

SUSTAINABILITY REPORT

BENIFY *2022*





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ABOUT US AND OUR SUSTAINABILITY WORK

At Benify, a sustainable business conduct means that in addition to complying with laws and regulations, we also have a social and environmental responsibility. Furthermore, we want to be an ethical frontrunner and role model in all aspects of our work. As a provider of benefit services, we have a responsibility to help our clients to offer sustainable benefits to their employees, which in turn has a positive impact on their lives and well-being. We also have a responsibility to our internal and external stakeholders to be environmentally, socially, and financially responsible in our daily operations.

Our position on sustainability is clarified in our Code of Conduct. In addition, we have policies, such as an anti-corruption policy, an environmental policy, and a travel policy.

Organisational profile and business model

Benify is a Swedish HR tech company, providing the market's leading platform for benefits, remuneration and communication. With the cloud-based platform, employers can reduce their benefit administration, automate their HR processes, improve their employee communication, and create tailored employee experiences where everyone understands and appreciates the full value of their employment. Thousands of employers around the world use our platform to increase engagement and improve the quality of life for their employees.

The majority of our employees are employed at our offices in Sweden. We also have offices and employees in Denmark, the United Kingdom, the Netherlands, Lithuania, and Germany.

This sustainability report highlights how Benify works with sustainability, the potential for improvement we see in areas related to these matters, and the risks we have identified. This is our second sustainability report in accordance with the Annual Accounts Act. We have looked at GRI Standards and used this as a reference but have for this year chosen not to report in accordance with GRI.

The sustainability report refers to the financial year 2022 and constitutes Benify AB's statutory sustainability report. The report applies to all companies within the Benify Group.

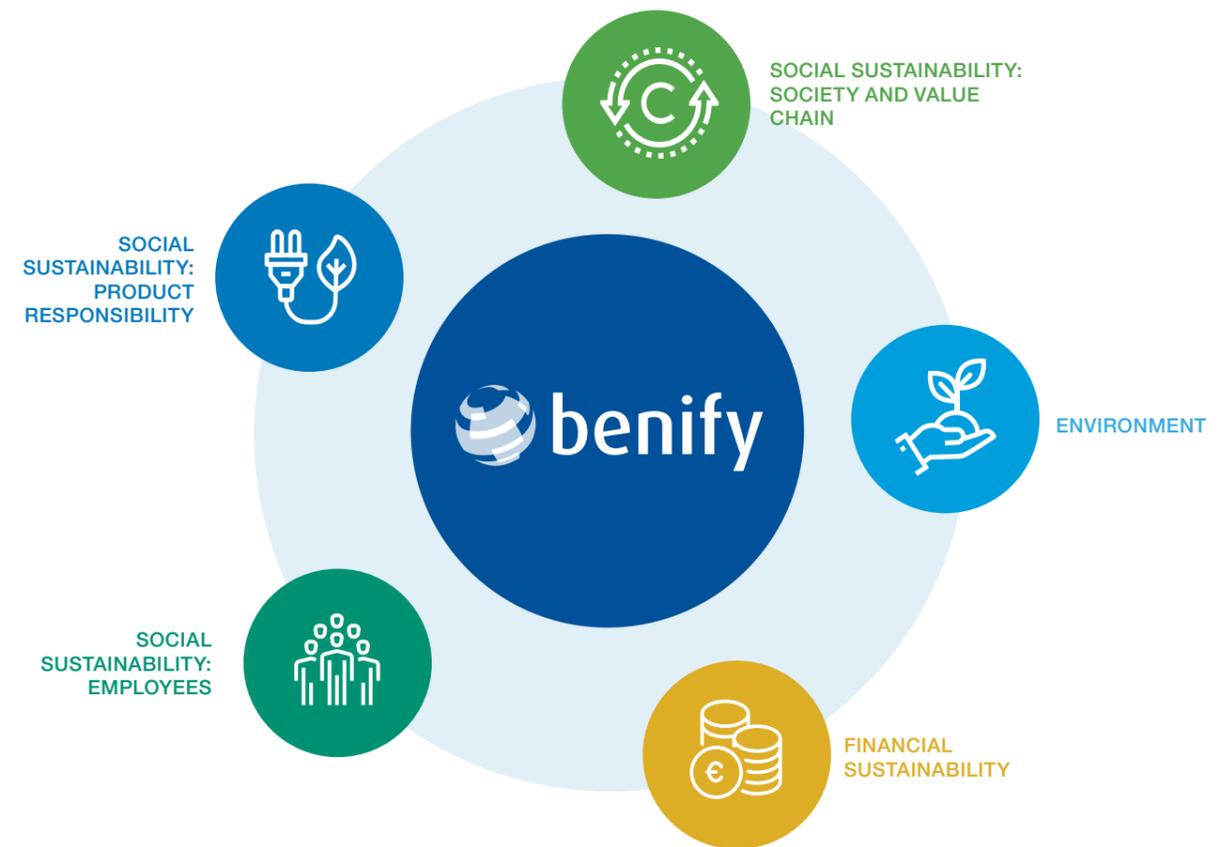
Stakeholder dialogue

We have regular dialogues with our most important internal and external stakeholders – namely our clients, our employees, our owners, end users and suppliers. These stakeholders have been selected as they have a direct or indirect impact on our business or may be affected by our business operations. The purpose of the dialogues is to find out which sustainability issues are crucial for our stakeholders. Benify's latest, as well as first, materiality analysis was completed in January 2019 and through it we identified Benify's most important sustainability areas. The stakeholder dialogue consisted of a questionnaire sent to the respondents and in some cases this was complemented with follow up interviews. The outcome of the stakeholder dialogue is an important part of our strategy and development work in sustainability.

In the environmental field, transport and waste have been highlighted as important issues. Concerning employees, the survey showed that issues regarding equal treatment and non-discrimination, skills development and gender equality are important. Moreover, ensuring easily accessible and a sufficiently large range of sustainable products and services in the Benify platform is also of great importance to our stakeholders. In addition, the stakeholder dialogue shows that client satisfaction and information security are important areas. Finally, human rights and compliance with laws and regulations are also areas to prioritise in our sustainability work, according to our stakeholder dialogue.

Sustainability objectives

Benify's sustainability objectives run from 2020 to 2022. The goals are based on our sustainability areas and are categorised according to the following five areas:



Each target area is in turn linked to one or several of UN's Sustainable Development Goals. Through our sustainability objectives, we contribute to the following UN goals:





ENVIRONMENT

Overall objectives 2020–2022

- Raise awareness within Benify about sustainability and climate change.
- Spread knowledge internally about our travel policy and ensure that our employees comply with it.
- Improve communication about our sustainability work.

Detailed objectives 2020–2022

- We will start measuring our annual carbon dioxide emissions linked to our travels to obtain a baseline value in 2021.
- We aim to reduce our carbon dioxide emissions linked to our travels in accordance with the Paris Agreement, starting from 2022.
- We will have a Sustainability Office Manager in place at our offices starting from 2021.
- We will create a climate report, and carbon offset, for Benify's annual conference 2021.
- We will have an environmental management system in place during 2021.
- We will have our first sustainability report in place in 2021.



GOOD HEALTH & WELLBEING



SUSTAINABLE CITIES & COMMUNITIES



CLIMATE ACTION



SOCIAL SUSTAINABILITY: EMPLOYEES

Overall objectives 2020–2022

- No Benify employee should feel discriminated against or unequally treated.
- We will advocate an accepting and welcoming environment for all Benify Employees
- We aim for all our employees to consider Benify a sustainable and responsible workplace.

Detailed objectives 2020–2022

- We aim to increase gender equality in the executive management team so that it reflects the gender distribution of the company as a whole.
- All Benify employees should have read and understood, and comply with our Code of Conduct.
- 100% of our employees should annually complete and become certified in our e-learning on "Diversity & Inclusion".
- All employees should have completed an e-learning on Benify's sustainability work before the end of 2021.
- We should be at 6.8 or above on average in the work situation parameter in our pulse surveys.
- Our turnover of staff should be below 18% R12 over the years of 2020–2022.



QUALITY EDUCATION



GENDER EQUALITY



REDUCED INEQUALITIES



SOCIAL SUSTAINABILITY: PRODUCT RESPONSIBILITY

Overall objectives 2020–2022

- Our benefit portal should encourage the end user to make more sustainable choices.

Detailed objectives 2020–2022

- 100% of our employees should annually complete and become certified in our training "Information Security Awareness Training".
- We will contribute to sustainable consumption by continuously taking in more green benefit offers.



QUALITY EDUCATION



RESPONSIBLE CONSUMPTION & PRODUCTION



SOCIAL SUSTAINABILITY: SOCIETY AND VALUE CHAIN

Detailed objectives 2020–2022

- No human rights violations or discrimination should occur within Benify.
- 100% of our suppliers should have signed the sustainability appendix to our supplier agreement.
- In 2020, we should have a partnership in place with an organisational Benify supports.



REDUCED INEQUALITIES



FINANCIAL SUSTAINABILITY

Detailed objectives 2020–2022

- We aim to have a training module in place for our employees in anti-corruption and bribery.



QUALITY EDUCATION

OBJECTIVES

We have a transitional period behind us, both within the organisation and within society as a whole. Benify has continued to grow in terms of our number of employees, number of offices and the countries we are active in. As this report brings this period to a close, we see a large number of targets achieved, a smaller number of revised targets and a few deferred targets that we will take into the next project period.

During 2022, we have focused on shaping and revising relevant governance documents and disseminating knowledge within the organisation. We have also started setting requirements of our suppliers as part of our efforts to take more responsibility for our indirect carbon footprint. Although a year behind schedule, we have started to measure and monitor our annual carbon emissions in a structured way.

We have sought to establish a baseline to use as a starting point for the next measurement period, where we have, for example, a base value for our carbon dioxide emissions linked to business travel, which we have identified as a risk factor in terms of our environmental impact. This has also allowed us to be more transparent about our actual impact, something we want to continue to develop for the next period.



RISKS AND OPPORTUNITIES

	EXPLANATION	ACTIONS
 <p>ETHICAL RISKS</p>	<p>Ethical risks are linked to if employees at Benify do not comply to the code of conduct, or other ethical guidelines that are set up. They also include whether employees are involved in corruption or other misconduct that could lead to damage to the Benify brand or legal sanctions as a consequence of that misconduct.</p>	<p>All Benify employees read and acknowledge the Benify code of conduct upon employment as well as regularly on an annual basis.</p> <p>The code of conduct stipulates how all Benify employees are expected to act and the ethical guidelines to be followed. We also have policies and e-learning courses to complement the code of conduct in areas including anti-corruption and harassment to name a few.</p>
 <p>INFORMATION SECURITY RISKS</p>	<p>At Benify, we manage a large amount of information about our customers and their employees. The ability to process individual-based, and in many cases sensitive, data is a requirement for the functionality of the platform.</p> <p>The absence of a structured and strategic approach to information security may expose personal data to unauthorised access, alteration or destruction.</p>	<p>The secure processing of personal data is important to Benify. We take appropriate security measures to ensure that personal data is protected at all times. Benify has fully implemented an information security management system in accordance with ISO/IEC 27001, which includes both administrative and technical security measures. Benify is certified in accordance with the standards ISO/IEC 27001:2013, ISO/IEC 27018:2019 and ISO/IEC 27701:2019. The certification process was carried out by an independent external certification body accredited by an accreditation organisation. Benify has policies, governance documents and regular training in place for all employees to ensure that we are acting in accordance with the above.</p>
 <p>ENVIRONMENTAL RISKS</p>	<p>As a service company without, for example, its own production and transportation, we assess Benify's environmental and climate impact to be relatively low. Our own impact consists mainly of business travel, along with the operation and purchase of office supplies and related assets. Our risk is mainly related to subcontractors and the products and services offered by the portal.</p>	<p>Our environmental policy stipulates taking into account the environmental impact when, for example, purchasing a service or product and choosing a supplier. We aim to reduce the consumption of resources along with recycling and reuse wherever possible. Our travel policy promotes digital meetings over long-distance travel and environmentally-friendly options for transportation. We currently have an Eco-labelled range of products and services on the portal, indicating a more advantageous choice in terms of environmental impact.</p>
 <p>HUMAN RIGHTS RISKS</p>	<p>Risks related to discrimination based on gender, sexual orientation, ethnic origin, religion, political affiliation, disability or age are always a concern for people intensive businesses such as Benify.</p>	<p>The code of conduct stipulates how all Benify employees are to act and the ethical guidelines to be followed. We also have an equality and diversity policy and guidelines in these areas that our staff have access to and are expected to know and comply with. During the year, we updated our mandatory induction days with a session clarifying that Benify has zero tolerance when it comes to discrimination, harassment and victimisation. It also highlights how employees should raise concerns if they feel they are being exposed to any of these issues.</p>

ENVIRONMENT

Our position on the environment is set out in our company's environmental policy. In 2019, we defined and established our first environmental targets for the period 2020-2022. These include the overall ambition to promote knowledge about environmental impacts and climate change in general and, how we at Benify work on opportunities and risks in this area. For example, by promoting governance and management documents within the organisation combined with training. As we sum up the year, we have established a baseline for emissions linked to business travel, ultimately striving to reduce our negative impact on the climate. In 2022, we continued our assessment of a prospective environmental management system and revised our quality manual.

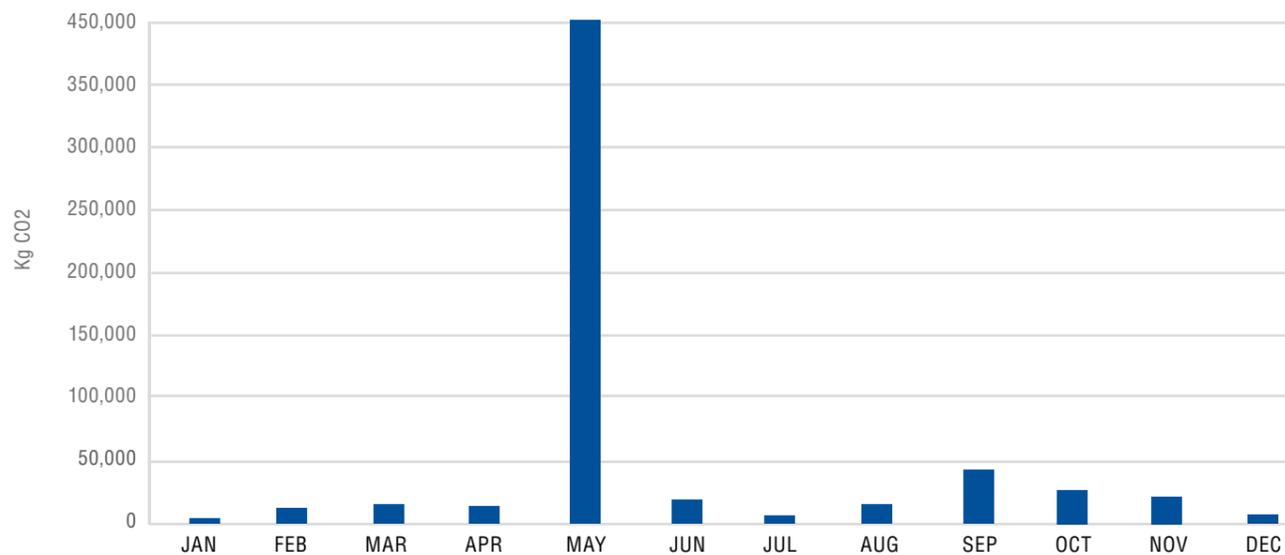
Transports and travel

Our travel and environmental policies set out our position on travel and work-related issues to our employees. The general position is that all business trips should be booked with consideration to the environment. For long-distance travel, our aim is to replace physical meetings with video or telephone conferences wherever possible. However, we recognise the importance of face-to-face meetings in building relationships with customers and colleagues and will therefore prioritise this in certain cases. We have seen a renewed need to meet colleagues and customers in person after an absence of trips during the prolonged

pandemic period. This has been a conscious choice, in accordance with accepted levels and in line with our travel policy. Our figure for total emissions related to travel in 2022 forms our baseline for future carbon footprint reduction targets.

Our annual conference resumed in 2022 and generated a climate impact of 425 tonnes of CO2 equivalents. Travel (air and coach) accounted for 98.2% (417 kg CO2) of the climate impact of the event (calculated in accordance with the Tricorona standard methodology based on the GHG protocol).

CO2 emissions from business travel



Materials and recycling

When purchasing on Benify platform, the extent of the environmental impact is taken into account, influencing the choice of both product and supplier. Reuse, recycling and conscious purchasing are key words. For example, we reuse electronics ourselves for as long as possible, and then our IT refurbishment partner takes over. They manage all of our obsolete IT products and primarily use recycling to extend the life of our used electronic equipment. Products that cannot be refurbished are fully recycled. When purchasing

catering, there is a preference for organic, vegetarian and local products. For example, we eliminated meat from the menu for our annual conference and we completely avoid disposable plastic items, preferring to hire reusable rather than disposable items. We enable recycling and sorting at our offices and our aim is for our offices to be powered by renewable energy (by 2022, the headquarters in Stockholm was powered by 100% renewable energy).

EMPLOYEES

Benify's employees are the company's most important asset and we endeavour to create and maintain a safe and healthy working environment for our employees.

We encourage an inclusive working environment where all employees feel a sense of community and belonging in the workplace. This work is based on our internal guidelines and policies that follow health and safety legislation and related regulations. These are managed by a dedicated Sustainability Manager, based at head office in Stockholm. For example, all employees are made aware of the code of conduct, policies for diversity, equity, inclusion and belonging and anti-corruption. During the year, employees' rating of the "work situation" metric in the employee engagement surveys (Pulse survey) increased from 6.6 to 7.2, exceeding the target (>6.8) and the average for the target period (7.1). Staff turnover for the year 2022 (R12) was 16.4%, also lower than the target and actual turnover for the entire project period (16.5%).

Equality

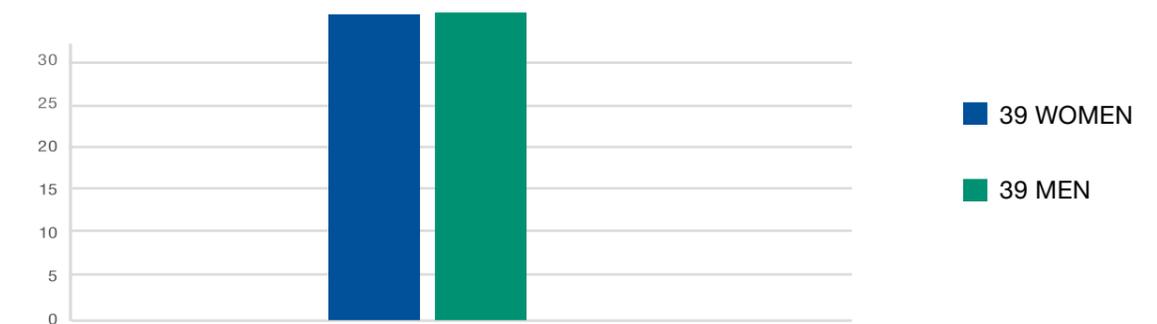
Benify's management team comprises two women and five men of US, UK, and Swedish origin. Benify is committed to more gender equality in the management team over time. Across the company, 52% of Benify employees are women, and 48% are men.

We always recruit based on skills and experience: if two candidates of different genders with equivalent skills are the finalists, the under-represented gender should always be hired.

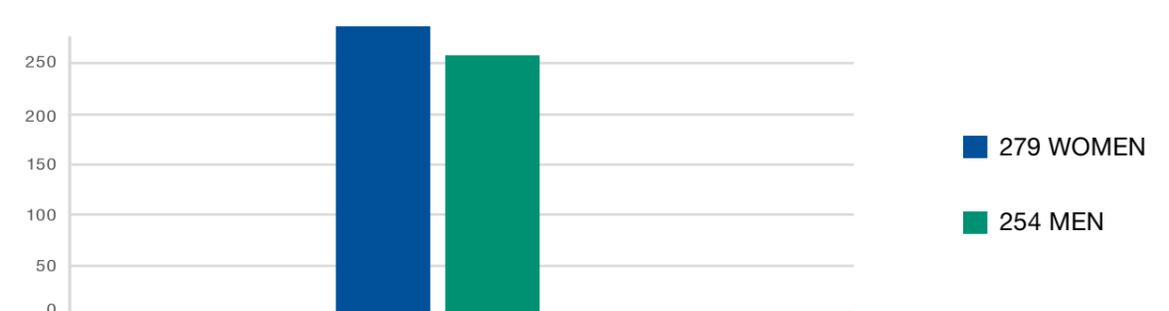
In managerial positions, there is complete equality between men and women. We conduct an annual salary review as well as gender pay gap analysis to ensure equal work results in equal pay, regardless of gender. Managers are required to review pay inequalities regularly and are expected to always work towards an equal workplace.

Benify has a budget dedicated to the Benita's internal network. Run by female employees, Benitas arranges activities aimed at increasing the involvement of women at Benify and increasing the interest and influence of women in technology.

Manager gender distribution



Employee gender distribution



Skills development

At Benify, we work long-term to ensure access to well-trained employee and to secure and develop our position on the market. We work based on a lean model where learning is part of our daily work and collaboration with others. The daily operation is complemented by specific training when the need arises. In the long term, our plan is to create sustainable training initiatives to attract and retain competent employee.

We work as much as possible with internal recruitment to offer our employee the development opportunities they strive for. Benify values the individual's personal knowledge and therefore encourages employees to initiate their own development. If employees want to develop in a specific direction, there are great opportunities to do so, especially if they take initiatives and drive suggestions forward.

Equal treatment and non-discrimination

Benify must be an equal workplace free from violations and discrimination, where everyone has the same prerequisites and opportunities. To ensure that we comply with this, we provide a whistle-blower function with an associated reporting function where employees and consultants can report experienced,

or suspected, violations or irregularities anonymously. To ensure and easily follow up on how the organisation is doing and to identify if someone feels violated or discriminated against, we carry out surveys among all employees. Through this tool, we ask questions on the topic, and employees can anonymously leave comments or chat with HR or their closest manager to underline challenges or the need for action.

We have set clear guidelines on gender equality and discrimination in our Equality & Diversity policy and the policy document Benify's Equality & Diversity Guidelines. In the introduction that our managers undergo, they receive training in responsible recruitment and how they as managers can ensure equal treatment and non-discrimination. Our Diversity Success Plan is updated annually to ensure that we work to promote equality and equal treatment as well as counteract discrimination.

Benify is a value-driven company and rewards and recognizes employees who live up to and excel in treating others well in accordance with the company's core values. The purpose is to recognize those who excel, but also to encourage good habits and kind behavior within the organisation.



Exceed Expectations



Show Love



Think Ahead



PRODUCT

Sustainability is a natural part of the range of benefits, and Benify is constantly developing new deals and our product. We aim to promote the social, mental, and physical health of our customers and their employees through various services and products. Our health and well-being benefits include e.g. counseling, consultation, and mental illness prevention services. We have chosen to highlight a selection of more climate-friendly benefits by means of an ECO label to facilitate conscious choices.

Along with our suppliers and partners, we have supported our customers in the digital transformation of the benefits system. An increased demand for hybrid workplaces and the use of services for wellness (expanded digital mental and physical health services), maintaining social (call support, digital meeting areas, pulse survey tool), and financial sustainability (digital fund swaps and consultancy).

At Benify, we value sustainability, and our goal is for this to be reflected in all the benefits we offer on the portal. We currently provide innovative solutions in areas such as sustainable mobility, health, flexible benefit packages, and targeted communication. Our platform also represents an effective tool for our customers to achieve their sustainability and personal health goals.

One example of improving employee wellbeing is providing a whistleblowing tool to our client's employees. This service is a channel where employees can anonymously report misconduct in their workplace. The system provides a structure for processing cases to ensure that they are managed professionally and consistently without unnecessary delays.

Our extensive user base of over 2 million users means that even small changes to our services can significantly impact many people's consumption and behavior. This is an opportunity to make a positive difference by offering transparency and enabling informed choices.

Environmental labeling

Benify has developed an eco-label that we call ECO. The label means that Benify is offering benefits where the supplier takes more responsibility for the environment compared to other benefits in the same category. For example, some of our ECO-labelled

partners work with climate-friendly travel, and others with different types of sustainable cooperation with their retailers. An example of an ECO-labelled benefit is the option of renting a bicycle through a gross salary deduction and obtaining a better price. This option may encourage an employee to use a more sustainable transport option while offering financial security by making savings that would not otherwise be possible.

Social sustainability and financial security through the benefits portal

Our platform includes the option to donate one-off or monthly amounts to quality-assured charities via net payroll deduction or from a flexible employer benefit pot.

Customers can also use the platform to share information and manage the booking of volunteer activities, blood donations, and other employee initiatives.

Lifeplan – an independent pension advisory service

Hundreds of thousands of employees in Sweden – regardless of salary level – currently have access to this independent digital pension advice service. Lifeplan's intelligent algorithms analyse the entire pension portfolio and provide personalised guidance for optimal fund allocation, considering expected returns and fund fees. Reducing fees by a few dozen percentage points may add several thousand kronor to the future pensions of our end users. From 2022 onwards, fund switching can be carried out digitally using electronic identification.

Improving the range of sustainable benefits

Benify's sustainability strategy within this product area is analysed twice a year by reviewing trends and results. The strategy is then adjusted and updated for the next six months. We continuously assess the demand and focus of our customers through surveys and case studies and compile data based on these.

Data is gathered through surveys on an annual basis, and we follow up with in-depth interviews with affected customers to obtain a deeper understanding. This approach gives us a clear picture of what our customers are looking for and their challenges in terms of sustainability. Based on this, we can then adapt our strategy and portfolio.

INFORMATION SECURITY AND COMPLIANCE

Information security is of the utmost importance to us at Benify and one of the cornerstones of our business. Our clients trust us to manage their data, which puts great responsibility on us to ensure that information is handled in a safe manner and in accordance with prevailing laws and regulations. Personal data is something we handle daily and therefore our information security and data protection work is well integrated.



Certificates and standards

Benify has a management system for information security and data protection and we already hold the following certifications in the area: ISO 27001, ISO 27018 and ISO 27701. Our many certifications within the ISO 27000 series make us unique in Sweden and is something we are very proud of.

To ensure the physical security of our data centers, they are inspected according to the ISAE 3000 standard. We have also registered to CSA STAR, a global program for security evaluation of cloud providers.



HUMAN RIGHTS

Relationships based on mutual respect and dignity are important to us and apply to our employees, our business partners, and our suppliers. We are committed to respecting and promoting international human rights and labor laws. We also follow the ethical rules of the UN's Convention on the Rights of the Child.

The terms of employment offered to Benify's employees must meet the requirements of local law and relevant ILO conventions and guidelines contained therein. All our suppliers sign our appendix "Ethical and environmental requirements" which clarifies our position in the area towards our suppliers.

In our Code of Conduct, we have stipulated our position on human rights and all employees at Benify take part in and confirm it at the start of their employment at Benify.

CUSTOMER SATISFACTION

Client satisfaction and product quality are essential for us. We conduct annual client surveys in various business areas – the largest and perhaps most important of these is *Förmånskollen*. The purpose of *Förmånskollen* is to help our clients understand what their employees think about their range of benefits, their employer brand and how they compare to others in their industry, as well as give them tools to improve, further develop and navigate in an ever-changing world. Through *Förmånskollen*, our clients receive a fact-based basis for further developing the

benefit offer, the organisation's benefits, and their employer brand. This creates great client value and is something we can give back to our clients that they themselves can work forward from. We also produce client-unique reports, industry and overall reports on trends and facts that we share both with our clients, and certain parts, externally. After the compilation, we work actively to improve ourselves and help our clients based on the results. This is something that creates much added value for our clients.

Charity

In 2022, we continued our partnership with the organisation IT for Children, an independent non-profit organization from Sweden with operations in Ghana, West Africa. The organisation provides access to computers, internet and IT education for thousands of school children in Ghana. The partnership with IT for Children began in 2020 and Benify has contributed with donations to the organization that has gone to scholarships and expanded meal programs for the school children.

We are also happy to be a partner to the "Stadsmissionen" and thereby be able to contribute to making a difference for people who live in vulnerability in our society. During the year, Benify's employees locally in Stockholm have been offered the opportunity of voluntary working at Stockholm Stadsmission. An initiative that has been appreciated and which we intend to develop and expand in the future.

In collaboration with Morot & Co, customers are offered to give Christmas presents to their employees through the portal and thereby contribute to charity. Thanks to the Christmas gift in 2022, as an example, 633 hygiene kits have been sent to Ukraine (via Human Bridge), and approximately 45 million square meters of wilderness (including biodiversity) were protected in southern Africa (via the Wildhood Foundation).



THE AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

This is the translation of the auditor's report in Swedish

To the general meeting of Flip Lyskamm AB, corporate, identity number 559209-4501

Engagement and responsibility

The Board of Directors is responsible for that the statutory sustainability report has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's report on the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially 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 opinions.

Opinion

A statutory sustainability report has been prepared.

Stockholm, April 28, 2023

Ernst & Young AB

Anna Svanberg
Authorized accountant



SUSTAINABILITY REPORT

BENIFY *2022*

