



Next Generation Happiness

Content

This report provides an update on our sustainability strategy shared in our 2020 Corporate, Social and Environmental Report. It outlines how we're driving positive environmental impact throughout our business in the three focus areas identified in our strategy. The reporting period follows the financial year 2021 (FY21), which runs from 1 January to 31 December 2021 and includes data, performance highlights, and the progress we have made against our targets.



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Overview

Sustainability progress 2021





Let's go positive!

2021 has been a year of change and reinvention. The pandemic has reshaped the retail landscape, intensified supply chain challenges, made all of us more aware of the impact we have on our planet, but most importantly, showed us that through reinvention, we can still make a difference.

Despite the challenging environment, we never lost sight of our purpose 'Next generation happiness'. By rethinking our supply chain, developing sustainable solutions and encouraging shoppers to be more sustainable, we're continuously reinventing ourselves to create a better tomorrow.

I'm proud to share the exponential progress BrandLoyalty made in 2021. We launched a new CO2-neutral brand, partnered with Club Leaf to empower companies and individuals to take climate action together, continued our efforts to create a sustainable and inclusive workplace and followed up on our sustainability targets. The combination of small steps and big ideas is a key driver in our sustainability transition.

Sustainability unites all of us at BrandLoyalty and I would like to thank all colleagues and partners for their continuous efforts and commitment. Only as a team we can create the breakthroughs needed to leave a positive mark on the planet.

We're transitioning to use our business as a force for good, and I can't wait to see what's next. Thank you for joining us on our journey.

Claudia



Empower the people

Despite the ongoing pandemic and its challenges, 2021 has been a year of great learning and progress toward our commitments. Because as significant as COVID-19 is, it is not the only challenge our planet faces.

Climate change presents environmental, economic, and social crises on a whole new level, and we must re-think how we run our business.

This realization brought a growing need to innovate, and in this report, we've put together a series of examples of how my colleagues created a more progressive company.

You will read about Remco and Terrence's obsession with packaging or Maurice treating waste like a treasure. Still, the urge to improve is needed in every business area and at every level of the organization.

The power is in our hands, and we hope you will be inspired to contribute to environmental health with us!

Antonella Passaro
CSR & Sustainable Innovation Manager

About BrandLoyalty

We change shoppers' behavior

BrandLoyalty changes shoppers' behavior through campaign-based loyalty solutions that make people happy and business better.

More about BrandLoyalty on www.brandloyalty.com

Driven by our purpose 'Next generation happiness'

Acting as a compass that positively influences daily decisions and guides us to a better tomorrow.



A loyalty powerhouse that is second to none.
BrandLoyalty is part of Loyalty Ventures Inc. (NASDAQ: LYLV) a leading global provider of tech-enabled, data-driven consumer loyalty solutions.

LVI owns and operates AIR MILES Reward Program, BrandLoyalty and BrandLoyalty's digital agency IceMobile.

More about LVI on www.loyaltyventures.com



**Brand
Loyalty**

Ice**MOBILE**

Scale and reach 2021

BrandLoyalty has a unique global reach. Big enough to impact, and small enough to care.

Through its loyalty campaigns and partnerships, BrandLoyalty inspires global retailers, suppliers, shoppers, communities and governments to leave the planet better than we found it.

563

BrandLoyalty colleagues with 42 nationalities

18

locations across every continent

114

million
engaged consumers

>200

BrandLoyalty partners

726

million
rewards redeemed in 34 countries

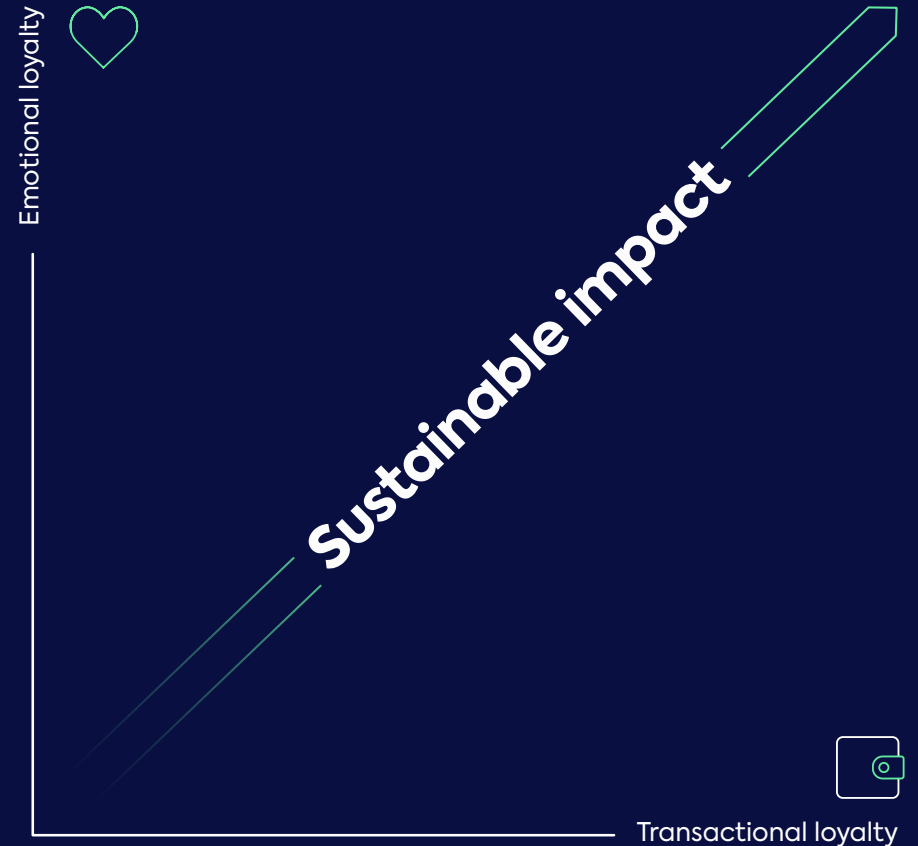
Our impact promise

With 'responsible' being one of our core values, we strive to consider our impact on people and the planet in everything we do - from strategy, solution to execution.

Our purpose, 'Next generation happiness', is the compass that influences our daily decisions and guides us to a better tomorrow. We believe that every business has the opportunity and obligation to protect our planet and BrandLoyalty will contribute through its campaign-based loyalty programs.

Although we are at the beginning of a never-ending journey, we are on a mission to use our business as a force for good.

Maximizing emotional and sustainable KPIs



We're using our unique global reach for good, by creating solutions that not only increase awareness around sustainability, but also deliver the results needed to our clients while connecting at a deeper level with their shoppers.

Our approach

In 2020 we set out a clear sustainability strategy and challenged ourselves on six clear sustainability targets to ensure we're creating happiness in the most caring and responsible way, now and for future generations.

Our sustainability strategy aims to create a positive impact together with our clients, partners and other stakeholders, in a way that is economical and environmentally friendly, as well as socially beneficial.

While we support all the UN Global Impact, Sustainable Development Goals (SDGs), we concentrate on those most closely aligned with our strategy as well as on those we can have the biggest impact on, to drive positive change. We've divided our sustainability efforts into three strategic pillars: Protect the environment, Sustainable sourcing and Happy people.



Protect the environment

We are driving environmental efficiency in our operations, cutting our emissions and enhancing our products' circular design principles.

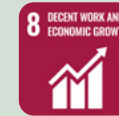
- Sustainable solutions
- Closer-to-market sourcing
- 100% reduction of virgin plastic
- Circularity for waste and returns
- Flight and commute reduction
- Smart packaging



Happy people

We continue to develop and engage our people to do good whilst strengthening diversity, equality and inclusion across the business.

- Diversity, equity and inclusion
- Sustainable leadership
- Equality and transparency
- People development
- Talent acquisition and retention
- Giving back to communities



Sustainable sourcing

We aim to make durable, long-lasting products and smart packaging to create a thriving value chain that empowers employees and their communities.

- Considering the entire value chain
- Human rights
- Fair products
- Quality & control



LVI

Being part of Loyalty Ventures Inc., we have a unique opportunity to extend the collaboration with our sister company 'AIR MILES Reward Program'. Sharing the same sustainability vision, we can learn from each other and tap into our best capabilities to accelerate the change needed.

Highlights 2021



Footprint reduction by **28%** compared to 2019.

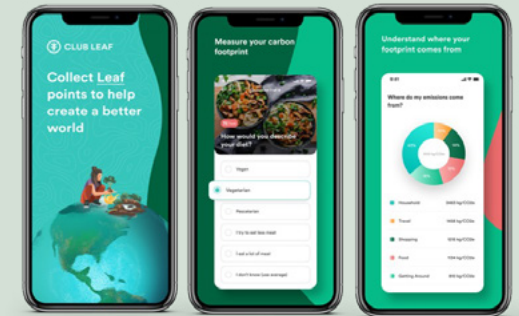
In 2021 **regionally sourced products** counted for **60%** of total production.

10,568 hours of training in 2021.



Partnership with Club Leaf

to make loyalty campaigns carbon-neutral, add unique sustainability features to any (digital) campaign, and convert long-term points balances to support climate impact projects.



 **CLUB LEAF**



Launch of Job Level & Reward Framework to ensure transparency in the development possibilities.



Recycled PET rewards **400,000 kg plastic waste recycled into loyalty rewards** = roughly 40million bottles prevented from polluting the environment.

84% of our employees rate our workplace as inclusive, open and participative.



100% fair & equal pay reached in 2021.



01 Protect the environment

To accelerate the transition to a carbon-free world, we have set six targets and created dedicated systems to track them.



Taking action through six sustainability targets

In 2020, we launched a sustainability strategy that exceeds on our climate ambition.

We've adopted the United Nations' 2030 Agenda for Sustainable Development along with its 'Global Goals' that balance three dimensions of sustainable development: economic, social and environmental.

The challenges posed by the UN are addressed to everyone, including businesses and we accept the challenge by adopting the Global Goals as guidelines for our sustainability approach as well as through setting six clear targets that are divided into three areas of action:

Thanks to this strategy, we are putting peak carbon emissions behind us and are on track to achieve our emissions reduction targets by 2030.

A detailed analysis of all scope (1,2,3) emissions showed >90% of our greenhouse gas (GHG) resulted from activities in our supply chain and less than 10% from our own operations. To continue to make progress, we must focus primarily on our upstream supply chain.

Carbon footprint reduction

Reducing the footprint of our operations and value chain by utilizing transport and material in the most resource-efficient ways possible.

Adopting a circular mindset

Increasing the number of products made from renewable, recycled or reused material.

Inspire positive impact

Inspiring and enabling people to live a more sustainable life and therefore creating a positive impact for society.

Sustainable solutions that help offset our carbon footprint



In 2021 BrandLoyalty formed a partnership with Club Leaf to empower companies and consumers to take climate action together.

The profit-for-purpose organization Club Leaf helps individuals and organizations reduce their carbon impact and move towards carbon neutrality. Its services include the calculation of personal and corporate carbon footprints, the development of sustainable loyalty services and climate-positive customer engagement solutions.

Among the different solutions, in 2021, Club Leaf launched an app that allows individuals to measure, understand and take action to reduce their carbon footprint. The app also provides users with an opportunity to offset their carbon footprint by supporting nature-based environmental projects through the micro-funding of carbon credits. These carbon credits are verified by the highest voluntary carbon offsetting standards.



“Getting the global economy net-zero emissions by 2050 is the most challenging, but also exciting transformation humanity has ever seen. Club Leaf brings companies, consumers, and nature-based climate initiatives together on one platform and empowers them to take climate action together. Our objective is to help preserve an inhabitable Earth through global protection and restoration efforts.”

Aron Lócsei & Roelien Ruys



GREEN RAY

“This amazing Green Ray cookware range represents the values BrandLoyalty stands for. Our Green Ray range is made from recycled materials, sourced responsibly – close to market. In addition, through our collaboration with Club Leaf, we offset our CO2 emission, making this BrandLoyalty’s first carbon-neutral cookware range.”

Every step counts in creating a more sustainable future. It’s time for a change!

Toon Wagemakers, Teamlead Product Management

Sourcing better, together

Changing what, where, and how we source has the biggest impact on our footprint. Therefore, we strongly focus on creating sustainable design in the product categories that have the largest carbon footprint as well searching for closer-to-market manufacturers.

By far, the largest part (>90%) of BrandLoyalty’s footprint comes from the purchased of goods and services for our loyalty campaigns.

In 2021, we launched Green Ray, a new carbon-neutral brand. Green Ray offers sustainable, long-lasting homeware, as a reward option, through loyalty campaigns to shoppers.

Founded on strong principles such as circular design, durability, transparency, local sourcing and smart packaging, Green Ray’s promise is to rethink how products are made, with the aim of minimizing its footprint.

Green Ray pans are made out of 100% recycled aluminum. Every component, from the handle to the recycled paper packaging or the recycled aluminum, comes from Italy, close to the final product manufacturer. As a consequence, regional raw materials sourcing dramatically reduces the total footprint. The remaining emissions are offset by Green Ray, ultimately making this a carbon-neutral product.

In 2021, **regionally sourced products** counted for **60%** of total production.



Reducing travel and commuting, reducing our footprint

As a result of COVID-19's impact on our work and commuting habits, the past two years have seen us collectively make significant gains in cutting back on carbon emissions.

When conducting our first footprint calculation for 2019, we discovered that frequent flying was part of the life of most for our employees. As a consequence, they were creating an impact that was too significant.

We acknowledged the need for a change and set a goal to reduce flying by 50% and commuting by 25%, before 2025. Then the pandemic hit and like for every other organization, all targets were easily reached.

However, in some regions we have started the transition back to the workplace and the possibilities to travel again, we risk moving backwards on that progress.

Therefore, in 2021 we took actions on two areas:

- 1. Daily commuting:** introduced a new Smart Working Policy creating a stable 40% reduction in commuting.
- 2. Flying Policy:** adapted to the online way of working of colleagues and partners, avoiding a high number flights. Our global onboarding program was completely done online and won't go back to an offline version.

26% reduction
in flights compared to 2020.





Smart creative packaging for a better future

Single-use packaging and the management of end-of-life plastic packaging materials are major societal concerns.

Through the critical eyes of our experts assessing every item of single packaging, we are working towards a future where none of our packaging ends up in landfills.

Every packaging assessment provides important data points to define our packaging strategy and reduction approach, which is concentrated on three principles of circularity:

1. Reduce:

7% gross weight packaging reduction from 2020 (compared to total products' gross weight).

2. Replace:

Substitute virgin plastic and less sustainable

materials with post-consumer recycled materials or materials derived from renewable sources. For example, all our paper packaging is FSC-sourced or recycled..

In 2021 the paper packaging weight represented the 94% of total packaging weight, while in 2020 it was 87%.

3. Innovate:

We're continuously looking for out-of-the-box solutions. In 2021, we completely re-thought the packaging of our knives' ranges by removing all plastic components while ensuring safety. In 2021 this innovation allowed us to save almost 990,000 kg in single use plastic.-

Our goal is to phase out plastic in our packaging by 2025, using alternative materials with the same protective characteristics.

Reduced **use of single-use plastic** in packaging on total packaging weight from **2.6% to 0.7%** (72% reduction) since 2020.

"A small change can make a big difference. By reducing plastic components, replacing unsustainable materials, and size optimization, we proudly contribute to using packaging in the most effective way possible for people, the planet, and BrandLoyalty."

Remco van de Ven,
Packaging Coordinator
Terrence Lam,
Packaging Manager



A sustainable patch of happiness

The scale of plastic pollution is massive, with the impact extending to negative economic, social, and health effects.

The characteristics that make plastic one of the best inventions of our time, make it one of the biggest threats to our environment.

For BrandLoyalty's toys and small carriers, plastic has always been the most suitable material ensuring fun, creativity, design, and safety at the same time.

Despite this, we firmly believe we need to contribute to solving the problem and not adding to it. Therefore, we've decided to completely remove virgin plastic in instant loyalty campaign carriers by 2025, and create better carriers that positively contribute to people and the planet.

Thanks to the cooperation of our sourcing team and creative developers, a new concept came to life in 2021: Fixeez – a series of fun patches made from recycled PET. The product is highly durable and can be stuck on again and again while bringing entertainment value to shoppers worldwide through our loyalty campaigns.

Recycled **400,000kg** of plastic waste ≈
40 million PET bottles prevented from
polluting the environment (in 2021).



“Fixeez was launched in 2021 as one of our first fully sustainable concepts for instant loyalty campaigns! Stick them on, fix your look and create something awesome! Fixeez is a multi-licensed carrier that can be translated into many different designs and brands. The Fixeez are highly collectible, fashionable, and sustainable. They encourage creativity with the possibility to stick them everywhere, time after time. Developed in Hong Kong in 2019, Fixeez have brought happiness and magical moments to kids worldwide ever since.”

Gigi Chan, Product Development Manager
Mike Kwan, Sourcing Manager



“Waste isn’t waste until we waste it. The focus should be on how to prevent waste instead of how to deal with it.”

Maurice van der Meijden, Senior VAS Supply Chain Manager



Repurposing and eliminating waste

Products of today are the resources for tomorrow

Our ambition is to mainly use renewable or recycled materials for our products. To do so, we must have a circular mindset throughout our entire value chain.

Designing every product from the very beginning to be recycled or reused, is explored for all new product developments.

If we can’t recycle, we repurpose.

Anything in our warehouse that is no longer sellable is manually evaluated if to be used and donated to several partner charity organization or alternatively, recycled as material for future products.

In partnership with Agricon, we are increasing the amount of material reused though a close network of recycling facilities and looking into upcycling solutions to create added value.

At the end of 2021, the total amount of recycled material was 411 tons and 46 tons incinerated.

90% waste **recycled or donated**
(+60% from 2020).

Measuring our impact

We take a rigorous approach in understanding how to influence and reduce our footprint. This starts with measuring emissions and optimizing data collection.

We started reducing our footprint through the replacement of electricity consumption with renewable and by choosing different sourcing locations or materials.

Every year, we conduct a comprehensive carbon accounting calculation in line with the Greenhouse Gas Protocol*.

The most significant part of our footprint (>90%) comes from 'purchased goods & services' for our campaigns.

Stronger focus in 2021 has been on increasing bottom-up footprint calculations of a wide variety of products to better better understand to improve and push for the right innovation in support of our carbon reduction goals.

Ongoing pandemic and market challenges had an important influence on our results.

	Carbon footprint (index vs baseline)	Carbon footprint per sales (kg CO ₂ eq/euro revenue)	Carbon impact/product (average CO ₂ e kg/product)
FY19	100	0,51	4,13
FY20	68	0,47	3,03
FY21	72	0,55	4,04

The absolute climate footprint of BrandLoyalty has increased 4% from 2020, mainly, due to the need to anticipate buying in order to support a strong sales expected in Q1 2022 . At the same time, increased on raw material prices and relative scarcity has led to increased inefficiencies in our operations and partially on the total revenue.

* Greenhouse Gas Protocol | (ghgprotocol.org)



02 Sustainable sourcing

At the heart of our sustainability sourcing strategy lies our respect for human rights and the shared belief in a better world.



Considering the entire value chain

When executing our sustainability strategy, we consider the complete value chain.

This means that our suppliers, our facilities, our customers and, end consumers, must be taken on our journey to deliver the most responsible approach.

The entire supply chain of our products is a key driver and the risks behind include human rights violations such as child labor, bribery and every form of modern slavery.

To mitigate this risk, we need to be in constant contact with our partners and follow up with regular audits, especially in higher-risk countries.



Our respect for human rights is at the heart of our sustainable sourcing strategy

As cooperation is crucial to get a deeper understanding of our working environment, we endorse the Amfori BSCI Code of Conduct since 2013 and we are committed to its principles throughout the entire value chain.

Since 2020, BrandLoyalty started using the Amfori Sustainability Platform. The platform offers a practical way to manage the sustainability performance of our supply chains, including a comprehensive view of performance data and rating.

As a basic rule, we don't work with companies that are rated lower than C according to BSCI evaluation.

Understanding that to achieve a fair, safe and equal work environment, we need to be in constant dialogue with our partners, in 2021 we further developed processes to follow up with suppliers and to gain a better rating for all their workers.



On a journey towards fair products

Among the partners that share common principles, there is Fairtrade.

Together, we developed a range of textile products that is now part of our global portfolio. As a leader in the global movement to make trade fair, Fairtrade supports and challenges businesses and governments and connects farmers and workers with the people who buy their products.

The organization aims to improve conditions for farmers in developing countries while enabling them to have more control over their lives. While writing this report, their network comprises 1,9 Mio of farmers/workers across 71 producing countries.

It uses specific standards that enable farmers and workers to rely on a more stable income working with the farmers themselves to calculate a so-called “minimum price”, which the farmers receive for their products. The minimum price never falls below the market price and does not depend on stock market speculation.

A product with the FAIRTRADE Mark means producers and businesses have met internationally agreed standards which have been independently certified.

For further information: www.fairtrade.net/





Quality: our approach to excellence

The passion for excellence is not only a distinctive feature of our history; it also represents one of the values considered fundamental for future development.

The commitment to offering a product of the highest and more sustainable quality is, in fact, one of the main drivers of our product development.

Our finished goods must comply with all regulations, and our manufacturers must follow our strict working, social and environmental standards.

Therefore, third-party testing and audits are fundamental. In addition, our Quality team visits the supplier's facilities regularly to check the status and follow up on potential improvements.

In 2021 we performed **65 on-site audits**, mainly in the APAC region.

685 tests and 11 months for one development

In 2021 we developed a unique range of patches made of controlled recycled polyethylene terephthalate (rPET) from Global Recycled Standard (GRS) certified PET bottle resin recycling facilities. The yarns must fulfill Oeko-Tex Standard 100 and be GRS-certified. Then, they are tested against heavy metals, dyed with carefully-selected colorants, and tested again to ensure it's safe to be weaved into various attractive cartoons or designs. They are then laminated with glue which is safe and non-toxic, and die-cut into individual patches.

To have the best and most sustainable product possible, we executed 685 tests at a third-party lab (289 tests on raw material, 396 tests on finished products) and three on raw materials suppliers (yarns and paper) to find the safest and best raw materials. From product development until final product testing, it took 11 months. With strict process controls, we do not only meet REACH Regulation (EC) no. 1907/2006 and ISO 8124-3 toxic elements test, but are even staying below detection limits for all heavy metals and antimony.

03 Happy people

Our people are at the core of our business. Their loyalty experience, a positive mindset, a can-do mentality combined with continuous development opportunities, make them go above and beyond expectations to make people happy and business better.



Our business will always revolve around making people happy, as we believe that all people deserve an equal chance to thrive – from the people we work with, to the communities we serve

At BrandLoyalty global:

55% female – **45%** male

In C-Level positions:

40% female – **60%** male

In Senior Leadership positions:

32% female – **68%** male

Diversity enriches, inclusion empowers

We have built a place where you feel comfortable bringing the craziest of ideas to the table, a place where innovation is a natural progression. We understand that the most successful teams have the biggest differences, which drives our smart creativity to create a happier tomorrow.

We can only solve the world's most important problems if we have diverse teams and foster a culture of inclusion and transparency. We are aware this ambition needs to be driven at every level, and therefore have developed specific content to encourage dialogues and engagement around diversity, equity and inclusion.

2021 DE&I initiatives and statistics

External lectures

- Unconscious Bias
- Allyship

Required learning curriculum DE&I

- 7 online courses
- 4 articles

DE&I in recruitment

DE&I statement in all vacancies.

Employees on DE&I in the workplace

84% rate our workplace as open, participative and inclusive.





Sustainable leadership: Preparing for tomorrow's challenges

The leaders of today are grappling with an ever-increasing set of urgent challenges the world. There has never been more of a need to nurture talent and build thriving teams that will drive BrandLoyalty's strategy and translate it into meaningful actions.

To be a good leader, you need to develop the right capabilities whilst respecting the companies' values. This means leaders need to be self-aware and should prioritize personal development.

In October 2021, we launched the global BrandLoyalty Leadership Program (BLP), especially designed for BrandLoyalty leaders, where they come together in one leadership learning journey to prepare for the challenges of tomorrow.

High completion rate

95 leaders finished the program

Average training score

8.5/10

Building a culture of fair and equitable compensation

At BrandLoyalty we believe in paying people equitably, irrespective of their race, gender or age. In 2021, BrandLoyalty launched a Career Level Framework focused on creating more transparency in growth opportunities for our people.

The framework support transparency among job roles and levels. It brings consistency throughout our global organization and is an helpful tool for personal development and defining personal career paths. The Career Level Framework is developed with consultants and based on market-leading practices.

To further build on our culture of equitable compensation, we established and launched a new reward strategy to ensure more equal pay. We use want to offer a competitive and fair remuneration package and to assess it, we benchmark data have clear understanding of the practice in all the markets we are present.

Launch of Global
Career Level &
Reward Framework

100% fair & equal
pay reached in 2021



Starting at BrandLoyalty is only the beginning

Our continuous development has always fueled our success, and it's our people who are in the driver's seat, seeking new opportunities and continuing to pursue new destinations.

The BrandLoyalty University (BLU) takes care of developing our colleagues' business and market knowledge and also offers a wide range of professional and personal development opportunities throughout our people's career paths. Because starting at BrandLoyalty is only the beginning of our colleagues' growth and development journey.

Allowing our people to grow through training sessions hosted by internal and external experts.

The BrandLoyalty University (BLU) takes care of developing relevant business and market knowledge and offers a wide range of professional and personal development opportunities throughout our people's career paths.

11,041

hours of training time 2021

728

participants involved in trainings

68

employees completed the DISC assessment

5

DISC team sessions facilitated

DISC: Understanding behavior to optimize collaboration

DISC is a simple yet powerful personal assessment tool. Participants receive personalized insights that deepen their understanding of themselves and others, making workplace interactions more enjoyable and effective.

In April 2021, HR Business Partners and the People Development team were certified for DISC.

Get up to speed with Online Onboarding

Every new colleague at BrandLoyalty is invited to be part of a fully digital onboarding journey to make sure they feel welcome and are up to speed as soon as possible.

100%
online
boarding

82
colleagues
joined

Rated
4.6
out of 5

Continuous and clear performance management

At the start of 2021, the Performance Management approach was revised. While removing the end year rating, a continuous dialogue has been introduced. The split between performance talks and development conversations add more clarity.



Attracting and retaining talent that will join us on our journey to create next-generation happiness

People are at the core of our business, and our greatest asset on our journey towards creating next-generation happiness. The challenges of tomorrow will be more challenging as today's. Yet the ideas will be more disruptive and meaningful, as long as we inspire, create and collaborate.

Attracting and retaining the right talent will set us up for growth – as a business, as individuals, as a community and as part of this planet.

Talent acquisition and retention 2021 milestones

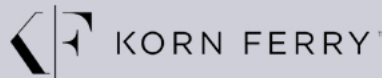
2021 talent attraction events

We've partnered with several universities to inspire and attract future talent.



Improving candidate/employee assessment

Working closely with Korn Ferry to improve assessments during our talent acquisition process to attract and retain the best talent.



Mapping and improving the candidate journey

We have created a blueprint of every touchpoint in the candidate journey to offer a seamless experience across every stage.

Global vendor management

Ensuring global consistency in the way of working through the implementation of a vendor policy for recruitment agencies. This ensures an equal candidate journey for all.

BrandCharity: Bringing happiness to the world around us

BrandCharity is an independent organization initiated by BrandLoyalty employees that has been giving back to communities for the last 18 years. It consists of a group of colleagues from around the world who are unified by one common goal: to make the world a better place. With 18 offices worldwide, in 2021 BrandCharity volunteered in support of 16 different charity organizations across the globe.

BrandCharity aims to improve the living conditions of our local communities through employee-led initiatives linked to at least one of five social responsibility goals: zero hunger, good health and well-being, quality education, equal rights and a sustainable world.



Zero hunger



Good health & well-being



Quality education



Equal rights



Sustainable world

More about BrandCharity on www.brandloyalty.com/en/brandcharity

brandcharity

The dictionary says charity is the act of giving help to those in need of it; a humanitarian act. It involves giving money, goods, or time and effort to those who need it. It is done without expecting something in return.

I would add to this description, that every person in this world has their own different types of needs. Whether it's money, education, love, or attention. And as well as everybody has different needs, also every person has its own strengths. **It's a great opportunity to match your strengths with other needs.**

Peter Admiraal,
Treasurer BrandCharity Board

BrandCharity top stories 2021

South Africa

The South-African team always goes the extra mile when it comes to giving back to communities. The team spent days with Little Lions, SurfPop and CaptainFanplastic to build a bright future for the next-generation through education. Topics varied from sustainability, ecosystems, health, to the importance of a thriving community. Through the An-NASR foundation, the South African team provided food to the homeless.

1

Taiwan

Due to COVID-19, the blood donation center in Taiwan had insufficient blood inventory. Colleagues in Taiwan donated 906 items to the blood donation center to encourage people to donate blood in May. Moreover, the team donated to the Supplies to Good Shepherd Social Welfare foundation – an organization that helps parents under the age of 20.

2

Germany

In January team Germany donated goods to several donations in Germany and Gambia. During Easter they organized an Easter Egg Donation to Foodsharing sen, Jeder kann Helfen in Rodenbach, Speisekammer N-I. In November they created Christmas boxes for Stiftung Kinderzukunft.

3

Hong Kong & Japan

In Hong Kong, colleagues gave 110 boxes of toys to kids from families in needs, boys and girls, between 3 and 12 years old. Last but not least, Japan donated over 2,000 pieces of plush teddy bears to a children's cancer charity.

4



04 Governance



Global Compact & communication on progress

Since 2020 BrandLoyalty is part of the UN Global Compact; the world's largest voluntary corporate citizenship initiative, which requires participating companies to adhere to a number of principles that promote the integration of sustainability in business.

The initiative was established as a result of a wish to promote a sustainable global economy that respects human and labor rights, safeguards the environment and fights corruption.

BrandLoyalty shares the same beliefs and adhered to the ten principles agreeing to renew its commitment on a yearly basis.

This report represents our communication of progress.

More UN Global compact www.unglobalcompact.org/what-is-gc/mission/principles

Delivering on our promises through the Impact Task Force

As an integrated part of our business, the sustainability governance is led with a holistic approach; each part of the business contributes to the company's sustainability agenda and delivers the progress needed.

Therefore, the CSR and Sustainability Organizational Unit (Impact Task Force) is formed by employees coming from every discipline.

In 2021, the group consisted of 9 active members and 3 supporting members from the executive committee.

Having the responsibility of driving the sustainability agenda, means delivering long-term strategies and keeping track on goal's progress in alignment with the Executive Committee, all departments, and regional directors.

The day-to-day oversight, operational execution, environmental protection and climate action is the responsibility of the CSR & Sustainable Innovation Manager, who directly reports to the CEO, and indirectly to the Quality, Sourcing and Legal teams.

Sustainability Governance

BrandLoyalty's way of working is strongly rooted in its values and culture and it's visible in daily interactions between each colleagues, clients and partners.

BrandLoyalty's business requirements cover a wide range of topics, including business ethics, privacy, and security & control.

Ethics

BrandLoyalty establishes the principles concerning ethics and conduct for the topics considered to be a priority in documents such as: the Code of Ethics.

2021 ethics milestones:

- The development of an ethics hotline for whistleblowers to report breaches.
- The inclusion of anti-bribery provisions in all third-party supplier and client contracts.
- The development of a supplier code of conduct that will be public in 2022.

Privacy

Compliant handling of information is highly important for leading an innovative, data and technology-driven company.

When using data, individuals' rights must be appropriately protected.

2021 privacy milestones:

- Conclusion of an intra-group data processing agreement providing the transfer mechanism and governing the transfer of personal data between group entities.
- Expanded the role and responsibilities of the Data Privacy Officer.

Security and control

Confidential information is a big part of everyday business and the security of it is essential for a healthy organization.

2021 security and control milestones:

- Implementation of CATO Network Design (secure access provider, malware prevention, intrusion prevention).
- Tightening of contract review and signature procedures (almost exclusive use of DocuSign).
- Review and updating SOX control framework based on lower materiality levels.
- Data loss prevention.



Will you join us on our journey to create next-generation happiness?

Only by collaborating together we
can make the world a better place



Brand Loyalty