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B Corp Impact Report 2022



Introduction

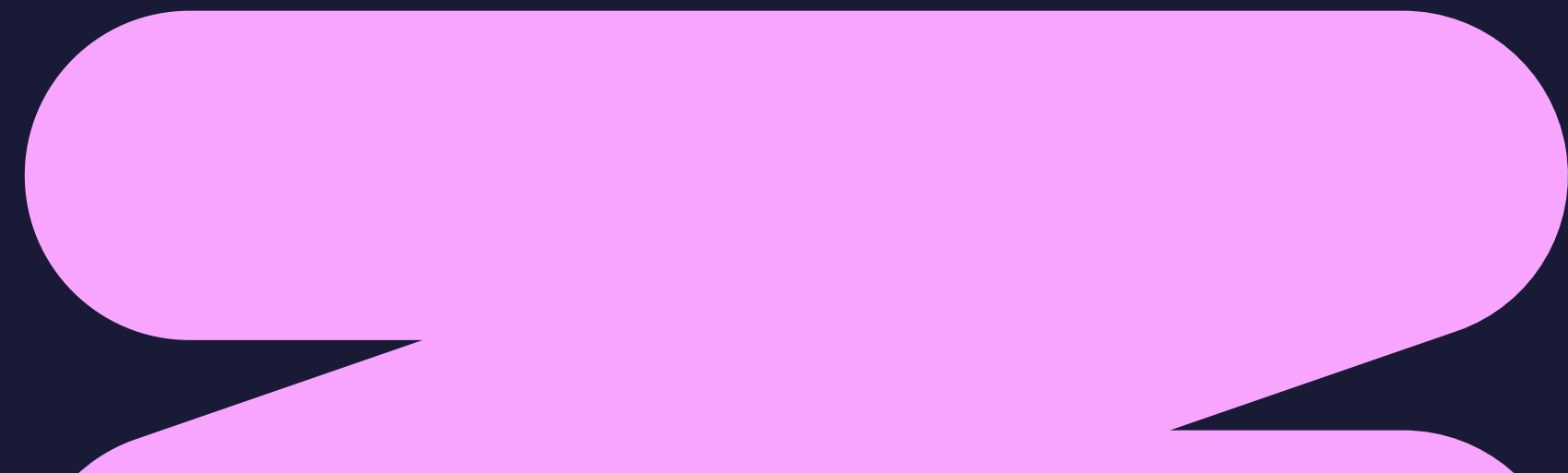


2022 was our third year as a B Corp. And what a year it was! In April, the studios became an employee-owned business. We can't think of a better manifestation of the B Corp mission and values.

As a certified B Corp, we have committed to giving more than we take from the world. We want to run a business that is creating value for our clients, profit for our partners, and benefits for people and the planet. Our commitment is to build and partake in an economy that works for everybody — partners, customers, community, and the environment.

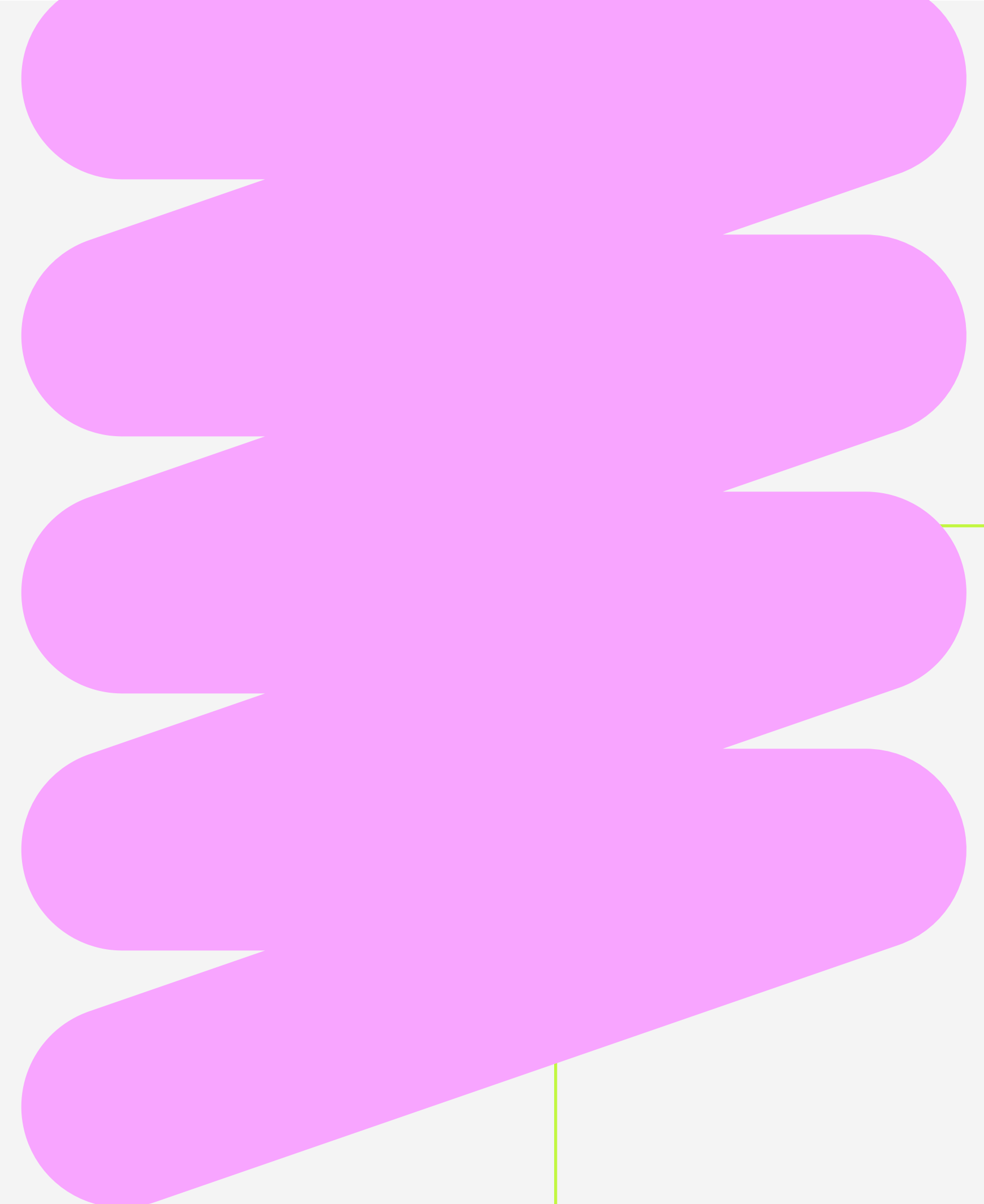
B Corp provides us with a set of objectives and goals to reach, from our customer impact to our civic and community engagement. B Corp is a moral compass, a set of guidelines that help us make the right decisions. This work will never be finished. In this spirit, we present to you our 2022 B Corp Impact report, a summary of both our accomplishments and areas that we need to address in the future.

— the partners of ustwo studios



What we did in 2022

B Corp measures our progress across a number of areas: our people, our community, the environment, our customers, and our governance. Some of our 2022 highlights include...



People

- We became an employee-owned company
- We shared 1/3 of our profit with our partners
- We introduced a Diversity, Equity and Inclusion (DEI) escalation policy

Customers

- We started a process to more systematically track the business, social, and environmental impact of our work

Impact of our work

- We launched groundbreaking fitness and health apps for the Body Coach and Peloton
- We moved to a more regular and comprehensive customer satisfaction survey

Community

- We set requirements regarding the social and environmental practices of our vendors
- We gave all our partners one volunteering day per year
- We organised various internal initiatives to inspire and train our partners to be more supportive and inclusive

Environment

- We joined the NetZero by 2030 pledge and committed to an emission tracker
- We continued our partnership with Ecologi and have now planted 57,795 trees and helped fund 38 projects.
- We worked with our Landlords to improve the energy efficiency of our studio spaces

Governance

- We added three elected employee representatives to our board
- We rolled out a comprehensive OKR / metrics framework to measure our impact on clients, talent, communities and the environment
- We strengthened our financial control and anti-corruption practices and improved IT and data security

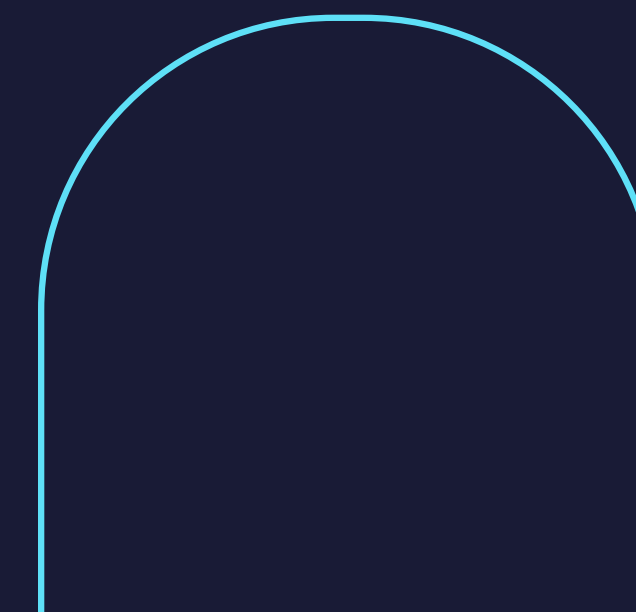
Becoming an Employee Ownership Trust (EOT)

In April 2022, ustwo studios became an employee-owned business. Our founders reduced their equity and transferred the majority ownership of the business to all current and future employees through an EOT. We are very proud of this move to preserve our independence, culture, and values. By making our employees partners in the business, we seek to unlock the entrepreneurial potential of our people to take us to places that we could have never imagined.

We think that employee ownership is not just important for ustwo's future, but for our society more broadly, to address widening inequality, worker's rights and participation, and the "great resignation" of talent. There is extensive research to demonstrate that companies where at least 30% of the shares are owned by a broad-based group of employees are more productive, grow faster, and are less likely to go out of business than their counterparts. Distributing business ownership more broadly is also one of the most effective ways to address problems of inequality.

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We seek to unlock the entrepreneurial potential of our people



People



The Covid-19 pandemic still overshadowed our lives in 2022, and we continued to provide resilience training in our studios to support our partners. We also invested in mental health support and other wellbeing initiatives. We improved the way we promote and monitor attendance of our global training initiatives.

It's important to us that all our partners feel psychologically safe and have the ability to openly raise concerns and address issues that may arise. We created and rolled out

a DEI escalation policy with a clear and transparent process. Importantly, we are giving our partners different avenues and options to escalate issues and ask for support.

In the U.K., we moved our pension funds to a provider with a socially and environmentally responsible managed portfolio.

As it has long been our practice, we also shared 1/3 of our profit with our partners.



Clients

As a digital product studio, we are focused on creating products and services that matter. The pandemic put enormous strain on our health and social systems, on schools and families, and our mental wellbeing. A lot of our client work this year was focused on giving users, families, and communities the tools to improve their health and resilience.

For example, we partnered with the Body Coach to launch one of the U.K.'s most popular health and fitness apps. We also created a groundbreaking workout experience with Peloton that combined game design principles with product design to help people reach their fitness goals.

We also did more work than ever before in education, working on digital tools for students, teachers, and parents.

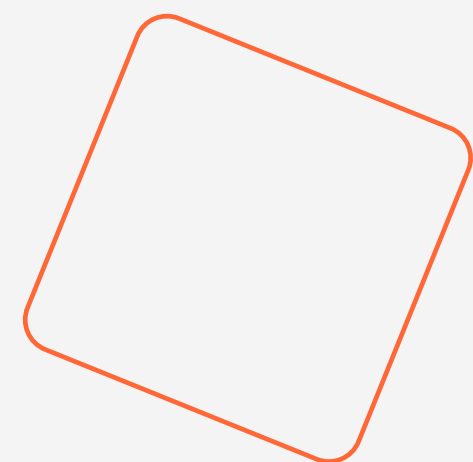
We have monitored our client satisfaction for several years but in a more ad hoc fashion. In 2022, we introduced a systematic quarterly client satisfaction survey. We are thrilled that our results consistently exceed industry standards. Our November 2022 score was our best result on record.

We also developed a new process to better measure the business impact of our client work.



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We are focused on creating products and services that matter.



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We strive to build balanced teams that reflect our communities

Community

We strive to build balanced teams that reflect the communities that surround us and aim to foster an environment that makes everyone feel they belong at ustwo. We organised various internal initiatives to inspire and train our partners to be more supportive and inclusive of one another. A good example for this is a “Global Behaviours of Inclusion” training for new hires.

We also collaborated directly with community organisations. For our Open Studio initiative in London, we provided space to eight different community projects. We also hosted a panel dedicated to Black women in tech and design. In Malmö, we partnered with Pink Programming to organise a coding workshop for women and non-binary people in tech.

In New York, we partnered with the ADPList BeMore Festival to offer free portfolio reviews

We started to set requirements regarding the labour practices of outsourced staffing service providers, including compliance and payment at or above industry benchmarks. We also started to ask our vendors to provide Environmental, Social, and Governance (ESG) rating documentation or sustainability reports.

B Corp and the community is important to all partners, so we each have one volunteering day per year to use as we see fit. We also encouraged and matched donations to various charities, for example on behalf of the victims of the war in Ukraine.

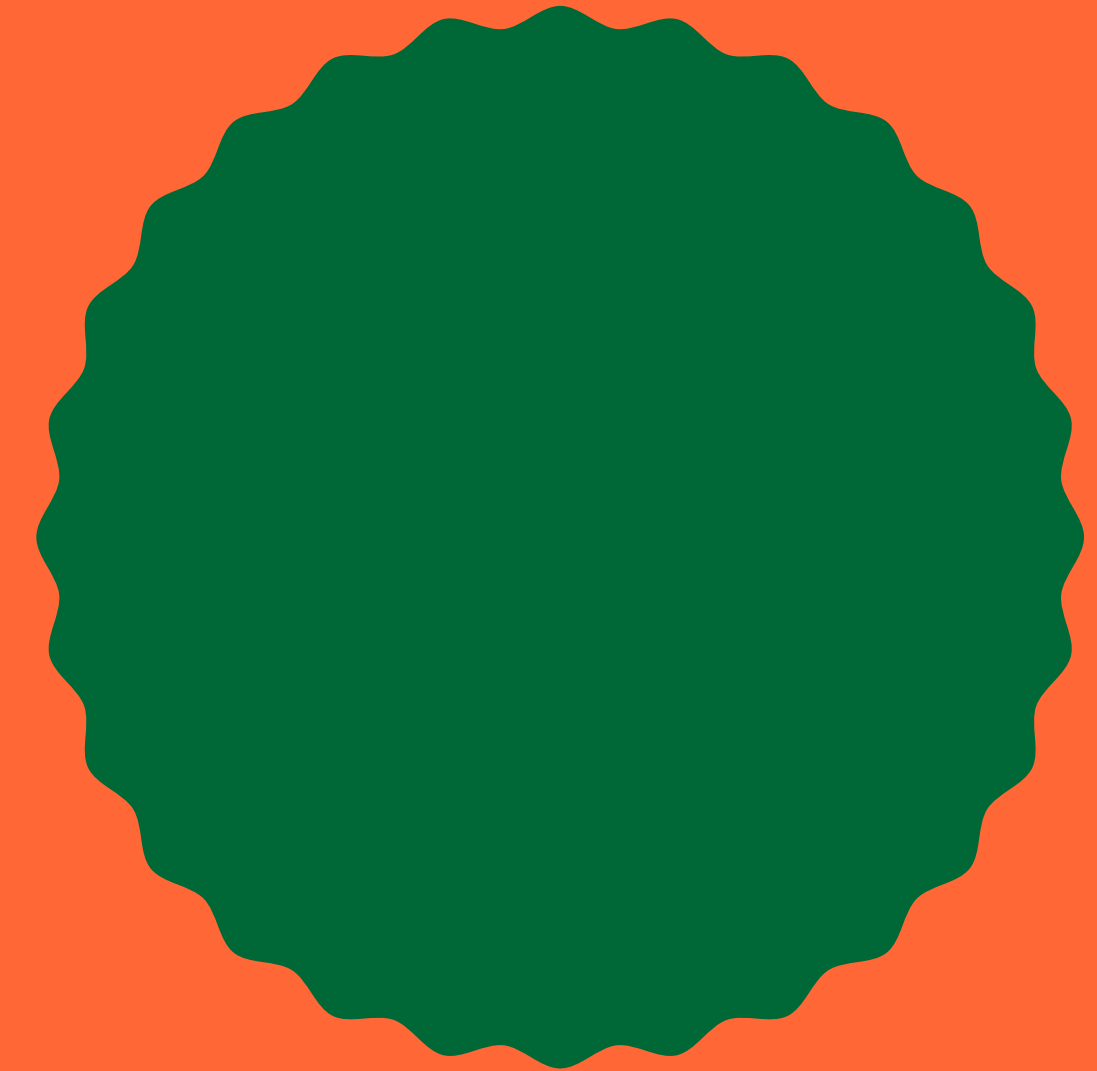
Planet

We are proud to be one of the 1800+ companies that joined the Net Zero 2030 pledge with the B Corp Climate Collective. To realise this commitment, we selected Normative as our emission tracker.

We took a number of steps across our studio facilities in 2022 to improve our carbon impact and energy usage. Our new studio in New York is in a certified Green Building. Our European studios are now powered by renewable energy (London) and low-impact energy (Malmö).

In 2021, we started our 'ustwo forest' to help offset ustwobies' carbon footprint inside and outside work. This tree planting partnership with Ecologi has now resulted in 57,000 new trees planted and 3,534 tons of carbon reduction.

We also kicked off the process of "greenifying" our website, ustwo.com, including the reduction of bandwidth usage and switching to service providers who exclusively use renewable energy.



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We further strengthened our financial control and anti-corruption practices

Governance

The governance section of the B Corp certification assesses how a company is structured and run at the highest level. This includes management structure, oversight, mission, ethics and transparency, and various operational aspects.

We made important changes to our formal oversight as part of becoming an EOT. Our board provides oversight for the studios and its management team and sets high-level objectives. To reflect our employee ownership, we added three elected employee representatives as advisors to our board. These partners are not

members of the management team and have brought a fresh voice and perspective to the board. We also have an independent Trustee that represents the interests of the EOT on behalf of the partners.

In 2022, we rolled out a comprehensive OKR / metrics framework to measure our impact on clients, talent, and our social and environmental impact.

We further strengthened our financial control and anti-corruption practices and improved our IT and data security



What we'll do in 2023

Our commitment to giving more than we are taking from the world is ongoing, and we have identified a number of areas where we want to focus our B Corp efforts in 2023.

We see a lot of excitement among our partners for the B Corp mission, and many people are asking how they can get more involved. This is why we want to focus our activities on areas where more of our partners can make a difference.

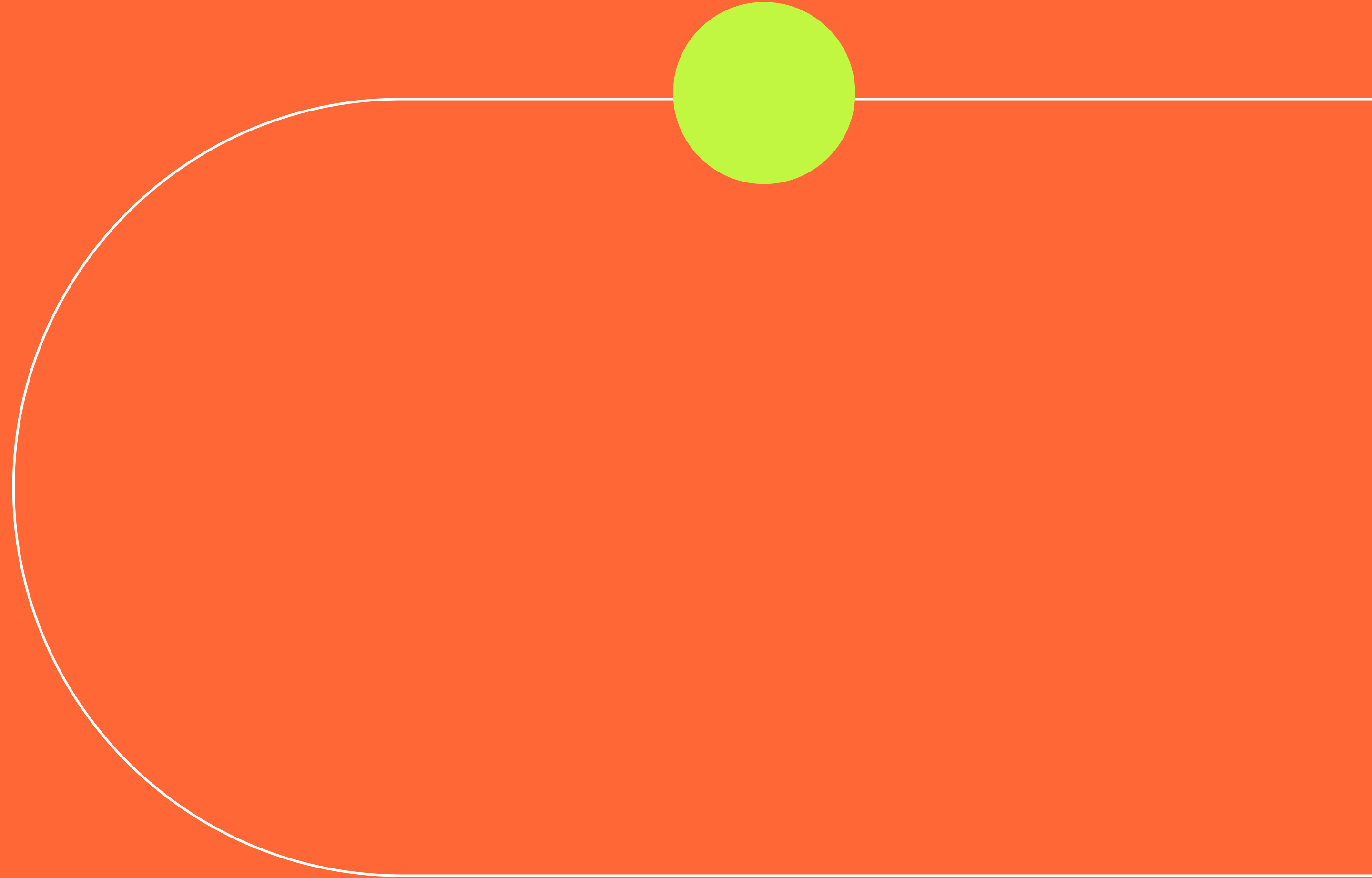
This includes but is not limited to:

- Provide more professional experiences and opportunities for members of underrepresented groups – be it an internship, job, portfolio reviews or mentoring.
- Making B Corp content and material a standard part of our onboarding and offering tools to better incorporate B Corp into decision making and tracking on projects.
- Increase volunteering by our partners

In 2022, we didn't see any significant changes in the composition of our team and the inclusion survey that we field every six months to all partners. In 2023, we want to calibrate our DEI activities to offer more focus and deliver tangible impact.

We will also continue to look for opportunities to reduce our environmental impact and improve our governance.





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