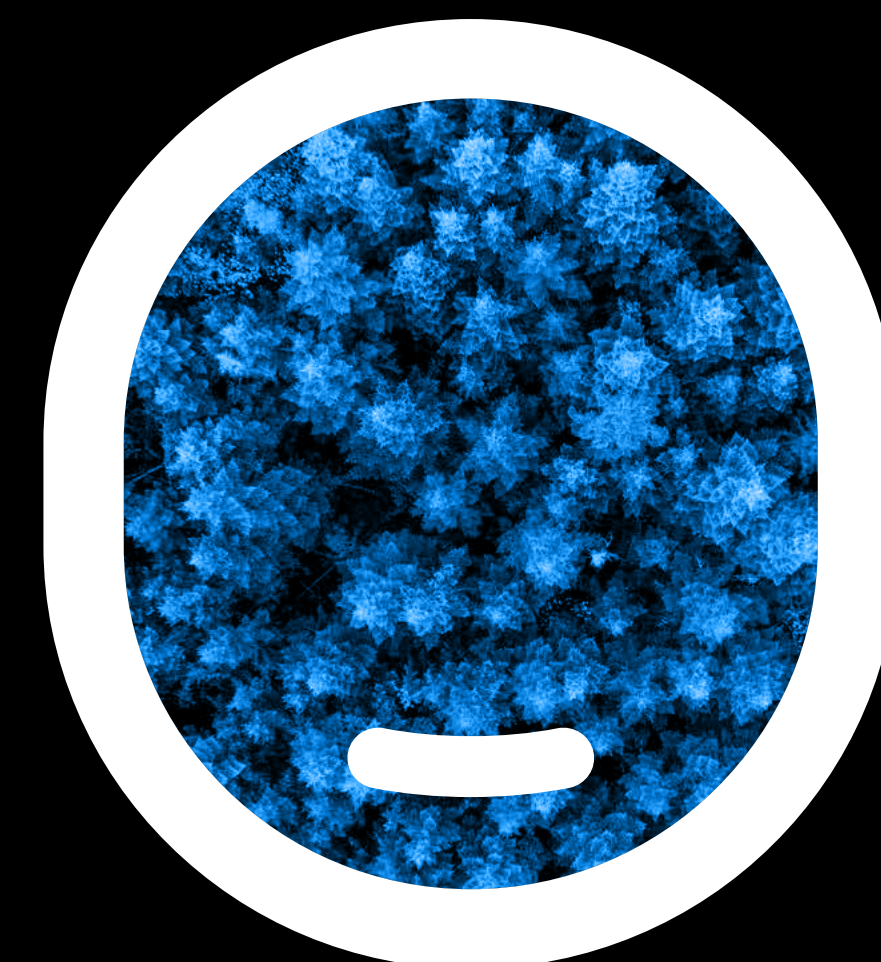# ESG Report

Serko 2023

We bring people together

Serko believes in the power of being face-to-face. Our purpose is to bring people together. Our vision is a connected, frictionless travel experience.

To deliver that, we're building the world's leading business travel marketplace — connecting business travellers everywhere with the content, information and services they need at every stage of the journey.

Working towards a **sustainable** future

We are committed to doing what is right for our business, people, customers and communities. This will drive our long-term value.

Sustainable development goals

The United Nations (UN) Sustainable Development Goals (SDGs) are a set of global initiatives set by the UN for everyone to contribute to.

For Serko, the SDGs provide a way for us to show which areas of sustainability we are directly contributing to and how our initiatives relate to a larger vision for positive change. The UN SDGs relevant to Serko and our actions are as follows:

SUSTAINABLE DEVELOPMENT GOALS

Customers

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Industry Recognition for Innovation

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Privacy & Security Policies

Community

11 SUSTAINABLE CITIES AND COMMUNITIES — Sponsorships & Donations

13 CLIMATE ACTION — Environmental Practices

People

3 GOOD HEALTH AND WELL-BEING — Health & Safety Policies

4 QUALITY EDUCATION — Training & Intern Programmes

5 GENDER EQUALITY — Diversity & Inclusion Policies

8 DECENT WORK AND ECONOMIC GROWTH — Remuneration Policies
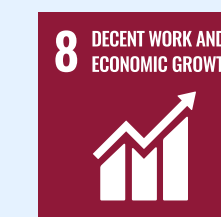
10 REDUCED INEQUALITIES — Diversity & Inclusion Policies

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strategy

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Performance
reporting

This Environmental, Social and Governance (ESG) Report, which incorporates Serko's Corporate Governance Statement, was approved by the Board of Serko Limited on 17 May 2023 and is accurate as at that date. The Board does not undertake any obligation to revise this Report to reflect events or circumstances after 17 May 2023 (other than in accordance with the continuous disclosure requirements of the applicable Listing Rules).

Building sustainable long-term business growth

We believe strong ESG practices give Serko its social licence to operate, as well as creating long-term value for our business.

Building sustainability in our business

Sustainability is embedded in our approach to long-term value creation. Here are the key drivers of our sustainability strategy:

01

Being a brand you can count on — trusted by our employees, customers, investors and partners

02

Powering our people — to do amazing work that drives our business and sustainability goals

03

Continuously innovating — to adapt to rapid environmental changes and deliver sustainable and innovative products to our customers

ESG Governance

Understanding our material issues

As part of our commitment to sustainability, we are currently working with internal and external stakeholders to identify and assess the most important issues for us to measure, manage and report on.

We have developed a set of draft material issues from a review of internal and external input information, including current trends, peer analysis, industry reports and reporting frameworks, along with internal policy, procedure and reporting information. In the first half of FY24 we will engage with our stakeholders, senior managers and staff to determine and rate our material ESG topics.

In next year's Report, we look forward to sharing with our stakeholders the outcomes of this process, including our most material topics and their relative importance to internal and external stakeholders. These topics will guide us in focusing our efforts to improve our sustainability strategy and manage our risks.

ESG Governance

Roles and responsibilities

While our commitment to ESG is companywide, governance is important to keep us on target. Ownership starts at our Board and flows through the entire organisation. Here are the various roles and responsibilities for the oversight, planning and delivery of ESG programmes and practices at Serko.

The Board

The Board has ultimate responsibility for overseeing Serko's strategy and performance, including environmental, social and governance (ESG) issues.

Audit, Risk & Sustainability Committee

The Audit, Risk & Sustainability Committee has been delegated oversight over sustainability matters relevant to the business, including climate disclosure, risk management and reporting requirements.

ESG Steering Group (ESG SteerCo)

The ESG Steering Committee oversees the delivery and championing of the ESG roadmap, including Serko's climate roadmap (via a sub-group).

ESG Working Groups

ESG working groups (including the Climate Disclosure Working Group) — comprise cross-functional teams who plan and execute against the projects that contribute to the ESG programme and help advance the company towards its ESG goals.

Our strategy

We bring people together

Our strategy provides our stakeholders —employees, customers, end users, partners, suppliers, shareholders and others — with a clear sense of what drives us, where we are heading and how we will create long-term value.

Vision + Mission

To create a connected, frictionless travel experience by building the world's leading business travel marketplace

3 yr Strategic Goals

1	2	3	4	5
Customer success	**Unmanaged revenue**	**Managed revenue**	**Marketplace and content**	**Culture**
Deliver an exceptional customer experience (CX) through experimentation	Establish significant market share in the unmanaged travel market	Consistently grow market share in the global managed travel market through TMC partnerships and inorganic growth	Commercialise connected trip experience through an open platform	Create a culture of engaged Serkodians aligned to our purpose, mission and values

FY24 Objectives

Build travel software that people love	Make booking for business easier	Unleash the US market	Adopt next generation technology foundations	The best place to do your work
Engage and delight our customers through data-driven product improvement that has the most impact	Combining Serko's experience of what matters most to business travellers with the best of Booking.com	Our whole team taking our market-leading A/NZ experience to improve the success of our US-based TMC partners	Continue the build of our next-gen technology platform to optimise scale, cost and pace of innovation	An environment where you can do career defining work, that delights our customers and partners

A year of solid progress

We have steadily advanced our sustainability journey over the past year and are pleased to report solid progress in the following detailed sections of this Report. Here is a summary of our key areas of focus and improvement.

Environment

Improving our understanding of our carbon footprint — completing our first GHG inventories

Readying ourselves for mandatory climate reporting — providing a roadmap and FY23 progress report

Social

Introducing our new Community Investment Programme

Having our inaugural Community day for employees to give back to their communities

Publishing our first Pay and Gender Equity Statement and registering on the New Zealand 'Mind the Gap' Registry

Comprehensively reviewing and improving disclosure of our executive remuneration

Increasing our leave and wellness entitlements, including introducing broader parental leave benefits with gender neutral application

Governance

Continuing to enhance our business ethics programme, including introduction of Modern Slavery Policy and statement

Continuing to improve our risk management framework, including climate risk

Establishing our new Data Governance Group and Technology Advisory Committee to provide oversight and guidance on data and technology-related matters

Environment
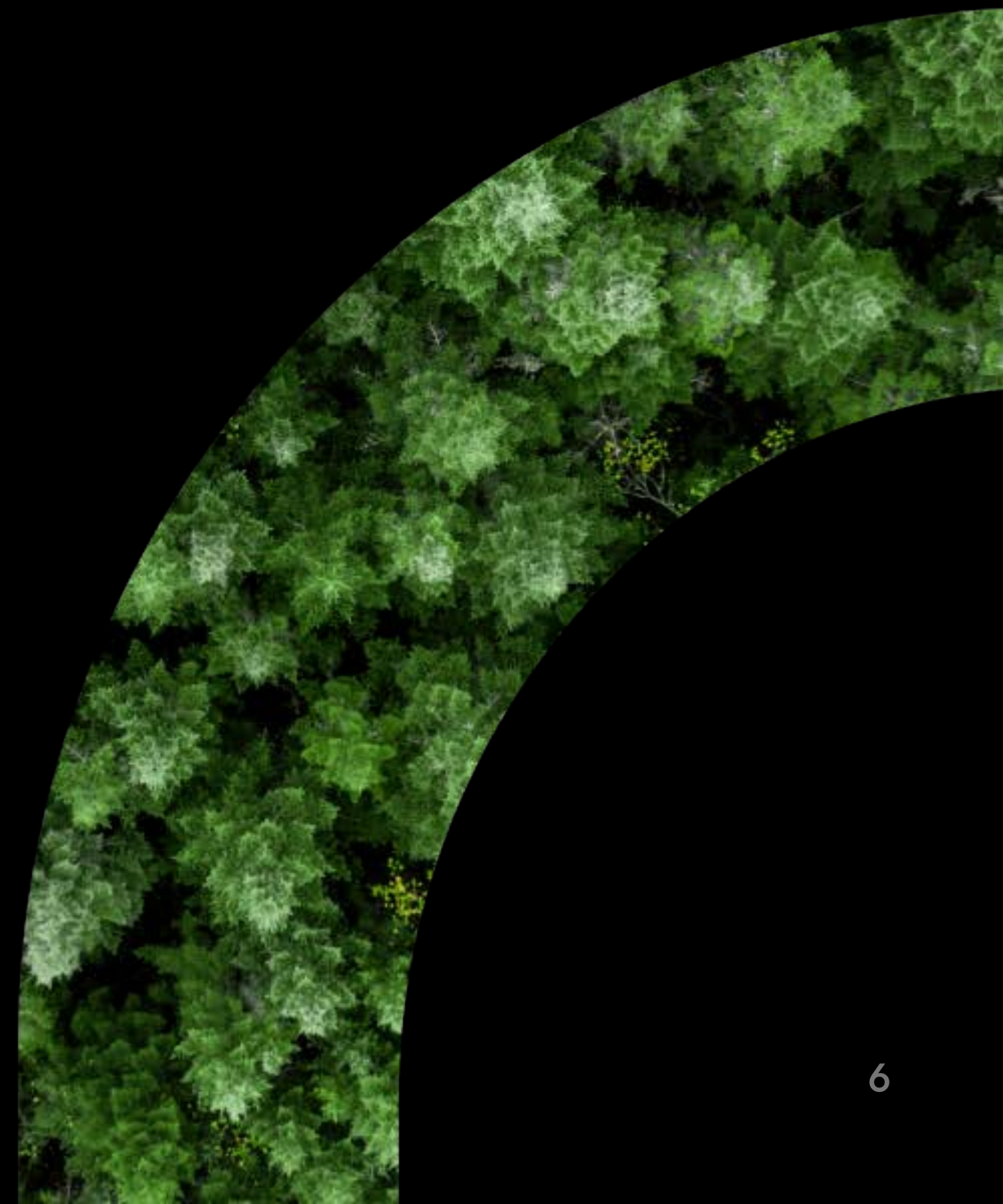
Our approach to climate change and the environment

As a technology company, Serko operates in an online, office-based environment. Accordingly, our direct environmental footprint is relatively small and made up largely from third-party data centres, office energy consumption, employee travel and from the typical consumables of a technology business.

We believe the biggest environmental impact we can have is in two core areas:

01

Understanding and reducing our own carbon footprint

02

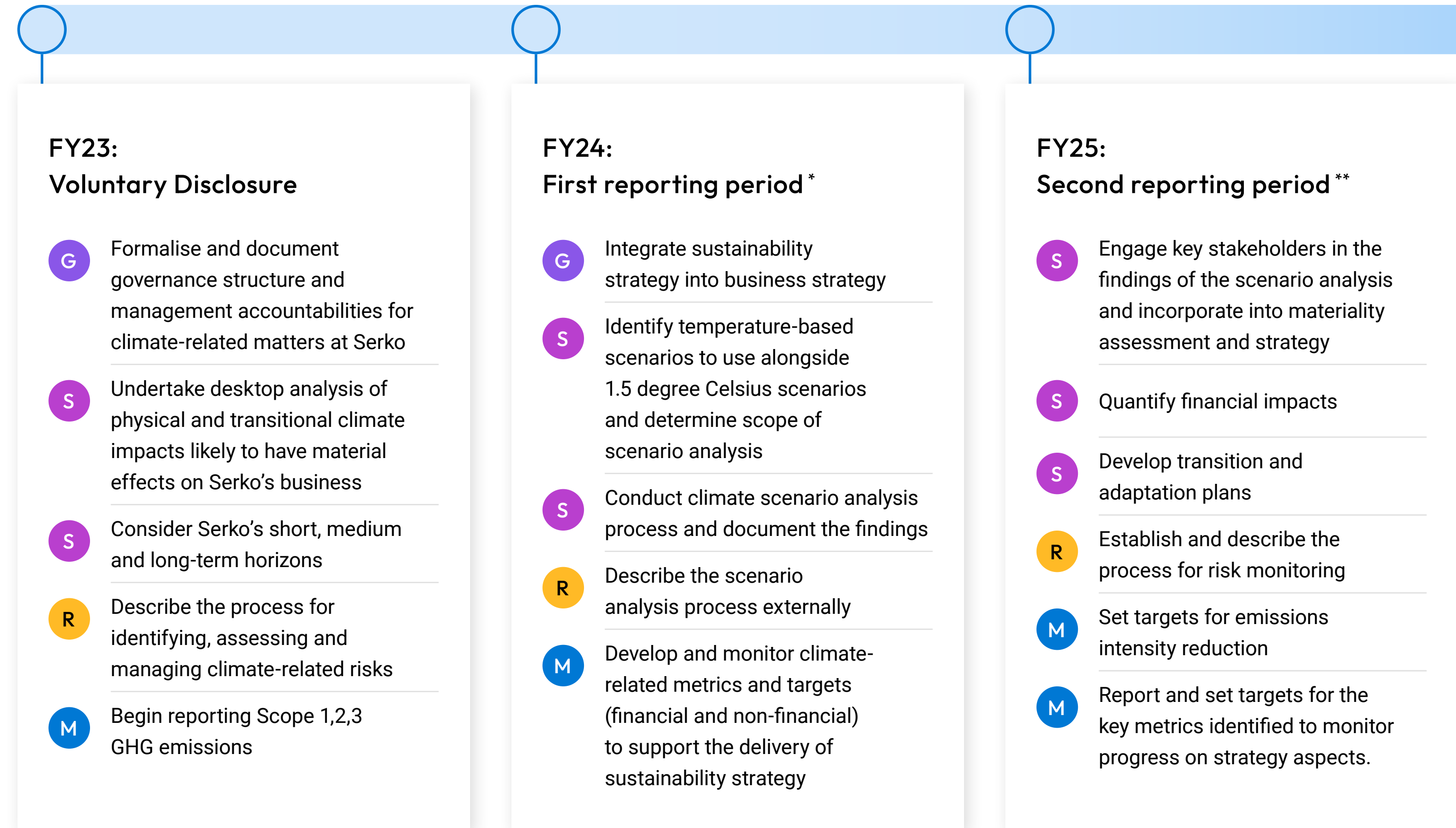Assisting our customers to make smart, sustainable business decisions

Understanding and reducing our own carbon footprint

We have made steady progress in better understanding our own carbon footprint as we ready ourselves to begin mandatory climate reporting next year. The Aotearoa New Zealand Climate Standards (NZ Climate Standards) form the basis for the climate-related disclosure framework in New Zealand and largely follow the Task Force on Climate-related Financial Disclosures (TCFD) framework.

We are still early in our climate reporting journey, but we are committed to improving our reporting over time. This roadmap summarises our journey so far and our focus areas for FY24 and FY25.

Serko's FY23 – 25 NZ Climate-related Disclosure Roadmap

● Governance   ● Strategy   ● Risk management   ● Metrics and targets

FY23:
Voluntary Disclosure

G Formalise and document governance structure and management accountabilities for climate-related matters at Serko

S Undertake desktop analysis of physical and transitional climate impacts likely to have material effects on Serko's business

S Consider Serko's short, medium and long-term horizons

R Describe the process for identifying, assessing and managing climate-related risks

M Begin reporting Scope 1,2,3 GHG emissions

FY24:
First reporting period *

G Integrate sustainability strategy into business strategy

S Identify temperature-based scenarios to use alongside 1.5 degree Celsius scenarios and determine scope of scenario analysis

S Conduct climate scenario analysis process and document the findings

R Describe the scenario analysis process externally

M Develop and monitor climate-related metrics and targets (financial and non-financial) to support the delivery of sustainability strategy

FY25:
Second reporting period **

S Engage key stakeholders in the findings of the scenario analysis and incorporate into materiality assessment and strategy

S Quantify financial impacts

S Develop transition and adaptation plans

R Establish and describe the process for risk monitoring

M Set targets for emissions intensity reduction

M Report and set targets for the key metrics identified to monitor progress on strategy aspects.

* with some Year 1 exemptions

** with some Year 2 exemptions

FY23 Progress

The following is our current assessment of our progress against the NZ Climate Standards as we work towards mandatory disclosure in FY24. This year we are voluntarily providing updates against the four thematic areas (Governance, Risk Management, Strategy and Metrics & Targets) included in the Standards to inform shareholders where we are at on our journey.

We recognise that to be effective, our sustainability strategy needs to be integrated into our business strategy, and this work will progress into FY24.

Governance

The Serko Board has ultimate responsibility for overseeing Serko's strategy and performance, including environmental, social and governance (ESG) issues.

The Board has delegated to the Audit, Risk & Sustainability Committee oversight over sustainability matters relevant to the business. In doing so, the Committee is required to ensure Serko has an effective sustainability strategy, has appropriate processes in place to deliver against that strategy and meets climate disclosure risk management and reporting requirements. The Committee is also responsible for oversight of Serko's enterprise risk management.

The Committee meets quarterly to review execution against the sustainability strategy (presented by the ESG SteerCo), oversee risk

management and approve the engagement of appropriate external experts to support Serko on its climate disclosure journey.

An Executive-level ESG Steering Committee has been established to oversee the delivery and championing of the ESG roadmap, including Serko's climate roadmap. The ESG SteerCo meets monthly (or more frequently when required) to consider the climate roadmap and makes day-to-day decisions within delegated authority limits. The ESG SteerCo is supported by cross-functional specialists (the Climate Disclosure Working Group) from across the business who manage the day-to-day implementation of Serko's climate roadmap, manage climate-related risks and execute against climate-related opportunities.

Climate-related risks are managed within Serko's enterprise risk management framework, which is described in more detail on page 55 of this Report. Enhancements to our travel booking platform to support customers make travel choices that minimise their environmental impact are led by our Product Team and follow standard product development processes.

See our ESG Governance summary for more details about how we manage governance of our whole ESG workplan.

Risk Management

In the past year we have made significant progress in better understanding the risks and opportunities of climate change on our business. This has included:

- Executive Team members and climate working group members engaged in a tailored session with our climate consultants, EY, to identify climate-related risks and opportunities. This followed surveying a range of internal stakeholders from within the business and undertaking external benchmarking to collect a broad range of data points to inform the analysis.

- Development of a short-list of grouped risks (set out in the following table) following additional management and Board workshops to assess the potential impact of the long-list of risk factors on Serko's business. It is intended these risks will be used as an input into our materiality assessment and scenario analysis to be undertaken in FY24.

- Inclusion of climate-related risks in Serko's enterprise risk management framework. Serko's key risks are reviewed quarterly by the Audit, Risk & Sustainability Committee and all identified risks are allocated to individual Executives to monitor and manage on a day-to-day basis.

- Consideration of the time horizons applicable for defining Short, Medium and Long-Term risk horizons for Serko. These have been indicatively determined as Short (0–2 years), Medium (2–5 years) and Long (5–10 years) to align with Serko's planning horizons and capital deployment plans. Serko's primary assets are technology and customer relationships. Serko amortises internally developed software over 3–5 years and key customer relationships are typically not reflected in the financial statements but are long term.

In FY24 we intend to build on this work, including:

- Applying a sustainability lens over our major strategic planning and decision-making, as well as our capital expenditure and operating costs.

- Ensuring climate-related risks are fully incorporated into the risk management framework and receive the appropriate level of oversight and management.

- Assessing the materiality of our key risks and undertaking greater analysis of the impact of those risk factors.

Grouped climate risks thought to be most relevant to Serko's business:

Climate risk type	Nature of risk and description
Transitional *Risks resulting from the economic, regulatory, social, technological and legal responses to climate change.*	Reduced travel demand due to changes in consumer preferences owing to growing awareness of carbon emissions and/or policy changes resulting in: • Increased demand for more sustainable travel options • Decision to travel less often
	Inability to meet customer demands for more sustainable choices/data
	Increased reputational, regulatory and litigation risks from failing to meet climate-related regulations and meet Serko's own climate-related goals
	Carbon pricing increases impacting travel costs, and therefore demand, and also impacting supply chain costs
Physical *Risks resulting from climate change itself, including via temperature, rainfall, storms, extreme events and sea level rise.*	Extreme weather events cause supply chain disruption and impacts to business continuity resulting in: • Increased costs (e.g. cost of maintaining data centre (electricity and water scarcity), freight costs) • Impacts on network resilience – power and water outages • Increased insurance costs
	Extreme weather events and/or infectious diseases disrupt travel and wider network resulting in reduced travel demand. Factors may include: • Increasing sea levels impact airports • Route changes as a result of extreme regional climate changes • Pandemics

Strategy

Our climate roadmap, which has been approved by the Board, will be integrated more fully into Serko's company strategy in FY24. In accordance with our roadmap, a key focus of our FY24 workplan will be the strategy pillar, including conducting scenario analysis to explore more fully our climate-related risks and opportunities and their impact on the resilience of our business model and strategy.

Metrics & Targets

We have spent the last 12 months preparing our first GHG inventories for FY22 & FY23. This has enabled us to better understand our emissions and the extent of our impact on the environment. We will use this information to make informed choices and, where possible, seek to reduce emissions on an intensity basis as we continue to expand our operations internationally.

Serko will use FY23 as its baseline year for assessing appropriate metrics and targets for managing our carbon emissions. This is due to the impacts of covid-19 on business activities, such as travel, in FY22.

During FY24, we will focus on identifying the appropriate metrics and targets to use to measure and manage Serko's climate-related risks and opportunities.

Greenhouse Gas Inventory

The following information relating to Serko's Greenhouse Gas Inventory should be read in conjunction with the published Greenhouse Gas Inventory Report — see www.serko.com/investors.

Serko has prepared its GHG inventories for FY22 & FY23 in accordance with the requirements of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and ISO 14064:2018-1 standard.
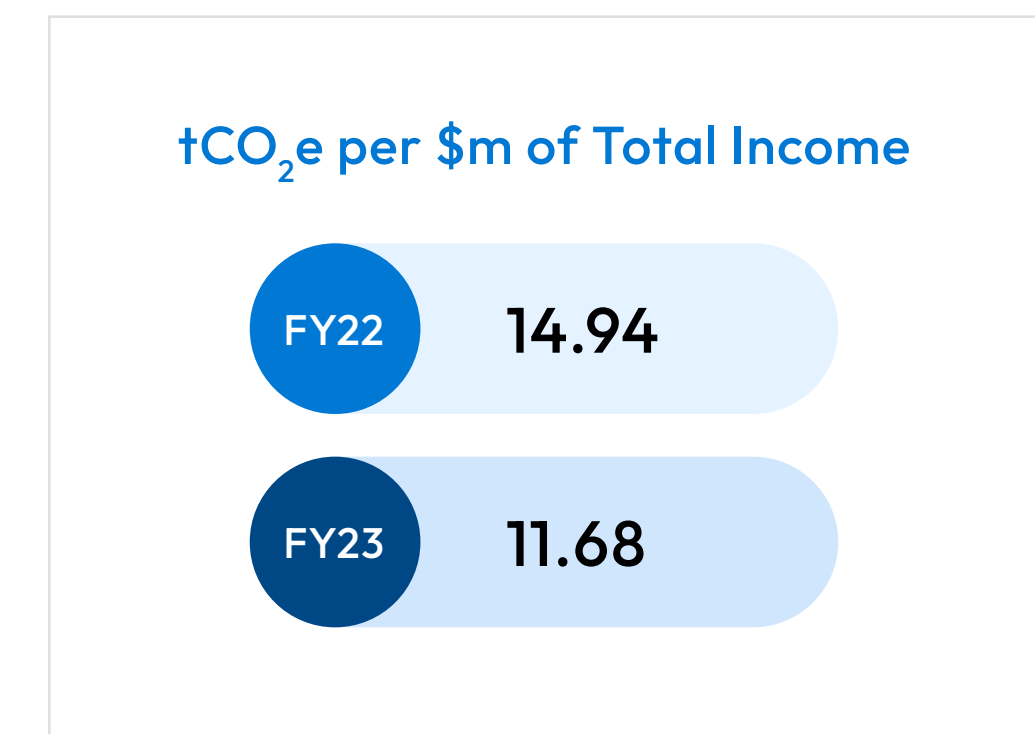
An operational control approach was used to account for emissions. Given the current structure of the Serko Group, the financial control approach is likely to have resulted in a similar boundary and thus a similar emissions inventory result.

Greenhouse gas emissions results were calculated using the Ministry for the Environment Detailed Greenhouse Gas Reporting 2023 Guidelines for most emissions. The United States Environmental Protection 2023 GHG Emissions Hub was used for calculation of emissions associated with emissions sources in the United States. For power use associated with the offices in Australia and China, data from carbonfootprint.com was used.
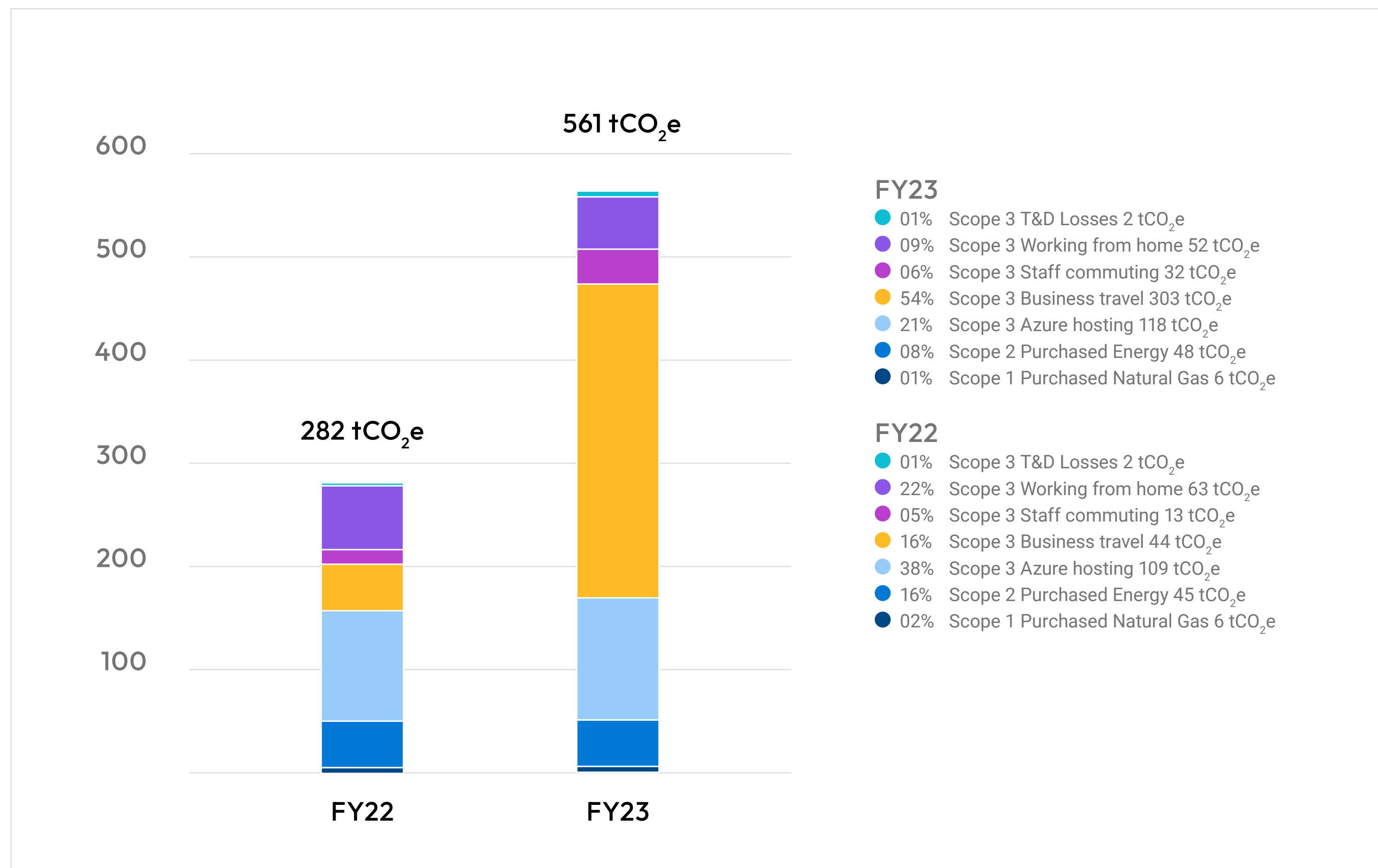
Our GHG inventory has been limited assurance reviewed by Deloitte (for FY23) and EY (for FY22) against the Greenhouse Gas Protocol in accordance with the International Standards on Assurance Engagements (NZ) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (NZ) 3000') and the related ISAE 3410: Assurance Engagements on Greenhouse Gas Statements.

Our Greenhouse Gas emissions as an intensity of Total Income has reduced from FY22 to FY23. This is a result of revenue growth and return to normal business activities, including business travel.

Table 1: Intensity of Greenhouse Gas emissions per Total Income NZD$m

tCO$_2$e per $m of Total Income

FY22	14.94
FY23	11.68

Serko's location based GHG emissions for FY22 and FY23: [1,2]

561 tCO$_2$e

282 tCO$_2$e

600
500
400
300
200
100

FY23
- 01% Scope 3 T&D Losses 2 tCO$_2$e
- 09% Scope 3 Working from home 52 tCO$_2$e
- 06% Scope 3 Staff commuting 32 tCO$_2$e
- 54% Scope 3 Business travel 303 tCO$_2$e
- 21% Scope 3 Azure hosting 118 tCO$_2$e
- 08% Scope 2 Purchased Energy 48 tCO$_2$e
- 01% Scope 1 Purchased Natural Gas 6 tCO$_2$e

FY22
- 01% Scope 3 T&D Losses 2 tCO$_2$e
- 22% Scope 3 Working from home 63 tCO$_2$e
- 05% Scope 3 Staff commuting 13 tCO$_2$e
- 16% Scope 3 Business travel 44 tCO$_2$e
- 38% Scope 3 Azure hosting 109 tCO$_2$e
- 16% Scope 2 Purchased Energy 45 tCO$_2$e
- 02% Scope 1 Purchased Natural Gas 6 tCO$_2$e

FY22   FY23

The differential in emissions between FY22 and FY23 is largely attributable to employee business travel normalising following a covid-affected period where low levels of business travel were undertaken. As with many technology businesses, our Scope 3 (supply chain) emissions dominate our baseline footprint, comprising 90% of our total emissions.

The Scope 3 emissions included in the graph include upstream emissions only. Downstream emissions are not included as Serko is not the supplier of travel for customers who book via our online travel platform. However, as a company providing a travel booking platform that is used by thousands of organisations around the world, we have an important role to play in helping reduce the environmental impact of our customers' activity. This can be achieved over time by providing insight into travel-related emissions and environmental impact at point of sale and enabling corporate travellers to offset their carbon emissions. In doing so, our travel booking platform can help to shape user behaviour to encourage lower impact options and develop more sustainable travel programs.

1 The Upstream Scope 3 subcategories included are subcategory 1 (purchased goods and services), 3 (Fuel- and energy-related activities), 6 (Business travel) and 7 (Employee Commuting).
   Categories 2 (Capital goods), 4 (Upstream transportation and distribution) and 5 (waste generated in operations) are considered de minimus and have been excluded. Serko has no leased assets (category 8).
2 As defined in the NZ Climate Standards, Scope 1 are Direct GHG emissions from sources owned or controlled by the entity. Scope 2 are Indirect GHG emissions from consumption of purchased electricity, heat, or steam. Scope 3 represent other indirect GHG emissions not covered in Scope 2 that occur in the value chain of the reporting entity, including upstream and downstream GHG emissions. As defined in the NZ Climate Standards, Scope 3 categories are purchased goods and services, capital goods, fuel-related and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, and investments.

Reducing Our Carbon Footprint

As well as supporting our business traveller customers to reduce their carbon footprints, over the past year we have continued to look at ways to progressively reduce Serko's carbon footprint. With most of our operational emissions generated from energy consumption (through our office spaces and data centres) and employee business travel (mainly air), we have focused first on these areas as opportunities to reduce our impact. Initiatives in place (or in the process of being implemented) include:

Energy consumption

- Wherever possible, we host information technology (IT) and platform services in the cloud, lowering our on-premise energy consumption. Our cloud services platform partner, Microsoft Azure, has been carbon neutral since 2012. We are working with Microsoft to optimise how we use our technology infrastructure, including offsetting our energy usage through Microsoft's pathway to carbon negative by 2030.[1] We use Microsoft's Emissions Impact Dashboard to view and measure our emissions from data centre usage.

- We have an energy provider for our New Zealand offices that generates 100% renewable energy sources. Under this arrangement, we are issued with Renewable Energy Certificates for our energy consumption. The certificates have been used to lower the reported market-based greenhouse gas emissions.

1 For more information on the steps Microsoft Azure is undertaking to continue to improve its environmental impact see https://azure.microsoft.com/en-au/global-infrastructure/sustainability/#carbon-benefits

Employee travel

- We bring carbon considerations to carbon decisions. At the end of 2021, we partnered with Tasman Environmental Markets (TEM) to integrate BlueHalo, a technology solution that facilitates carbon reporting and the offset of travel for mutual customers. Serko intends to offset its internal travel employee emissions under a TEM portfolio.

- We see the benefit of reduced carbon emissions associated with a reduction of employees commuting. As such, we actively manage flexibility for our employees to work from home for part of the work week.

Circular Economy

As an office-based technology business, Serko's water usage and waste creation are minimal. We are co-located in office spaces that makes accurately measuring our water usage and waste difficult, however, we remain committed to reduction in waste and single use items. Our efforts to reduce, reuse and recycle include the following initiatives:

- recycling pieces of IT equipment and parts by donating them to IT equipment recycling companies with a sustainability focus and to the Salvation Army to support reuse of IT equipment.

- reinforcing smart environmental choices within the corporate culture, particularly in procurement and entertainment decision making in the business.

- recycling and composting; and minimising the use of disposable coffee cups and single-use water bottles, where possible.

Assisting our customers to make sustainable business decisions

As an office-based technology business with relatively low scope 1 and 2 carbon emissions, we see our greatest area of influence is supporting our customers to make informed decisions when booking travel. Serko's vision for supporting efficient business travel with Mission Zero is built around four principles:

Real-time data

Serko is collaborating with its partners to enable Zeno users to measure the impact of their flights in real-time.

Informed choice

Travel programs can be designed to minimise environmental impact, not just financial cost. The most efficient flight routes, cabin classes and vehicle types can be identified at the point of purchase to drive more sustainable buying behaviour. Mission Zero also offers 'sustainability badges', that allow Booking.com users to search for accommodation that meets certain sustainability criteria.
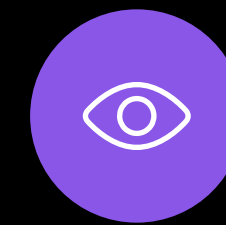
Impact visibility

By providing complete visibility of a business travel program's environmental impacts, Zeno enables organisations to make policy choices that get their travellers where they need to go, while treading as lightly as possible.
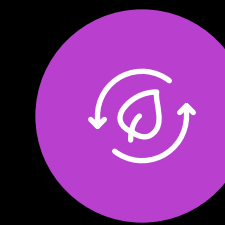
Net Zero impact

Through our partnership with TEM, Mission Zero offers organisations a measurable way to offset their greenhouse emissions by investing in carbon offset projects that deliver social and economic benefits to communities as well as emissions reduction.

Social

Team Serko

Our vision for Team Serko is to bring our people together to do career-defining work, which ultimately delights our customers and partners across the world.

We aim to provide Serkodians with a connected employee experience which is underpinned by a clear company purpose and vision and our strong values. These cornerstones of our company are developed from, and tested against, the diversity of perspectives that make up Serko.

Driving strong engagement

We work hard to ensure that our purpose and mission are well understood by our stakeholders — employees, customers, end users, partners, suppliers, shareholders and others — and provide a very clear sense of what drives us and where we are heading.

Our values reflect who we are as a company, the way we work together as a team and the way we interact with our customers and partners. They show up in the decisions we make, who we hire, how we develop, reward and how we lead our teams.

We track how Serkodians are feeling about the company, alignment, leadership, their own development and wellbeing. Our monthly pulse survey provides regular feedback and allow real-time adjustments. High levels of participation (around two-thirds of Serkodians participate in every check-in) are in themselves a strong indicator of engagement, as well as allowing us to be confident in our data.

Our twice-yearly wider engagement survey also allows us to track progress using a consistent set of indicators over a longer period.

We are pleased with our progress. In March 2023, we saw a significant improvement in Serkodians' alignment with our purpose and mission (87% favourable v 77% March 2022); and understanding of how Serko is tracking against its goals (86% favourable v 47% favourable March 2022).

Serkodians also tell us that they have a strong sense of belonging, with more than 80% consistently agreeing that they are proud to work for Serko and 84% agreeing that they would recommend Serko as a great place to work.

Our values

Passion
Serkodians are passionate about what they do and what Serko does

Mastery
Serkodians continuously strive to become masters of what they do

Success
Serkodians strive toward their goals to ensure Serko reaches its goals

Autonomy
Serkodians are able to work independently and make decisions for themselves for the benefits of our customers

Family
Serkodians are valued as part of the Serko team working together to do the right thing for each other and our customers and partners

Integrity
Serkodians are honest, respectful of others, deliver on their commitments to each other and our customers and make ethical business decisions

Fun
We value humour, laughter and enjoying our time at Serko

Diversity and inclusion

We take pride in offering an inclusive culture and environment that allows people to show up authentically, have their ideas heard, reach their potential and have fun along the way.

This environment allows us to serve our customers well, attract top talent and achieve our business objectives. We are proud to be an equal opportunities employer.

Our Diversity and Inclusion Policy (located in our Corporate Governance Manual) articulates Serko's commitment to ensuring diversity in the skills, attributes and experience of our Board members, management and staff across a broad range of criteria (including but not limited to, culture, gender, sexual orientation and age).

Our key principles

01
We're committed to attracting diverse talent and equitable hiring practices.

02
We're committed to equal pay for equal work.

03
We use data to ensure we can identify and mitigate unconscious bias in our decision-making.

04
We actively support flexible, hybrid and remote ways of working.

Watch our video to find out more about a day in the life at Serko

We set measurable objectives that reflect our commitment to diversity and report progress against these objectives regularly to the Board. The following table shows our progress to date and the many initiatives in place to ensure an inclusive work environment.

Key objectives FY24	Achievements / initiatives in place (FY23):
Gender diversity target 40:40:20 *In progress*	• We actively seek to attract and hire diverse talent. • Our progress on gender diversity numbers is provided on page 21
Increase conscious awareness focus on behavioural inclusion: inclusive mindsets, skillsets and relationships *In progress*	• Serko Pay and Gender Equity statement published in FY23, articulating: 　– our commitment to Pay Equity 　– published data on median remuneration gender difference (less than 1%) and overall global gender difference (females lower by 12%) (page 23) 　– our support of the New Zealand Mind the Gap reporting initiative • Investment in leadership development programme, using 'Women Rising' to support leadership development as Serkodians make their next career step • Investment in allyship training using 'Women Rising' programme to promote allyship in the workplace. Internally run programmes on allyship are planned for FY24 • An inclusive employee benefits programme, including: 　– parental benefits with enhanced leave and return-to-work entitlements, regardless of gender identity 　– resources to support employee wellbeing and mental health (pages 32–33) 　– 2023 flexible working policy that provides employees with the flexibility to work from home for up to three days a week (page 23) • Unconscious bias training integrated into key practices, such as annual review and promotion for all employees in FY23 • People processes reviewed and adjusted to address unconscious bias in key areas such as hiring, promotions, annual performance review and total reward decisions. Changes include: 　– a Career Level framework for structured comparison 　– integrating unconscious bias micro training for all major people processes 　– using data and analysis to identify and mitigate unconscious bias (focused on gender in FY23) in our decision-making • Celebration of cultural events, such as Sign Language Week, Māori Language Week, Martin Luther King Day, Chinese New Year, Diwali, Pride, and International Women's Day • Continued investment in Business Resource Groups, including 'Women in Technology'
Define, communicate and report against Inclusion and Diversity Objectives with engagement from Executive team *Achieved*	• Regular reporting to Executive and Board • Monthly check-ins, enabling active listening to the voice of employees and better understanding of how well we are doing on criteria of inclusion, equal opportunity and listening to employees

A diverse workforce

We greatly value the diverse thinking, skills, values, backgrounds, ethnicities and experiences that our team members bring to the business and have accordingly increased our disclosure of that diversity.
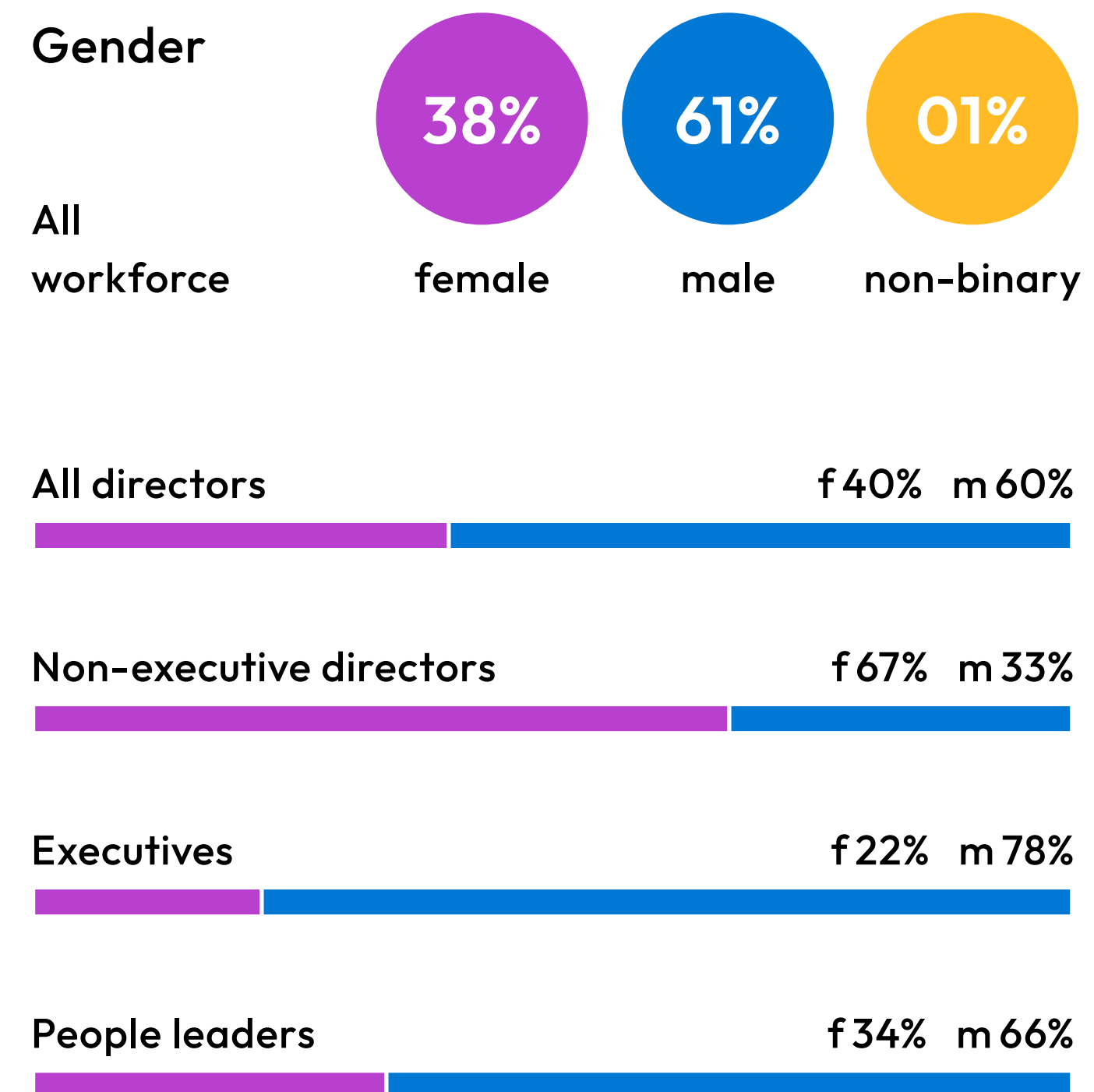
In March 2021, Serko's Board introduced a new gender diversity target of 40:40:20 [1] to be achieved by the end of FY24 [2] across a) the Board; b) overall employees; c) non-executive directors; d) executives and e) people leaders, with achievement of the target defined by having more than 40% female representation.

At the end of FY23, while we maintained 40% female representation at Board level, our overall female representation at Serko had reduced slightly from 41% to 38%, due to expanded hiring in technology roles, which still have high non-female representation. While gaps remain in executive and people leader roles, we are encouraged that female people leaders have increased steadily to 34%, compared to 28% in 2021.
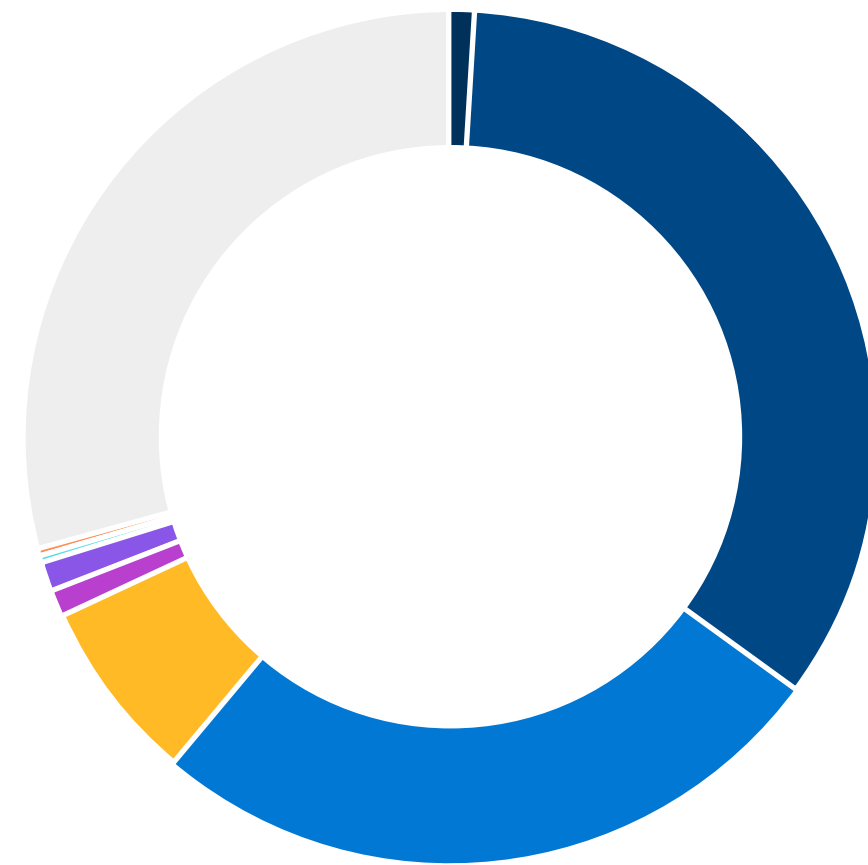
1 40:40:20 represents the following definitions: 40% female/women (she/her/hers); 40% male/men (he/him/his); 20% unspecified to allow for flexibility and to recognise that gender is not binary (they/their/them).

2 Historically stated as 2023 calendar year

Employee diversity by group

Gender

All workforce

38%	61%	01%
female	male	non-binary

All directors f 40% m 60%

Non-executive directors f 67% m 33%

Executives f 22% m 78%

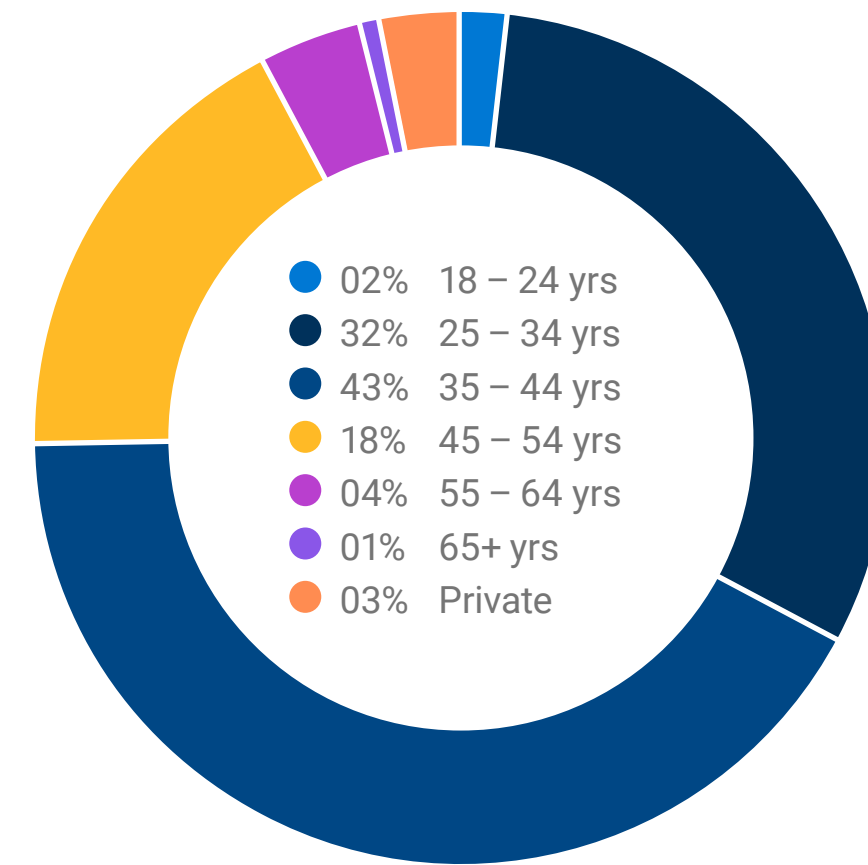**People leaders** f 34% m 66%

Ethnic representation

- 01% African
- 34% Asian
- 26% European / Caucasian
- 07% Indian
- 01% Latin American
- 01% Māori
- 0.3% Other
- 0.3% Pacific Peoples
- 29% Prefer not to say

Age range

- 02% 18 – 24 yrs
- 32% 25 – 34 yrs
- 43% 35 – 44 yrs
- 18% 45 – 54 yrs
- 04% 55 – 64 yrs
- 01% 65+ yrs
- 03% Private

As shown, our ethnic representation is broadly balanced, and we are proud to have more than 17 nationalities represented at Serko. Serkodians also have a strong mix of age and experience, ranging in age from early 20s to mid-60s, with most employees in the 35–44 group.

Workforce composition

- 86% Full time
- 07% Contractor
- 03% Part time
- 02% Casual
- 01% Fixed term
- 01% Parental leave
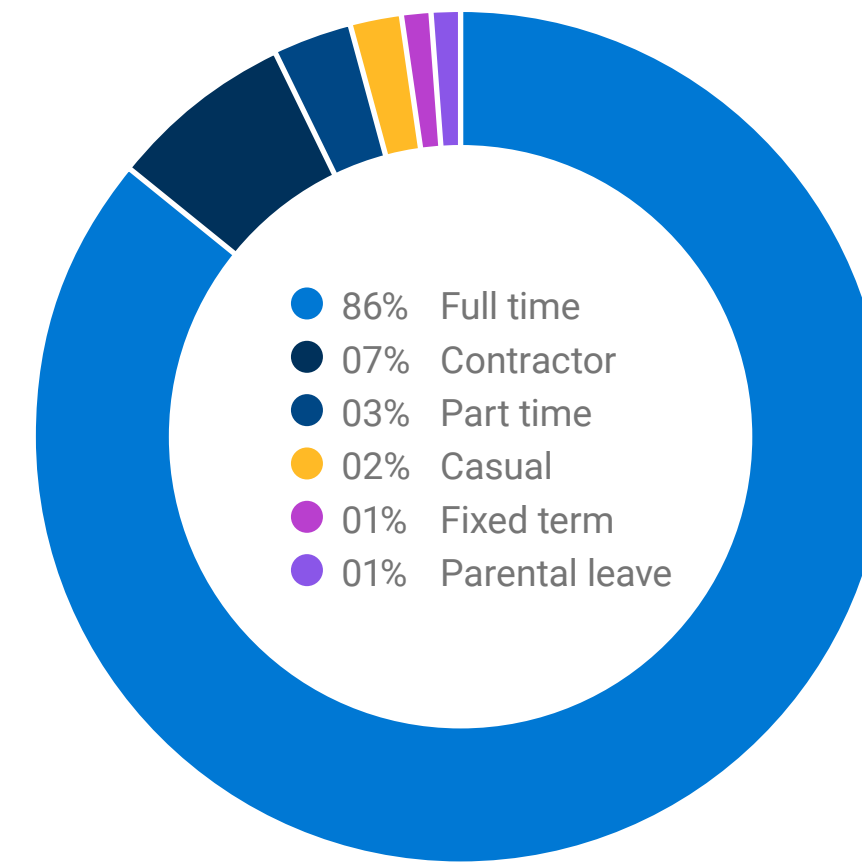
With our total workforce increasing by 7% in FY23 as we scaled up, the average tenure of employees has reduced overall with 28% of Serkodians now having a tenure of less than a year. On the other hand, the numbers of longer-serving employees remain firm with 29% of Serkodians with more than four years at the company. Voluntary turnover reduced slightly from 21% in FY22 to 19% in FY23.

Length of service

- 28% Less than 1 yr
- 18% 1 yr
- 25% 2 – 3 yrs
- 13% 4 – 5 yrs
- 09% 6 – 9 yrs
- 07% 10+ yrs
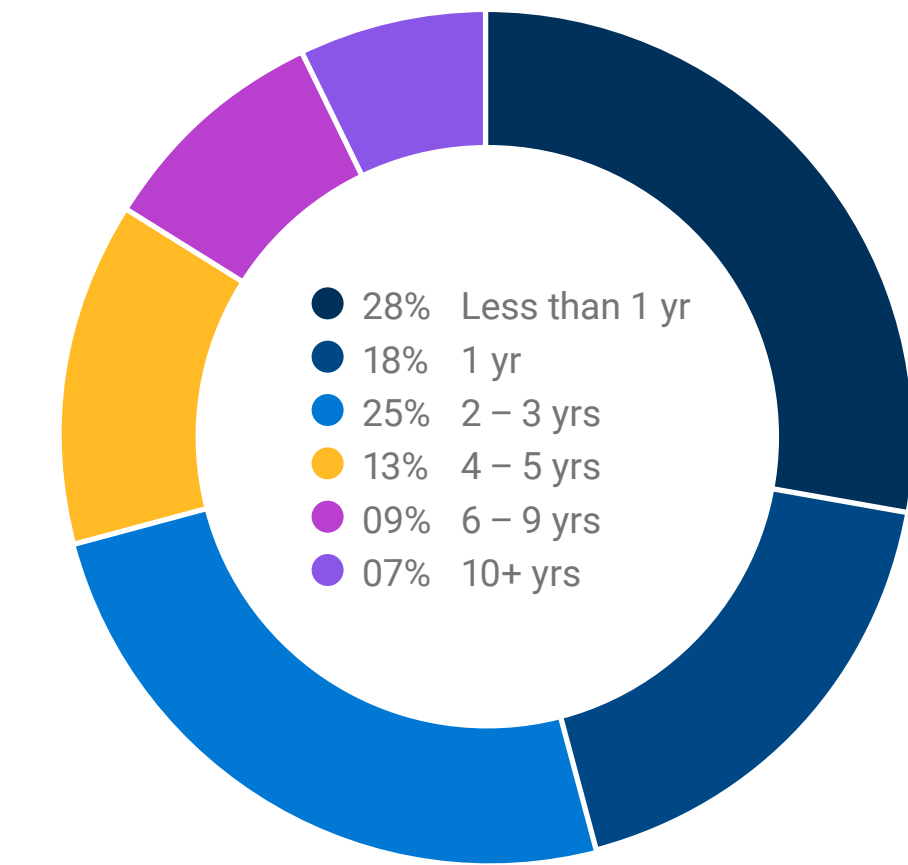
In FY23, we continued measuring the sense of inclusion and belonging of Serkodians. We were pleased to see ongoing improvement, with 90% of employees agreeing that they feel respected and valued by teammates; 91% agreeing that their point of view is listened to; and 88% agreeing that their team has a climate in which diverse perspectives are listened to.

Remuneration and work practices

This year we completed a two-year redesign of our approach to reward and development. This framework ensures Serko has the right foundations in place to attract, motivate, retain and reward the highly skilled talent we need to achieve our long-term business objectives.

Our focus was in two key areas: completion of our remuneration review including our Pay and Gender Equity Statement; and enhancing our ways of working, including our Flexible Work Policy.

Pay for performance

We support a pay-for-performance culture where employees are rewarded for individual and overall company success. Detailed information is provided in the Remuneration Report contained in the latest Annual Report.

We are committed to equal pay for equal work and are continually reviewing our practices to ensure pay equity for our people. Our Pay and Gender Equity Statement sets out our key practices, as well as disclosing our pay equity status. As at March 2023, our median market remuneration gap (based on like-for-like job type and career levels) was less than 1%; and our overall gender pay gap was 12%.

Flexible working practices

Our teams consistently say they operate best with flexibility and choice in the design of the work week rhythm, with aligned ways of working.

They also tell us that different types of work are better suited to different environments — sometimes working alone without distraction; and at other times working collaboratively in person.

In recognising that these things may have a different impact on our Serkodians, we introduced a formal Flexible Work Policy, which outlines employees' work, security and compliance expectations, regardless of where they do their work (at the office, at home or hybrid).

The policy aims to provide context and alignment in ways of flexible working at Serko. With 86% of Serkodians being full time employees, this flexibility is critical. It includes location and time flexibility and emphasises that the needs of individuals, teams and the business will be equally considered when deciding about, and reviewing, flexible working arrangements. In our annual survey, 90% of employees noted that they felt genuinely supported to make use of flexible working arrangements.

Development and career pathways

At Serko we believe in creating an internal talent market where our employees can unlock their potential through the power of internal mobility. To support this in FY23, we have focused on establishing career pathways for Serkodians which encourage internal mobility, by identifying new career opportunities (lateral or promotions).

We are proud of the work we have done in the technology space to ensure those career pathways include both management and individual contributor pathways into the most senior positions, recognising the influence and importance of deep technical expertise and talent at Serko.

We are currently establishing learning pathways linked to our career pathways with direct on-the-job learning and application. These learning pathways are being developed through the power of Udemy platform (with access to over 5,000 training courses) that was rolled out to all employees in Q4 of FY23. Since February we have seen 86% of employees activate their licenses and over 330 hours of learning time completed in March.

As a result, we have seen a significant shift in our monthly pulse survey score for 'I have access to the learning and development I need to do my job well', which improved from 62% favorable in March 2022 to 85% favorable in March 2023.

Over the past year, as we have scaled up as an organisation, we have created many new positions, advertised both internally and externally. We were pleased to achieve an internal promotion rate to open positions of 17% – our aim is to increase this to 30% in FY24 through clearly defined career pathways.

Additionally, a focus for this year tied to diversity and inclusion, was providing leadership development to women at Serko. This resulted in the Sponsorship of six women on the Women Rising Programme and one allyship seat in FY23.

Stories from our people

At Serko we believe in the power of bringing people together. We take our roles in that journey seriously, bringing our authentic selves to work to solve challenging business travel problems through the power of technology and deliver great customer outcomes.

Across our business, we have many different teams — including Product, Tech and Customer Services — who all play a critical part in that journey. In these stories, some of our team members tell us why they find working at Serko interesting and what being a Serkodian means to them.

Anne Bilek

Senior Principal Engineer

What attracted you to Serko — what was the interesting challenge?

I joined Serko at the beginning of 2020 as a contractor bringing a range of experiences from different businesses. I was tasked to lead a SWAT team to improve a critical priority in page transition performance. Making that improvement exposed many opportunities for other improvements, and the impact of those opportunities led me to join Serko as a Principal Engineer.

What has been your career journey at Serko?

In my three years at Serko, I've gone from a senior consultant to Principal Engineer and now Senior Principal Engineer. In these roles I work with our senior architecture, product and business leaders on our product and tech strategy, as well as being able to influence alignment across our wider group to build reliable, scalable and commercially differentiated user experiences.

This progression was an unexpected (but welcome!) side benefit of digging deep on a narrow problem – "pulling a thread" and being able to have an impact.

What have been your development opportunities? How does it keep you interested and learning?

Before Serko, I had never really considered "technical leadership" as a viable path because it seemed to require stepping into management – something I was uninterested in pursuing. But through the Principal and Senior Principal roles, Serko has offered me a path as an individual to contribute to high-level decision-making, to influence and build an engineering culture that drives strong business outcomes, and to coach and mentor the next generation. This excites me.

What makes being a Serkodian special to you?

At Serko we are solving challenging business travel problems through the power of technology, and that means breaking things down and building them back up until they are even better. There are so many opportunities for improvement and there is also a will for improvement at all levels of the organisation.

Providing clear paths for managers and individual contributors in technical leadership is critical for our success. Personally, I really feel like I have a chance to help Serko succeed and there are the right career paths at every level for people like me to make that impact.

Fiona McCaffrey

Business Analyst Team Lead

What attracted you to Serko — what was the interesting challenge?

I've seen first-hand how challenging it can be for businesses and business travellers to manage travel effectively. As a former tour guide, and with a background in IT, I knew I could bring those insights and experiences to Serko to add value. I was excited about the prospect of working as part of a team that is passionate about making a difference and pushing the boundaries of what's possible.

What has been your career journey at Serko?

I joined Serko as a Business Analyst in 2021, working closely with a variety of stakeholders, including Booking.com for Business, our Product Managers and engineering teams to define what's needed to deliver exceptional customer value. A year later I was promoted to Senior Business Analyst and then selected as BA Team Lead. This has given me the opportunity to take on new challenges and new responsibilities, including coaching and mentoring others.

What have been your development opportunities? How does it keep you interested and learning?

This year Serko sponsored me on Women Rising, a leadership development programme. So far my favourite module has been Radical Confidence, explaining how I can be my authentic self and leverage my strengths to really step into a growth mindset – not as scary as it sounds!

The opportunity to unlock my potential and that of others around me is a major drawcard. I'm excited to network with others and build strong connections that will help me grow both personally and professionally. I am fortunate to work alongside some of the best talent in the industry.

What makes being a Serkodian special to you?

As a woman in tech and a member of the LGBTQ+ community, I know first-hand the importance of feeling a sense of belonging in the workplace. Being a Serkodian for me is more than just a workplace. Being a Serkodian means I feel valued, supported and fulfilled.

Serko is somewhere I can bring my whole self to work and make meaningful impacts on real-world problems with an amazing community of passionate team members. Plus our Auckland office is dog friendly. That's pretty special to me as well.

Adam Northgrave

Head of Customer Success

Adam's journey recognises the infinite opportunities available to talented people as Serko evolves.

What attracted you to Serko — what was the interesting challenge?

Over 12 years ago I returned to New Zealand from the UK with a background in the travel industry and bespoke reservation software. I found Serko — a travel technology company with big global ambitions — which I thought was a great fit and a place where my experience could contribute to its growth.

What has been your career journey at Serko?

Over the years, through inhouse coaching, I have had opportunities to use my skills and work across many different teams, solving new and exciting problems. I moved from the implementations team, where I had developed people leadership and project management skills, through to new Product offerings and then expansion into North America, which took me back into Client Services.

Nowadays I'm part of Serko's Leadership Team, heading up Customer Success, which means focusing on increasing self-sufficiency amongst our partners while ensuring exceptional customer experience.

What have been your development opportunities? How does it keep you interested and learning?

Working at Serko has given me opportunities I didn't anticipate and allowed me to test myself in ways I did not expect. Throughout my time at Serko, there's always been new challenges and opportunities for growth, I've had to learn and apply new skills, which has kept me interested and on my toes!

What makes being a Serkodian special to you?

Growing with the company from a tech start-up to Hi-Tech company of the year and becoming an NZX50 company has been incredibly special. We have audacious goals to smash, and that's what keeps me excited.

I also feel privileged to work with such a passionate and dedicated group of people — we've forged incredible friendships and we support one another in times of need. That's special.

Developing the next generation of tech talent

At Serko we are building our base to bring in new ideas and develop the next generation of tech talent.

Our Intern Programme has grown over the past few years, and this year we hired a diverse group of eight technology students (four female, four male, three mature students) through the award-winning Summer of Tech.

The 10-week programme gave our interns first-hand product development experience. Supported by a cross-functional team of professionals from Engineering, Product and Design, the interns worked together to research and solve a real-world problem, and shared their progress through fortnightly Company Demos.

In addition, they met with an executive weekly, and each intern was partnered with two mentors — some former interns themselves. It wrapped up with a special team-building day including more than 30 Serkodians who had mentored and supported the team over the 10 weeks. The programme also provided our staff

opportunities to build important mentoring and leadership skills by coaching and guiding these early-career experiences.

Going forward into FY24, we will continue to develop the intern programme with an aim to connect this to a graduate hiring programme and continue to invest in building future talent in the technology industry.

"

There are so many people at Serko who provided support and guidance throughout my journey there, and I am thankful for each and every one of them. Serko is an amazing place to learn and grow as a Software Engineer, and I feel honoured to have been a part of this incredible community.

Kinzi Ceolin • 2022 intern

"

The amount of support was amazing. The interns got all the help they seeked, and always had their questions/needs answered. The support is arguably what made this internship standout as it felt like so much effort was put into helping the interns and making this programme great!

Craig Lim · 2022 intern

Employee health, safety and wellbeing

At Serko we are committed to engaging our people in promoting a safe and healthy working environment for everyone working in, or interacting with, our business.

Our Health and Safety policy is reviewed annually and the Board reviews progress against our Health and Safety objectives at every Board meeting. With the majority of our workforce being in professional services, and primarily sedentary roles, we have identified our key critical health and safety hazards as being mental wellbeing/stress (see section following) and sedentary workstation-bound roles. To mitigate working environment-related risk this year we have:

- Increased the number of standing desks available to people who are office-based.

- Introduced ergonomic equipment such as balance boards and yoga balls to help engage employees' muscles while standing or sitting while working.

- Asked in our monthly pulse surveys for instances of unhealthy stress that may be occurring.

- Monitored and promoted our EAP (Employee Assistance Programme) programme to assist those that may have personal or work-related troubles.

- Assessed individual needs before employees join to ensure they have safe workstation setups.

- Continually identified, assessed and controlled possible risks to the health and safety of people that may arise in the workplace.

- Provided training to raise awareness of potential hazards and involved our people in health and safety decisions that affect them.

- Proactively found opportunities to improve the health and wellbeing of people at Serko, to align with Serko's culture and ensure that we keep this activity fun and exciting.

- Recognised excellence in health, safety and wellness innovation by our people.

Measuring our performance

Our health and safety target is simple – zero harm. We measure our overall health and safety performance against two key metrics – Lost Time Injury Frequency Rate (LTIFR [1]) and Lost Time Injury Incident Rate (LTIIR [2]). These respectively measure the rate of LTIs per million hours worked and per number of employees. The graphs below show our five-year performance for these measures.

We are proud to have achieved no lost time injuries (LTIs) over the past three financial years, however, this year we did not achieve that goal due to two minor car accidents that

required employee checkups. Because of our relatively small employee base, this resulted in an LTIFR score of 4.6 incidents per million hours worked.

LTIFR

LTIIR
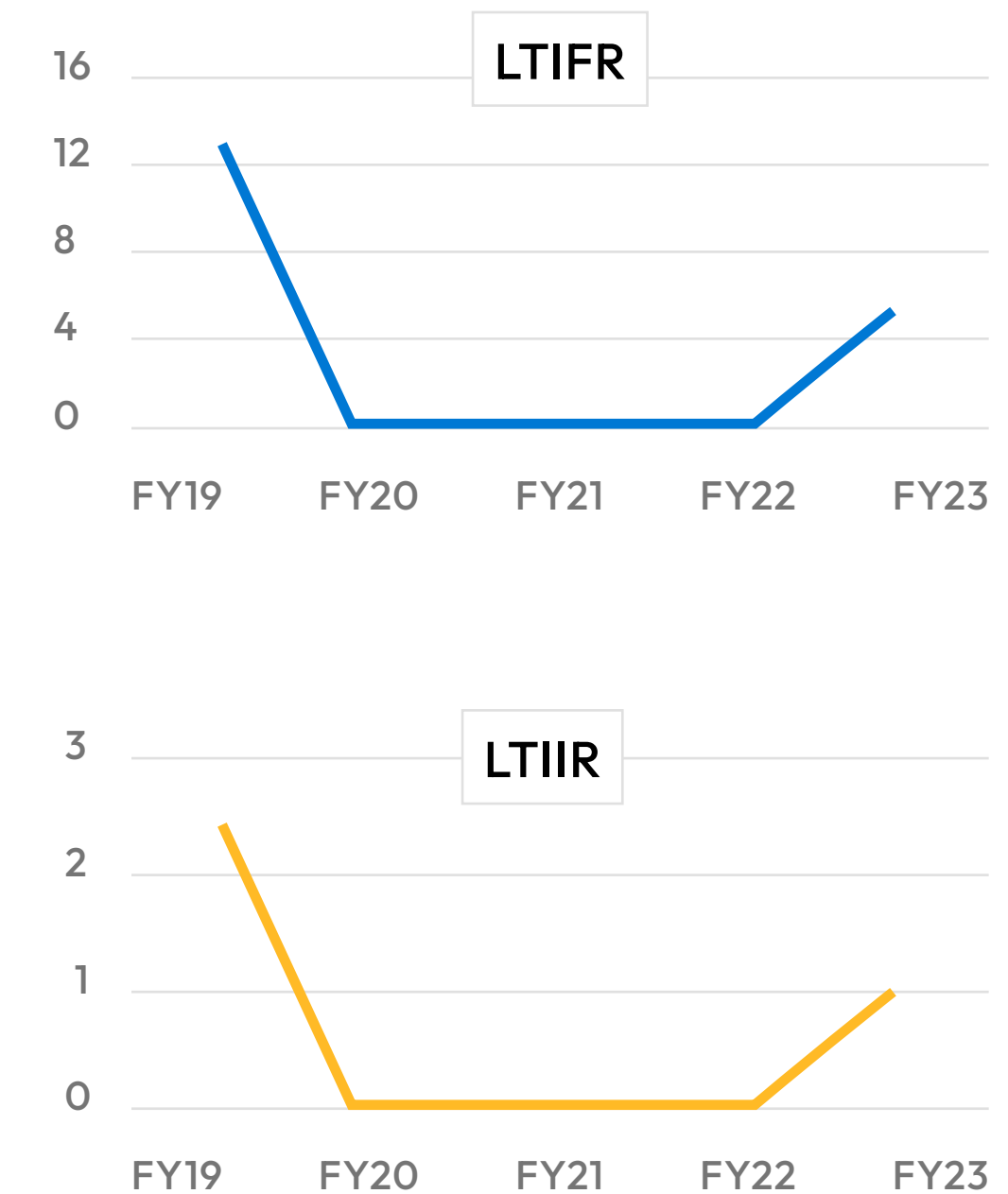
Mental health and wellbeing

At Serko the health, safety and wellbeing (physical and mental) of our teams is something we continuously think about and measure. Our aim is to create the right conditions where employees have the support and the tools they need to thrive. This includes managing day-to-day pressures to a healthy level of stress, the opportunity to do their best work, and where they can be an 'architect' of their own performance and wellbeing.

Our established mental health and wellbeing programme is founded on the following guiding principles:

- Our employees are the architect of their own wellbeing.
- Wellbeing supports the whole person: Mind, Body and Heart.
- Our initiatives are evidence-based, and we aim to measure the impact.
- It is aligned with Serko's values.

Serkodians are encouraged to prioritise their own wellbeing with our full support.

This year we strengthened our focus on using the science of mindfulness, building healthy habits and testing new ways of working, led by the following initiatives:

- Delivering employee education on the science of healthy habits to understand pressure and stress and the impacts on the body.

- Mindfulness training in partnership with BlueSkyMinds, with a focus on ensuring our employees feel equipped to effectively manage day-to-day demands through healthy habits.

- Continuing our Mission You employee wellbeing day available to all Serkodians, encouraging them to consciously disconnect from work and take a day dedicated to restorative activities to reconnect with themselves.

- Continued investment in new ways of working, including flexible working practices (see page 23), and individual teams testing meeting-free time blocks to focus.

- Continued investment in employee benefits, including Mission You, Serko's outsourced Employee Assistance Programme (EAP), life insurance and new to FY23 Day of Community, discounted healthcare and discounted gym memberships.

Our primary measure of success is what Serkodians tell us through the pulse survey and EAP reporting. We have been pleased to receive positive employee feedback and high levels of engagement, with 87% favourable that 'Serko demonstrates care for the health and wellbeing of its people' and 70% favourable that they 'feel equipped to effectively manage the day-to-day demands and pressures' (up 5% from the same time last year in March).

Community

Community

We believe that the power of bringing people together includes supporting the communities in which we live and operate. We are doing this in many ways — by giving back ourselves, contributing financially or repurposing used equipment.

Giving back to the communities we operate in is incredibly important to us and is why we launched the Serko Day of Community in September 2022.

Each Serkodian is given a day to spend time working on local community initiatives that are meaningful to them. This year our global team across Australia, New Zealand, China and the United States got stuck into social and environmental programmes within their regions.

This year we gave an estimated 1,100 hours back in a meaningful and highly valued investment for our teams and communities. We will continue with this programme in FY24 and look forward to deepening the relationships built through this day, including with DeadlyScience as outlined on .

In New Zealand our teams packed nearly 1,000 lunches for kids with Eat My Lunch; planted hundreds of trees with Habitat Restoration Heroes and Motuihe Project; filled dozens of bags with environmental waste with Sustainable Coastlines; packed countless food parcels for Fair Food NZ and Auckland City Mission and served up plenty of goodness to people in need with Everybody Eats.

Our Australian teams worked with DeadlyScience ().

In China we collected and donated clothing to the local church community.

And in the United States we worked with Feed My Starving Children to pack lifesaving nutritious meals to send to children.

Investing in our communities

Serko's investment in community initiatives is proportionate to our size, and our budget in any financial year is NZD 100 per team member per annum (based on headcount at the start of the year).

When deciding which initiatives to support, we are guided by the principles set out in our Community Investment Policy. These principles are focused on ensuring our investments are:

01

Aligned with our purpose of bringing people together, particularly initiatives focused on developing people with opportunities they would not otherwise be able to access

02

Directly impacting our communities, particularly with programmes that help contribute to a strong and thriving ecosystem

03

Meaningful to our people, where there is a strong connection to Team Serko and the geographies we operate in

04

Less is more, focused on a small number of initiatives with strategic partnerships and investments in things that are important to us

The following page shows our most recent community investment

Creating Deadly Learners

We are excited to have become a community partner for DeadlyScience, an Australian charity that provides STEM resources to remote and indigenous schools and communities.

DeadlyScience is the brainchild of Australian Corey Tutt, who wanted to address a critical lack of resources for teaching STEM (Science, Technology, Engineering and Mathematics) subjects in remote and indigenous schools. Since its inception, DeadlyScience has worked with nearly 200 communities, providing more than 25,000 books, 10,000 Lego kits, 700 telescopes and many other STEM resources.

Our focus is to assist with the DeadlyLearners programme, which aims to help Aboriginal and Torres Strait Islander students (years 3–9) in regional and remote schools. The programme makes available STEM professionals to help teachers to deliver syllabus topics and 'bring to life' their area of specialty. As many of the STEM professionals are indigenous, this also helps inspire students towards a STEM career on the basis that 'if you can see it, you can be it'.

Our first year of funding will provide around 400 students with exposure to high quality STEM learning sessions and, we hope, inspire young people towards a STEM career. We look forward to seeing the outcomes of this support.

deadlyscience.org.au

Governance

Governance

Serko's Board and management are very committed to ensuring the company maintains best practice corporate governance and adheres to the highest ethical standards.

When establishing our governance framework, the Board has considered the latest version of the NZX Listing Rules, as well as a range of corporate governance recommendations, including the NZX Corporate Governance Code dated 1 April 2023 (NZX Code) and the Fourth Edition of the Australian Securities Exchange (ASX) Corporate Governance Council Principles and Recommendations.

The NZX Listing Rules require Serko to formally report its compliance against the recommendations contained in the NZX Code. Our implementation of these recommendations is set out in this Corporate Governance Statement. The Board considers that Serko's corporate governance structures, practices and processes have followed all recommendations in the NZX Code during the financial year ended 31 March 2023. For the purposes of Recommendation 3.4, the Board has determined that the whole Board will carry out the functions of a nominations committee owing to the small size of the Board. Refer to the section entitled 'Board Committees' in this ESG Report for more information.

Serko's governance charters and policies can be found in our Corporate Governance Manual on the investor centre of the company's website. Our corporate governance charters and policies have been approved and regularly reviewed by the Board and are amended to reflect developments in corporate governance practices and updates to the NZX Code.

This statement is current as at 17 May 2023 and has been approved by the Board. This Report has undergone a verification process by management, with the oversight of the Board.

Stock Exchange Listings

Serko is listed on the New Zealand Stock Exchange (NZX Main Board) and on the Australian Securities Exchange (ASX) as an ASX Foreign Exempt Listing. As an ASX Foreign Exempt Listing, Serko needs to comply with the NZX Listing Rules (other than as waived by NZX) but does not need to comply with the vast majority of the ASX Listing Rule obligations. Serko is incorporated in New Zealand.

Overview of Serko's Governance Structure

The Serko Board has been appointed by shareholders to protect and enhance the company's long-term value and to act in the best interests of Serko and its shareholders. The Board is our ultimate decision-making body and is responsible for Serko's corporate governance. The role and responsibilities of the Board are set out in the Board Charter, which can be found in our Corporate Governance Manual.

The Board currently comprises an independent non-executive Chair, two independent non-executive directors and two executive directors, as detailed on the investor centre of the company's website and in the latest Annual Report.

The Board has established two standing Board Committees to assist in the execution of the Board's responsibilities:

- Audit, Risk and Sustainability Committee (formerly the Audit and Risk Committee Meeting); and

- People, Remuneration and Culture Committee (formerly the Remuneration and Nominations Committee)

The role of the nomination committee is currently carried out by the full Board due to the small size of the Board.

Ethical Standards

The Board recognises that high ethical standards and behaviours are central to good corporate governance. Serko has previously implemented a Code of Ethics, Whistleblowing Policy and Anti-Bribery & Corruption Policy to guide the behaviour of our directors and employees. More recently we have also adopted a **Modern Slavery Policy**.

Code of Ethics

Our Code of Ethics outlines how Serko people, such as directors, employees and contractors, are expected to conduct their professional lives. Under the Code of Ethics, employees are expected to behave and make decisions that meet Serko's business goals and are consistent with our values, policies and legal obligations.

Serko's Code of Ethics is available to all employees on the company's intranet and sent to every new employee and director to acknowledge they have read as part of their induction process. Our employees are reminded via staff-wide communications of their obligations to comply with, and report any concerns they have about, compliance with the company's Code of Ethics, other policies or legal obligations.

The Code of Ethics covers matters such as acting in accordance with Serko's Values (see page 18 of this Report), ensuring conflicts of interest do not interfere with Serko's best interests, not accepting gifts or personal benefits that may compromise or influence business decisions, using Serko property and information for legitimate and authorised purposes, and maintaining appropriate security and confidentiality of information entrusted to employees in their roles. It also requires Serko people to be familiar with, and comply with, all relevant laws and policies, including our delegated authority framework, and to report on any wrongdoing. Serko management must provide the Board with all necessary information to fulfil its duties, including any information relating to material breaches of the Code of Ethics. In addition, the Code of Ethics outlines additional director responsibilities.

The Board reviews the Code of Ethics biennially and expects any incidents arising under it to be brought to directors' attention immediately.

Whistleblowing Policy

A stand-alone Whistleblowing Policy, which is overseen and monitored by the Board, exists to support the application of the Code of Ethics and define the process for raising concerns about actual, suspected or anticipated wrongdoings within the Serko Group.

While employees may choose to raise concerns about wrongdoing with managers or executives, they can also raise concerns and report dishonesty or unethical behaviour via an independent external Whistleblower hotline. A designated email address, accessible only by non-executive directors, is also available for staff to confidentially raise any concerns they may have.

Anti-bribery and Corruption Policy

Serko's Anti-Bribery and Corruption Policy reflects our commitment to conducting our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all business dealings and relationships. A gift register has been established to record the receipt of gifts above prescribed limits, along with a process for approving whether gifts can be retained.

Serko is not aware of any instances of corruption or of incidents in which employees were dismissed or disciplined for corruption during FY23.

Modern Slavery Policy

Serko is committed to taking reasonable steps to identify and address the risk of slavery and human trafficking across our business operations and supply chain. While Serko is not a reporting entity under Australia's Modern Slavery Act, we have voluntarily adopted a Modern Slavery Policy. Additionally, Serko has prepared its first Modern Slavery Statement covering the FY23 financial year. The Modern Slavery Statement is intended to outline Serko's approach and commitment to preventing and addressing modern slavery risks within our organisation and value chain globally. This Statement is available on the investor section of the company's website.

We currently consider there is a low risk of modern slavery occurring through Serko's direct operations and value chain as a result of the type of business Serko operates and the regions we, and our suppliers, operate in. However, more work is required to better understand our indirect supply chain risks. For more information, see the Modern Slavery Statement on the investor section of Serko's website.

Securities Trading Policy

We are committed to complying with legal and statutory requirements with respect to ensuring that directors and employees do not trade Serko securities while in possession of inside information.

Serko's Securities Trading Policy and Guidelines apply to all directors, officers, employees and contractors of Serko and its subsidiaries. This Policy seeks to ensure that those subject to the Policy do not trade in Serko securities if they hold undisclosed price-sensitive information. The Policy sets out additional rules, which includes the requirement to seek company consent before trading, and prescribes certain black-out periods during which trading is prohibited.

Compliance with the Securities Trading Policy is monitored through the consent process, through education and via notification by Serko's share registrar when any director or senior manager trades in Serko securities. All trading by directors and senior managers (as defined by the Financial Markets Conduct Act 2013) is required to be reported to NZX and recorded in Serko's securities trading registers.

Other business ethics initiatives underway

Further initiatives proposed to be introduced as part of enhancements to our business ethics programme include rolling out a Business Partner Code of Conduct. This will communicate Serko's expectations in relation to ethical and other behaviour to our partners. To support compliance with Serko's business ethics compliance programme and to better understand and manage Serko's supply chain risks, we are also enhancing our partner onboarding processes and implementing increased due diligence screening on counterparties.

Board Composition & Performance

Role of the Board

The Board is elected by shareholders to govern Serko in the interests of its shareholders and to protect and enhance the value of Serko's assets. The Board is responsible for corporate governance and Serko's overall strategic direction, and is the overall and final body responsible for all decision-making within Serko. The [Board Charter](#) describes the Board's roles and responsibilities and regulates internal Board procedure.

The Board has delegated a number of its responsibilities to Board committees. The role of each committee is described below.

To enhance efficiency, remain agile and ensure decision-making occurs at the right level, the Board has also delegated to the Chief Executive Officer the day-to-day leadership and management of Serko.

The Chief Executive Officer has formally delegated certain authorities to his direct reports within set limits. The Board regularly monitors and reviews management's performance in the execution of its delegated responsibilities and the appropriateness of its Delegation of Authority Policy.

During the financial year, the Board met for 12 regularly scheduled meetings. Directors also met periodically, for several additional special meetings and to undertake strategic planning for the business.

Board and committee meeting attendance during the year ended 31 March 2023 is set out in the latest Annual Report.

Board diversity, size and composition

As at 31 March 2023, the Board comprised five directors — being the two co-founders and executive directors, Darrin Grafton and Robert (Bob) Shaw; and three independent non-executive directors — Jan Dawson, Claudia Batten and Clyde McConaghy. A biography of each director can be found on the investor section of the [company's website](#) and in the latest Annual Report. Serko is proud to have a part-Māori co-founder who sits on the Board, along with two female directors, including the Chair.

The Board is responsible for making recommendations relating to the Board's size and composition, in accordance with the limitations prescribed in the NZX Listing Rules and the provisions of Serko's Constitution and the Board Charter.
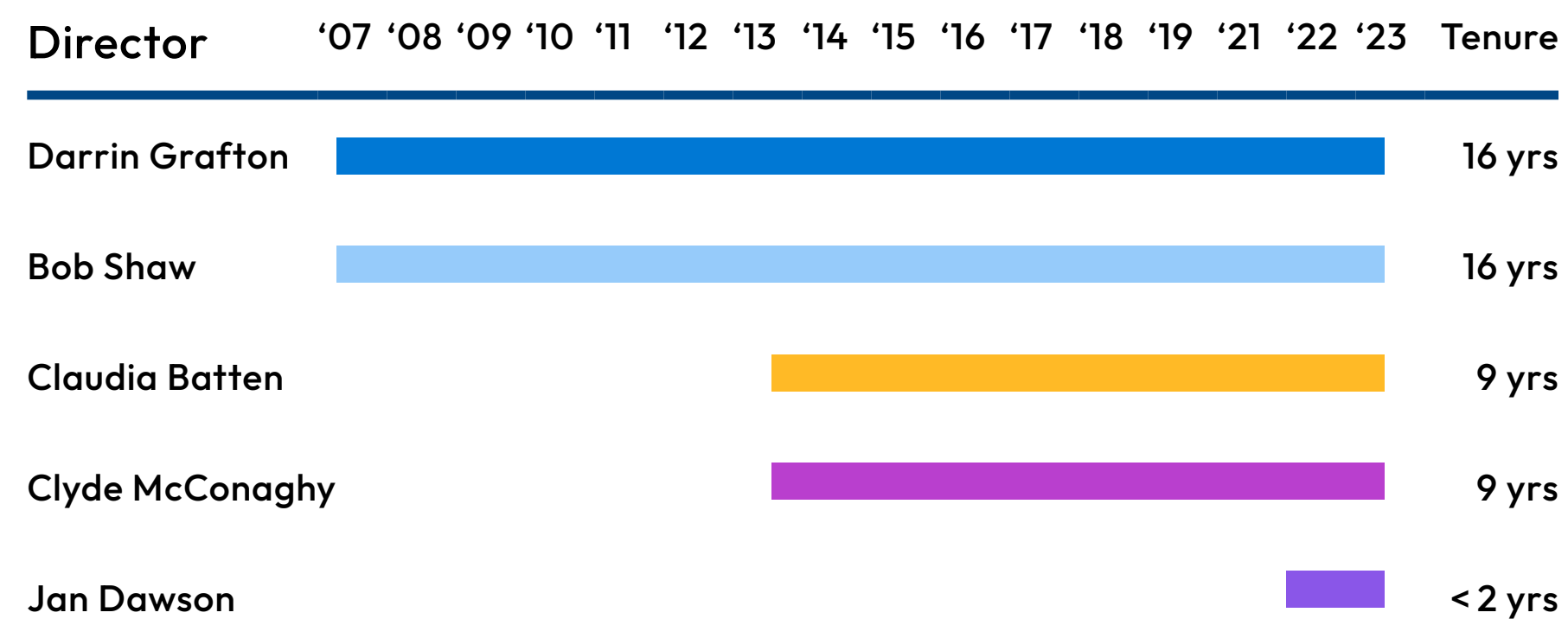
When considering candidates to act as a director, the Board will consider factors it deems appropriate, including the diversity of background, experience and qualifications of the candidate. When appointing directors, the Board undertakes appropriate 'fit and proper' checks.

The Board regularly reviews its skills matrix as part of its succession planning and considers the appropriate mix of skills required to govern Serko as its strategy evolves and Serko expands internationally. A refresh of the Board commenced in FY22 with the retirement of Simon Botherway and appointment of Jan Dawson. During FY23, to continue to enhance the governance oversight of the business, the Board established a Technology Advisory Committee to provide additional oversight of Serko's technology strategy. The Board also appointed two additional board advisers to support Serko's international scaling efforts. As part of its ongoing succession plan, the Board intends to appoint a fourth, independent non-executive director to the Board during 2023.
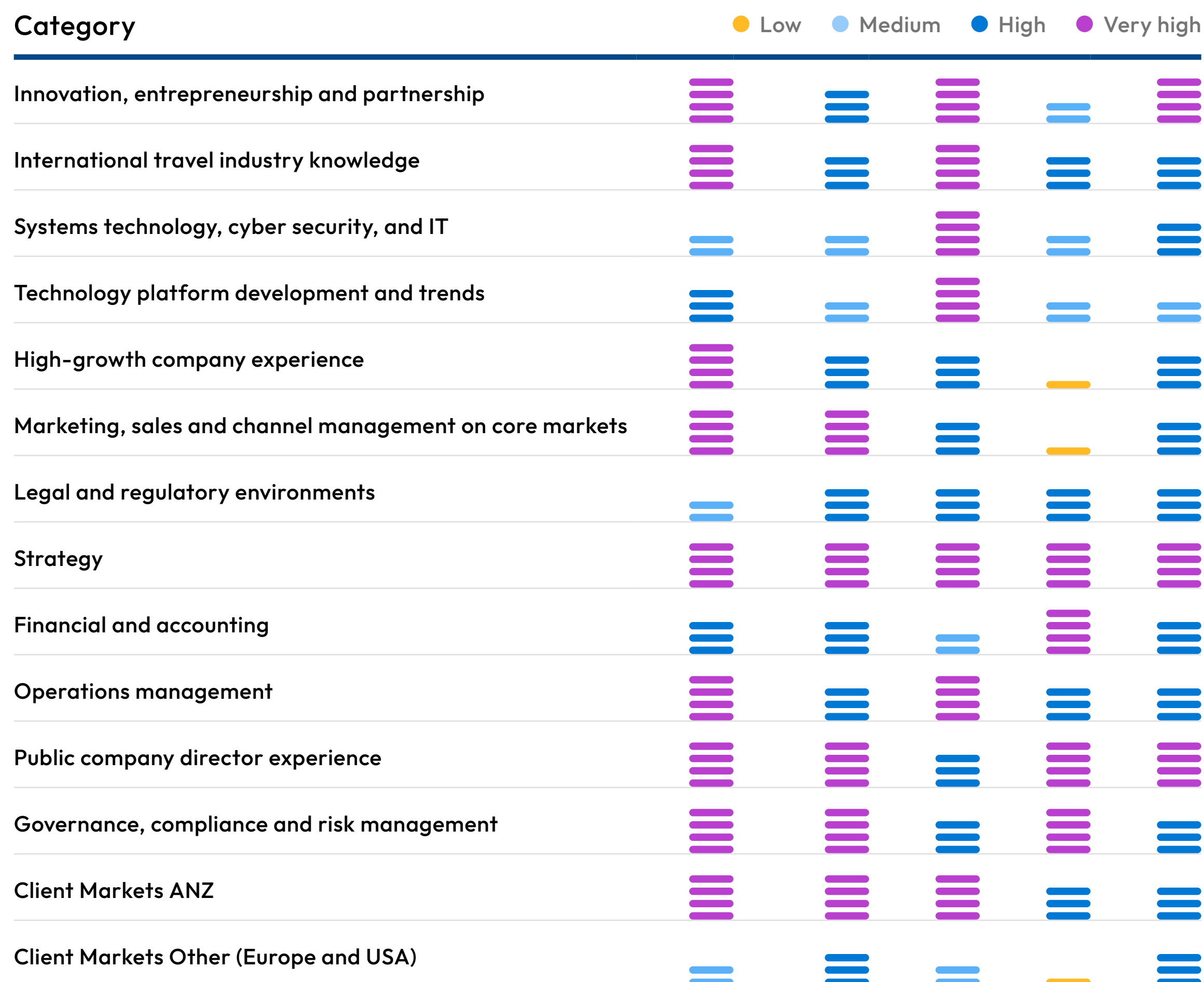
Board tenure

The average tenure of non-executive directors is currently 6.5 years and the average tenure of all directors is 10.5 years.

Director	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'21	'22	'23	Tenure
Darrin Grafton																	16 yrs
Bob Shaw																	16 yrs
Claudia Batten																	9 yrs
Clyde McConaghy																	9 yrs
Jan Dawson																	< 2 yrs

Board skills matrix

Areas of expertise and experience that have been identified as particularly relevant to governing Serko's business include, among other skills:

Legend: ● Low ● Medium ● High ● Very high

Category					
Innovation, entrepreneurship and partnership	Very high	High	Very high	Medium	Very high
International travel industry knowledge	Very high	High	Very high	High	High
Systems technology, cyber security, and IT	Medium	Medium	Very high	Medium	High
Technology platform development and trends	High	Medium	Very high	Medium	Medium
High-growth company experience	Very high	High	High	Low	Very high
Marketing, sales and channel management on core markets	Very high	High	High	Low	High
Legal and regulatory environments	Medium	High	High	High	High
Strategy	Very high	Very high	Very high	Very high	Very high
Financial and accounting	High	High	Medium	Very high	Very high
Operations management	Very high	High	Very high	High	High
Public company director experience	Very high	High	High	Very high	Very high
Governance, compliance and risk management	Very high	Very high	High	Very high	High
Client Markets ANZ	Very high	Very high	Very high	High	High
Client Markets Other (Europe and USA)	Medium	High	Medium	Low	High

Board appointment, training and evaluation

The procedure for the appointment and removal of directors is ultimately governed by the company's Constitution and relevant NZX Listing Rules. A director is appointed by ordinary resolution of the shareholders although the Board may fill a casual vacancy. Every director appointed by the Board must submit himself or herself for reappointment by shareholders at the next annual meeting following his or her appointment by casual vacancy. Directors are subject to the rotation requirements set out in the NZX Listing Rules.

At the time of appointment, each new director signs a comprehensive letter of appointment setting out the terms of their appointment, including their duties and expectations in the role. Each director also receives a copy of Serko's Corporate Governance Manual (comprising all of Serko's core governance documents) and is introduced to the business through a tailored induction programme. All directors are regularly updated on relevant industry and company issues and are expected to undertake training to remain current on how to best perform their duties as directors of Serko. During the Board's annual evaluation process, training needs are considered to assist directors to remain upskilled on the business, industry and legislative developments.

All directors have access to senior management to discuss issues or obtain information on specific areas or items to be considered at Board meetings and each director actively utilises this access to support the company and its executives.

The Board, Board committees and each director have the right to seek independent professional advice at Serko's expense to assist them in carrying out their responsibilities.

The Board, with support from Committee Chairs, undertakes a regular review of its own and its committees' performance. This is to ensure it has the right composition and appropriate skills, qualifications, experience and background to effectively govern Serko and to monitor Serko's performance in the interests of shareholders. During the financial period ended 31 March 2023, performance reviews took place in accordance with that process.

Independence of directors

The majority of Serko's directors are independent. The criteria for assessing the independence of directors is set out in the NZX Listing Rules and NZX Code and in the Board Charter. Generally, a director is considered to be independent if that director is not an employee of Serko and if the director has no direct or indirect interest or relationship that could reasonably influence or be perceived to influence, in a material way, the director's decisions in relation to Serko.

The Board has determined that each of the non-executive directors is an independent director for the purposes of the NZX Listing Rules and in accordance with the Board Charter criteria. In doing so, the Board has considered the relevance of Claudia's and Clyde's tenure on their ability to bring an independent view to decisions in relation to Serko. The Board considers that both directors continue to bring independence of judgement when carrying out their director duties. Of relevance to this decision is the fact that Claudia took over as Chair of the Board in 2020 and Clyde has led different Board Committees during his time on the Board. As detailed above, the Board is actively working on a succession plan to refresh the Board.

The Board will review any determination it makes on a director's independence, on becoming aware of any new information that may affect that director's independence. For this purpose, directors are required to ensure they immediately advise Serko of any new or changed relationship that may affect their independence or result in a conflict of interest.

The Board supports the separation of the role of Chair and Chief Executive Officer. The current Chair has been elected by the Board from the independent directors, in accordance with the terms of the Board Charter. The Chair's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the Chief Executive Officer.

Conflicts of interest

The Board is conscious of its obligations to ensure that directors avoid conflicts of interest (both real and perceived) between their duty to Serko and their own interests. The Board Charter outlines the Board's policy on conflicts of interest. Serko maintains an interests' register in which relevant disclosures of interest and securities dealings by the directors are recorded. In addition, the Board has developed a Charter to govern the establishment and functioning of an Independent Committee to be formed, as and when required, to respond to activity determined to cause some directors to be conflicted. The Independent Committee is not a standing committee of the Board.

Company Secretary

The Company Secretary is responsible for supporting the effectiveness of the Board by ensuring that its policies and procedures are followed and for coordinating the completion and dispatch of the Board agendas and papers. The Company Secretary is directly accountable to the Board, via the Chair, on all governance matters.

Diversity & Inclusion Policy

Serko has a Diversity and Inclusion Policy that reflects its commitment to achieving diversity in the skills, attributes and experience of our directors, executives and employees across a broad range of criteria (including but not limited to, culture, gender and age). The Board as a whole is responsible for overseeing and implementing the Diversity and Inclusion Policy but has delegated to the People, Remuneration and Culture Committee the responsibility to develop and to recommend measurable objectives to the Board that are designed to adhere to the Policy. See pages 19–22 of this Report for further information regarding Serko's Diversity and Inclusion Policy and practices, and the Board's assessment of Serko's progress towards achieving its diversity objectives. We are proud to have met our goal of achieving 40(female):40(male):20 diversity split on our Board.

Board Committees

The Board uses committees to deal with issues requiring detailed consideration, thereby enhancing the efficiency and effectiveness of the Board. However, the Board retains ultimate responsibility for the functions of its committees and determines each committee's roles and responsibilities.

The current standing committees of the Board are:

01   Audit, Risk and Sustainability Committee

02   People, Remuneration and Culture Committee

Details of the roles and responsibilities of these committees are described in their respective charters and summarised below. From time to time the Board may constitute an ad hoc committee to deal with a particular issue that requires specialised knowledge and experience.

The role of the Nomination Committee is currently, and was throughout the financial period ending 31 March 2022, carried out by the full Board owing to the small size of the Board.

During the financial year the Board appointed a Technology Advisory Committee comprising one Board director, two independent expert advisers, the Serko Chief Technology Officer and the Serko Head of Product. The Committee assists the Board in its oversight of Serko's technology strategy and the use of technology in executing Serko's overall business strategy. It also supports the Audit, Risk and Sustainability Committee in providing oversight of technology risks. The Technology Advisory Committee meets on an ad hoc basis and reports to the Board after each meeting.

Audit, Risk and Sustainability Committee

The primary function of the Audit, Risk and Sustainability Committee (formerly the Audit and Risk Committee Meeting) is to assist the Board in fulfilling its oversight responsibilities relating to Serko's risk management and internal control framework, the integrity of its financial reporting and its auditing processes.

In carrying out its risk management functions, the Committee is specifically responsible for oversight of information security risk practices. The Board receives regular updates from Serko's Chief Information Security Officer on information security threats, risks and mitigation plans.

The Board has also recently extended the Committee's responsibilities to provide formal oversight over sustainability matters relevant to the business. In doing so, the Committee is required to ensure Serko has an effective sustainability strategy, appropriate processes in place to deliver against that strategy and meets climate disclosure risk management and reporting requirements.

Under the Audit, Risk and Sustainability Committee Charter, the Committee must be comprised of a minimum of three members who are each non-executive directors, the majority of whom are also independent directors and at least one director with an accounting or financial background. Further, the Chair of the Committee is required to be independent and not also be the Chair of the Board. The Chair of the Committee is not permitted to have been an audit partner or senior manager at Serko's external audit firm within the past three years.

The current members of the Committee are Jan Dawson (Chair), Clyde McConaghy and Claudia Batten. All members are independent, non-executive directors. Their qualifications and experience are set out in the latest Annual Report. Jan Dawson is a financial expert.

People, Remuneration and Culture Committee

The primary function of the People, Remuneration and Culture Committee is to oversee remuneration and people-related policies and practices at Serko, oversee executive succession planning and make recommendations to the Board on Serko's culture and employee wellbeing. The Committee is also tasked with annually monitoring and evaluating the company's performance with respect to its Diversity and Inclusion Policy.

Under the People, Remuneration and Culture Committee Charter, the Committee must be comprised of a minimum of three members, all of whom are independent directors. The Chair of the Committee is required to be independent and may not also be the Chair of the Board.

The current members of the Committee are Clyde McConaghy (Chair), Jan Dawson and Claudia Batten. All members are independent, non-executive directors. Their qualifications and experience are set out in the latest Annual Report.

Takeover Response Guidelines

Serko's Takeover Protocol and Independent Committee Charter sets out the procedure to be followed in the event Serko was to receive a takeover offer. This procedure was last reviewed in 2022. The Independent Committee is not a standing committee of the Board and will be formed only as and when required to respond to a takeover offer that causes some directors to be conflicted.

Reporting & Disclosure

Serko is committed to the promotion of investor confidence by ensuring that the trading of company shares takes place in an efficient, competitive and informed market. The Board is tasked with ensuring the integrity of financial and non-financial reporting to shareholders. During the financial year, we have focused on readying Serko for climate disclosure reporting and enhancing other non-financial reporting. A comprehensive ESG programme is being implemented to support these initiatives, which is overseen quarterly by the Audit, Risk and Sustainability Committee.

Market Disclosure Policy

Our Market Disclosure Policy guides Serko's compliance with the continuous disclosure requirements of the NZX Main Board. In addition, directors and management consider at each Board meeting whether there are any issues that have arisen that require disclosure to the market.

Serko has established a Disclosure Committee whose role it is to determine whether information is 'material information' and whether the material information is required to be released to the NZX and ASX. The Disclosure Committee comprises the Board Chair, the Audit, Risk and Sustainability Committee Chair, the Chief Executive Officer, the Chief Financial Officer and the General Counsel.

The Disclosure Committee is governed by the Market Disclosure Policy and is responsible for implementing that Policy.

Financial Reporting

The Board is responsible for ensuring the integrity of its financial reporting. The Audit, Risk and Sustainability Committee closely monitors financial reporting risks in relation to the preparation of the financial statements. The Audit, Risk and Sustainability Committee, with the assistance of management, also works to ensure that the financial statements are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

As part of this process, the Chief Executive Officer and Chief Financial Officer are required to state in writing to the Board that, to the best of their knowledge, the company's financial reports:

- Present a true and fair view of the company's financial condition and operational results;

- Are prepared in accordance with the relevant accounting standards; and

- Are founded on a sound system of risk management and internal control that is operating effectively.

Non-financial Reporting

To assist shareholders to make meaningful investment decisions, in addition to reporting historical statutory financial information, we are committed to providing shareholders with a balanced and understandable assessment of Serko's performance, business model, strategic objectives and progress against meeting those objectives at each earnings announcement and in its full-year reports.

Serko is committed to developing long-term value creation. As part of this commitment, the Board is focused on delivering a sustainable future for its business, people, customers, partners and communities by doing what is right.

To demonstrate this, Serko has chosen to report against the UN Sustainable Development Goals (SDGs), which are a set of global initiatives set by the United Nations for everyone to contribute to. For Serko, the SDGs are a way to see which areas of sustainability it is directly contributing to and how they relate to a larger vision for positive change. Information about Serko's ESG initiatives are set out in this ESG Report.

Remuneration

Serko is committed to remunerating its non-executive directors, executive directors and employees fairly, transparently and reasonably. Our remuneration practices are detailed in the Remuneration Report included in the latest Annual Report.

Risk Management

Serko is committed to proactively and consistently managing risk to:

• Enhance and protect Serko's value by delivering on its commitments and meeting stakeholders' expectations;

• Allow Serko to pursue opportunities in an informed way and aligned with the Board's risk appetite; and

• Ensure a safe and secure environment for Serko's people (employees and contractors), partners and customers.

Serko's Risk Management Policy is included in the Corporate Governance Manual published on its website. We have a comprehensive risk management framework for the oversight and management of financial and non-financial business risks, as well as related internal compliance systems.

The Board has ultimate responsibility for Serko's risk management and internal control system, setting the 'tone at the top' with regards to our risk culture. The Audit, Risk and Sustainability Committee, under delegation from the Board and in conjunction with management, regularly reports to the Board on the effectiveness of the company's management of its material business risks and whether the risk management framework and systems of internal compliance and control are operating effectively and efficiently in all material respects.

The Audit, Risk and Sustainability Committee conducts at least quarterly reviews of Serko's risk management framework, risk appetite and principal risks, to satisfy itself that the company's approach to risk continues to be sound. A comprehensive review of Serko's risk management framework and capabilities was conducted in FY22, with continued enhancements implemented during FY23.

Further details on Serko's risks and risk management processes are detailed on of this Report.

Auditors

External Auditor Independence

Serko has an [External Audit Independence Policy](#) that requires, and sets out the criteria for, the external auditor to be independent. The Policy recognises the importance of the Board's role in facilitating frank dialogue among the Audit, Risk and Sustainability Committee, the auditor and management.

The Policy prescribes the services that can and cannot be undertaken by the external auditor, which are designed to ensure that services provided by Serko's external auditor are not perceived as conflicting with its independent role.

The Policy requires that the key audit partner is changed at least every five years so that no such persons shall be engaged in an audit of Serko for more than five consecutive years. In addition, three years must expire between the rotation of an audit partner and that partner's

next engagement by Serko. In accordance with this Policy and the NZX Listing Rules, the key audit partner rotated at the end of the FY22 audit. Serko last changed its audit firm in 2017.

The Audit, Risk and Sustainability Committee Charter requires the Committee to facilitate the continuing independence of the external auditor by assessing the external auditor's independence and qualifications and overseeing and monitoring its performance. This involves monitoring all aspects of the external audit, including the appointment of the auditor, the nature and scope of its audit and reviewing the auditor's service delivery plan. In carrying out these responsibilities the Audit, Risk and Sustainability Committee meets regularly with the auditor without executive directors or management present, and the key audit partner has direct contact with the Chair of the Audit, Risk and Sustainability Committee.

The auditor is restricted in the non-audit work it may perform, as detailed in Serko's External Audit Independence Policy. For further details on the audit fees paid and work undertaken during the period, refer to the latest Annual Report. The Audit, Risk and Sustainability Committee regularly monitors the ratio of fees for audit to non-audit work.

The lead audit partner will be present at Serko's Annual Shareholder Meeting to answer questions from shareholders in relation to the audit.

Internal Audit

While Serko has an internal auditor to oversee the company's data security processes, it does not have a dedicated internal audit function. Instead, internal controls are managed on a day-to-day basis predominantly by the finance, legal, compliance and security teams. Compliance with certain internal controls is reviewed annually by Serko's external auditor. The Board, finance, legal, compliance and security teams regularly consider how Serko can improve its internal assurance and risk management practices during Serko's annual governance review, quarterly risk reviews, preparation of interim and full-year financial statements and following Serko's annual financial audit. The Audit, Risk and Sustainability Committee oversees these reviews and the controls Serko has in place to manage risk.

Shareholder Rights & Relations

Information for Shareholders

Serko is committed to maintaining a full and open dialogue with our shareholders (and other interested stakeholders) and we have in place an investor relations programme to facilitate effective two-way communications with shareholders.

The aim of Serko's investor relations and communications programme is to provide shareholders with information about the company and to enable them to actively engage with the company and exercise their rights as shareholders in an informed manner.

We facilitate communications with shareholders through written and electronic communications and by facilitating shareholder access to directors, management and the company's auditor.

We provide shareholders with communications through the following channels:

- The investor section of Serko's website;
- Full-year reporting and half-year results;
- The annual shareholders' meeting;
- Regular disclosures on company performance and news via stock exchange online disclosure platforms; and
- Disclosure of presentations provided to analysts and investors during regular briefings.

Serko's website is an important part of the company's shareholder communications strategy. Included on the website is a range of information relevant to shareholders and others concerning the operation of the company. Serko has published on its website this ESG Report, which outlines our governance practices.

Shareholders may, at any time, direct questions or requests for information to directors or management through Serko's website or by sending emails to investor.relations@serko.com.

We provide shareholders with the option to receive communications from, and send communications to, the company and its share registrar electronically. The majority of Serko shareholders have elected to receive electronic communications.

Shareholder protections and voting rights

All ordinary shares on issue have the same voting rights, each conferring on the registered holder an equal right to vote on any resolution at a meeting of shareholders.

In accordance with the Companies Act 1993, Serko's Constitution and the NZX Listing Rules, Serko refers major decisions that may change the nature of Serko to shareholders for approval.

Serko conducts voting at its shareholder meetings by way of polls, reflecting the principle of one share, one vote. Further information on shareholder voting rights is set out in Serko's Constitution.

Serko did not raise any capital during the period.

Annual Shareholders' Meeting

Serko's 2023 Annual Shareholders' Meeting is intended to be conducted as a hybrid meeting, enabling shareholders to attend in person or participate in the meeting virtually. A hybrid meeting is considered to provide the broadest opportunity for shareholder engagement with the company.

Shareholders will be given an opportunity at the meeting to ask questions and comment on relevant matters. In addition, Serko's lead audit partner from Deloitte will attend the meeting and will be available to answer any questions about its Audit Report. A Notice of Meeting will be sent to shareholders in advance of the meeting.

Risk Management

Risk Management

Serko is committed to proactively and consistently managing risk to:

- Enhance and protect Serko's value by delivering on our commitments and meeting stakeholders' expectations;

- Allow Serko to pursue opportunities in an informed way and aligned with the Board's risk appetite; and

- Ensure a safe and secure environment for our people (employees and contractors), partners and customers.

Risk management framework

Serko has a comprehensive risk management framework for the oversight and management of financial and non-financial business risks, as well as related internal compliance systems that are designed to:

- Optimise the return to, and protect the interests of, stakeholders;

- Safeguard the company's assets and maintain its reputation;

- Improve the company's operating performance;

- Fulfil the company's strategic objectives; and

- Manage the risks associated with Serko's operations.

A comprehensive review of Serko's risk management framework and capabilities was conducted in FY22, with continued enhancements implemented during FY23. The Audit, Risk and Sustainability Committee continues to oversee the implementation of the recommendations resulting from the review and the ongoing programme of work to continue to enhance risk management practices throughout the organisation.

Serko has in place mitigation strategies for managing its key risks within Board-defined tolerances based on the approved risk appetite statement. In addition to its mitigation strategies, Serko maintains comprehensive insurance coverage.

Principal business risks

The following table highlights some of the key business risks for Serko and the mitigation activities that are in place or planned. Each of these risks, if realised, could impact Serko's ability to achieve planned revenues or to execute on its strategy.

Risks

Impact of global events

As a travel technology provider, Serko faces significant exposure to changes in demand for business travel services due to a variety of global events that could impact the travel industry. Significantly weakened global conditions, as a result of the pandemic, geo-political instabilities or other events, could harm our business and financial condition.

Platform stability and data security

Serko faces significant exposure to hacking, cyber-attack or similar due to its online software hosting, Cloud/SaaS services revenue model and role as a data processor. Serko may also suffer loss of service as the result of failure or unplanned outage of IT hosting providers due to its online software hosting and Cloud/SaaS services revenue model.

Mitigation Strategies

- Alternative operating models in place targeting different traveller types, across multiple markets
- Monitoring key trends in global and regional travel
- Expanding our offering to different content channels and alternative, more sustainable modes of transportation
- Maintaining sufficient capital reserves

- Business continuity and disaster recovery planning
- Continuous platform monitoring and incident response process
- Platform modernisation and openisation initiative
- Payment Card Industry Data Security Standard (PCI DSS) compliance and regular audits
- Data security awareness training for all Serko employees
- Governance and oversight by the Audit, Risk and Sustainability Committee and maturity assessment programme
- Dedicated Chief Information Security Officer and Security Team to manage data security risks on a daily basis
- External parties for independent testing as appropriate
- Incident management programme
- Serko hosts its data in Microsoft Azure data centres in several geographic locations. All locations have the same security practices and procedures in place to protect Serko's and our customers' information
- Developers educated on NIST (National Institute of Standards and Technology) secure coding methodology
- Code scanned prior to production release for coding vulnerabilities
- Vulnerability management employed across code libraries

Principal business risks (continued)

Attracting and retaining skilled employees

Serko's business strategy requires us to attract and retain highly skilled talent in a competitive labour market globally. Coming out of Covid-19 restrictions we anticipate seeing employees look to explore global career opportunities. This may impact the flow of talent both into and out of New Zealand and, therefore, Serko.

Competition and new technologies

Serko continues to face exposure to a variety of new and existing competitors in new and established markets. New technologies could alter the existing value chain for travel and expense, disrupting existing flows, processes, players and/or underlying technology that Serko's business is based on.

Access to capital

Serko's growth in key markets and changing market conditions continue to impact Serko's ability to forecast revenues with precision. Prudent capital management is essential. Serko's expansion into new markets introduces many treasury complexities and also requires careful capital management practices to ensure that the level of investment in development work is appropriate and that Serko can continue to fund its operations.

Key customer and partner relationships

Serko relies on the strength of its relationship with Booking.com for its unmanaged travel offering and its reseller relationships for its core online booking tool business.

- Focus on building strong sustainable pipelines of internal and external talent for critical or hard-to-fill roles
- Identification of critical talent, execution of stay interviews and retention planning
- Increased focus on career development pathways and learning and development opportunities for our teams
- Review of our total reward structure to ensure we remain competitive with the technology market
- Succession planning for Senior Leadership roles and critical or hard-to-fill roles

- A culture of continuous innovation
- Systems in place for monitoring and responding to competitive threats
- Continued development of strategic partnerships

- Use of scenario planning in conjunction with forecasting and budgeting processes with strict capital management targets
- Governance oversight of capital allocation and investment by the Board
- Monthly treasury and capital management reporting to the Board
- Strong investor relations programme

- Developing unmanaged travel offering and different content offerings
- Programmes to incorporate customer feedback into product design and prioritisation
- Product health monitoring and quality controls for product development and release
- Continued investment into portfolio and program management and monitoring capabilities
- Continuing to pursue global reseller relationships in new geographies to reduce concentration risk, with continued investment in direct go-to-market sales
- Investing in Customer Advisory Group workshops to develop community engagement with key customers
- Developing Serko's channel partner programme to support sales and operational enablement for strong and healthy reseller partnerships

Principal business risks (continued)

Health and safety

The covid-19 years had Serko's Health, Safety and Wellbeing focus on enabling the workforce through flexible and remote working practices. As people are now returning in high numbers to regular office-based work, our focus has shifted to ensuring safety when bringing people together through offering ergonomic workstation options, wellbeing workshops and a zero tolerance for bringing illness to work.[1]

Operational risks associated with global expansion

Serko has operations in New Zealand, Australia, China, USA and UK. As Serko grows in these markets and expands globally, the complexity of its business increases, as will a range of associated operational and compliance risks.

Environmental risks (including risks associated with climate change)

Environmental disasters or catastrophic events and the impact of such events on the travel industry or on the global economy could have negative effects on our business, partners, suppliers and customers. Those events could include impacts of climate change, including the increased likelihood of extreme weather events and longer-term impacts like the predicted rise in global sea levels.

Data privacy

Serko's business involves the collection, use and processing of personal data. The global data privacy landscape is complex and evolving. As Serko's business expands with new products and into additional markets, Serko will become subject to additional data privacy regulations. The failure to protect personal data and comply with data privacy regulations could result in financial penalties, operational inefficiencies, intervention by regulators and negative impacts to reputation.

- Dedicated programmes to support employee wellbeing, including flexible work arrangements and wellness
- Regular pulse and listening surveys
- Pandemic policies that are regularly reviewed to adapt to the changing health and safety risks presented by pandemics

- Strategic initiatives aligned top-down with operating plans and OKRs (objectives and key results) to regularly measure progress
- Enhanced risk management framework and processes
- A comprehensive risk assessment of global expansion has been completed
- Enhanced privacy risk assessment processes implemented during FY23 with a commitment to complete privacy obligation assessments for all new markets

- Detailed climate-related risk analysis completed. Risks identified are to be managed through our risk management framework.
- A roadmap has been developed to meet climate disclosure requirements in FY24
- Carbon emissions inventory prepared and assurance reviewed to inform opportunities to reduce Serko's carbon footprint over time
- Offering sustainability tools to assist our customers to assist them to manage their carbon emissions and climate-related risks

- Establishment of Data Governance Group to provide oversight and guidance on specified data-related matters; review and implement new and improved processes for data-related work streams and projects
- Further embedding a privacy culture within the business and roll out of additional training
- Enhanced privacy processes implemented during FY23
- Privacy obligations assessments for new markets
- Data security initiatives and protections as referred to above

1 For more information on how Serko manages its Health & Safety risks, refer to the Social section of this ESG Report.

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