within the group show an improvement compared to 2021, with an 86% score on the question “Overall, I feel engaged with my work at Etraveli Group”. Nevertheless, for Etraveli Group overall we have identified areas where engagement can be further improved, in particular for work-life balance, recognition and professional development.

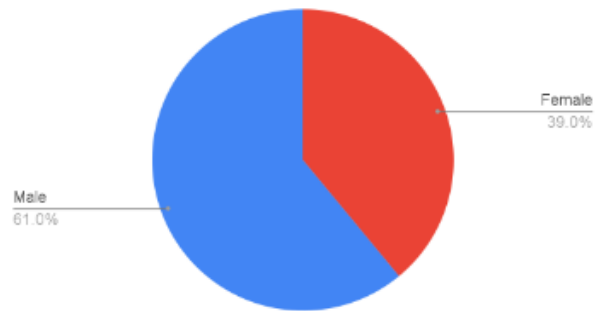
As an equal opportunity employer, we seek to prevent any acts of discrimination. All our employees and prospective employees shall have equal opportunities and employment free from any form of discrimination based on gender identity or expression, ethnicity, religious, political or other belief, sexual 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 2022 gender representation of the group’s total workforce was

37% (42,4%<sup>1</sup>) female and 63% (57,6%) male. Our top management team is formed by nine (seven) individuals with gender representation corresponding to 22% (14,3%) female and 78% (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 39% (45,24%) and 61% (54,76%) percent respectively.

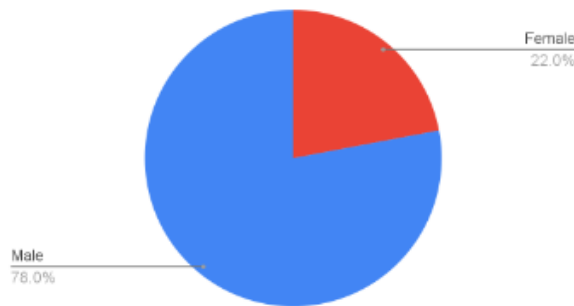
All Group



Senior Management (CEO +2)



Top Management



### 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 2020 at 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 roundup email summarizing all the key events that are happening across all offices was sent throughout 2022 so that employees never miss a piece of important information and always feel connected.

As a growing company with healthy employee engagement, it is important to us to create a working culture and community where employees can have an impact and be supported by our strong leaders on the journey ahead. In 2022, we defined leadership behaviors that are aligned to our values and we reinforced a culture of empowerment with supportive and accessible leaders. Everything that we do starts from our values of ‘playing to win’, ‘sense of urgency to be excellent’, and ‘accountability and cooperation’.

<sup>1</sup> Figures in brackets indicate the respective figure in the 2021 report.



We believe in celebrations and team-bonding events, and we regularly serve breakfast and fresh fruit or snacks at all our offices. In the difficult post-Covid times, we launched employee assistance programs in all our locations to offer additional support for the health and wellbeing of our employees.

We believe in diversity and encourage employees to bring their whole self to work. In this spirit, we support leisure activities such as the Athens marathon, where colleagues from Greece and Sweden participated, paddle tournaments in Sweden or cricket tournaments in India. Our colleagues in Mumbai, Pune and Canada celebrated Diwali with several festive activities, such as an exhibition of handmade products and a Diya painting competition. In office celebrations for reaching >50k orders took place as well as annual Forums in all our locations.

Also, the cultural committee of our India offices initiated a collection of donations to support the home "Maher Vatslyadham", an organization that has been operating for almost 20 years as a home for more than 130 mentally disturbed women and children, who were orphaned or abandoned by their families and was created with an objective to rehabilitate them back into the social mainstream. For one week, donation boxes were placed in the office premises and our colleagues shared items like toys, stationery and clothes for the women and the children in the home. A group of employees visited the premises of the organization to offer the gathered items.

We always seek to contribute locally, in the communities that house our main offices, but also internationally, where our product touches the world. As part of this engagement, after the outbreak of the war in Ukraine, Etraveli Group took actions to support the Ukraine people in many ways; hiring refugees, financially supporting team members that host refugees, giving donations to the World Food Program to name a few actions.

Going into 2023, we plan to assess potential partnerships with key international and local partners focusing on CSR and Sustainability related areas and further enhance our philosophy of citizenship through sponsorship.

## **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 and other technical and legislation related issues, there have been delays in the overall deployment of the program. In 2022 Etraveli Group made an annual financial contribution to support the launch of the construction of SkyNRG's plant. Based on the latest available timeline, the factory is expected to start commissioning fuel in 2026 and will be fully operational in 2027. Further financial support to SkyNRG has been agreed as part of this partnership. 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. In fact, the buildings where two of our offices are located (Uppsala office and our new office in Stockholm) are LEED certified and one of the criteria taken into account in view of the recent moves to new offices in several locations was the access to more recent and eco-efficient premises.

## 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. As a responsible employer it is important for us that everybody can speak their mind. We want all to contribute to make the company better and we want a good safe working environment where all can be the best version of themselves. First and foremost we want everyone to feel comfortable to talk to their colleagues and managers, propose improvements, bring up potential issues etc., but if for some reason somebody would like to bring up something anonymously that opportunity should also be there. Etraveli Group is therefore partnering with Convercent to provide a confidential and secure space for all employees to bring up concerns or issues in the workplace. Our Ethics line is thus available through an online platform and through phone on a 24/7 basis.

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 continued 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 2022 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 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.

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### **Engagement and responsibility**

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 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 2023-04-24

Öhrlings PricewaterhouseCoopers AB

Leonard Daun  
Authorised Public Accountant