



Environmental Social Governance at Liferay

Introduction

The original founders started Liferay believing that a for-profit technology company could be a channel for serving others. With this purpose in mind, Liferay's measures of success, business strategies, and operations are heavily influenced by having a positive impact on the communities we operate in. We want to do good and this ultimately starts with our people who are our core asset to reflect our values, who enable us to do good, and who are our primary focus when we look at the impact we can have on local communities.

Consequently, we believe people are inherently valuable. We respect people, invest in relationships, and celebrate one another. Our commitment is to produce excellence, lead by serving, trust in one another, and work hard together.

As our mission statement says, we desire **“to make it possible for people to reach their full potential to serve others by building a vibrant business, making technology useful, and investing in communities.”**

Environmental social governance is part of our DNA as an organization. We believe that being successful can only be measured against the ways in which we achieve that success. For Liferay, we believe that being profitable and impactful should go hand-in-hand and do our best to live this out in the way we serve others.

Corporate Governance

Liferay's Board and the C-level leadership set high standards for themselves and employees. We have adopted a **Liferay Code of Business Conduct and Ethics** which applies to all associates, employees, staff and other representatives, temporary and permanent, of Liferay to ensure compliance with applicable laws and ethical standards.

In addition, we have adopted policies covering topics of the Code of Business Conduct and Ethics in greater detail. A few specific policies and procedures we have in place include:

- Liferay's anti-corruption policies on **Commercial Practices, including Charitable, Political, Entertainment and Personal Gift Giving Activities and on Government Practices and Payments;**
- **The Intermediary Vetting Program** for our partners with the respective training and communication;
- Our **Policy on Approvals and Signature Authority for Commitments, Contracts and Legal Undertakings** and our **Approval Framework for Revenue Agreements and Associated Policies** in order to ensure that all undertakings of the company have received the appropriate level of review.
- Our **UK Modern Slavery Act Statement** affirms that we aim to ensure that there is no slavery or human trafficking in our business nor in our supply chain.

- We have set up a **Vendor Risk Management** program; We evaluate our vendors using criteria such as the vendor's criticality to our business, compliance and potential access to our and our customers' information. Our Brazilian office also has an annual local vendor audit for social impact and sustainability.

Compliance with data protection laws and Information Security is key to our business. We implement automated standardized processes to ensure data protection compliance and we perform data privacy risk assessments; We secure data in line with privacy regulations and we bring information security and policies and certifications to our offerings and we ensure business continuity; We have dedicated, increased Information Security and Data Privacy teams alongside departmental Privacy Champions to drive privacy and security related execution and to oversee our continuous data privacy and information security efforts; We constantly train, test and inform our staff globally on data privacy and information security.

If you are interested in learning more about Liferay's compliance efforts please contact compliance@liferay.com.

Our environmental social governance efforts are overseen by our General Counsel in close collaboration with our CEO, CPO, and CFO.

We monitor environmental, social, and governance (ESG) developments in the societies we operate in, consider the interests of our customers and partners, and assess the possible impact of our activities on both our business and society. In this context it is clear that as a global company serving customers and partners in many industries we can face a broad and complex variety of ESG topics that are important to our internal and external stakeholders. Therefore, the review processes and corresponding impact assessments are designed to identify the most preeminent topics which then form the basis and influence the priorities of our ESG strategy. As it is for all strategic planning activities throughout the company, prioritization is also an integral part of our approach to social and environmental responsibility.

We review and revise our priorities on an ongoing basis through the above mentioned reviews and assessments of the current and future operating environment for our company.

We report on ESG matters to the Liferay Board laying out our overall review and assessments of priorities and specific reports on individual topics.

In addition, we plan to periodically make reports available to both our broader staff and external stakeholders, including customers and partners.

Many of the environmental and social issues which we determined most significant to our business and our stakeholders and the initiatives we undertake to address these issues are discussed in the following sections, including:

- Employees / People / Culture,

- Social Impact / Community, and
- Environment / Sustainability.

As we highlight these topics, it is not a comprehensive view of all topics of importance to our business or society. Instead, they represent a set of areas of known interest to our internal and external stakeholders as of the date of this update. As the landscape of topics and the degree to which they impact society and our business are constantly evolving, we will continue to refine how we identify, review, assess and report on those issues.

Employees / People / Culture

At Liferay, we have always sought to create a place where our employees, partners, and customers can personally flourish together. Liferay is a minority owned Company. We come from the perspective that all people are inherently valuable (as stated in our “**Value People**” Core Value). As such, our inclusion efforts naturally align with who we are as an organization.

Our HR department continues to work to ensure our company continues to promote that vision by hiring diversely and enabling each of our employees to thrive in an inclusive environment where they know they belong.

Some more recent focal areas for this work have been:

- Global **remote or hybrid work** options, with specific provisions to provide for **mental health and wellness support**;
- An emphasis on **work-life balance** that focuses on giving employees the permission they need to take time for themselves and other personal priorities outside of work;
- Executing a holistic, phased approach to **Equity & Inclusion** including:
 - Global adoption of a third party salary data system that ensures **equal pay** to employees in each of our major functional departments;
 - Utilizing our Employee Engagement Survey and People data to set measurable baselines around equity and inclusion and to measure progress;
 - Continuing compliance education courses for **managers** around the topic of diversity, inclusion, and encouraging open dialogue;
 - Continuing compliance education courses for our **entire global staff** on how each person plays a role in building an inclusive culture and giving them tools to have conversations around belonging
- **Supporting** the growth and formation of employee-led initiatives;

- Continuous enhancement of our recruitment process to bring in underrepresented talent, **recruitment efforts** that actively target underrepresented talent, resulting in more diverse talent slates for open positions across the organization;
- Building and refining robust **university internship and trainee /apprentice programs** targeting a diverse candidate pool & providing mentorship.

Social Impact / Community

We believe that for-profit organizations can be a vehicle for good in the world. We strive to serve the communities where we live and work through financial donations, volunteering, and education and training.

Liferay from its inception has aimed to donate ten percent of our profits to charitable organizations through our non-profit, **Liferay Foundation**. While some of the recipients are designated by members of the Liferay Foundation board, many are designated by employees. When possible, we seek to use financial donations to supplement our non-financial impact in the community.

One way we do this is through our **Employee Volunteer Program (EVP)**. EVP provides Liferay employees with allotted paid time off and grant funds to pursue and cultivate their desire to serve. EVP was created because we've found that our employees, who hail from a multitude of different backgrounds, countries, religions, socio-economic status, and lifestyles, share a common interest: helping others—especially in ways that empower those people to help themselves. But, they are often faced with the barriers of lack of time, funds, or direction in pursuing service. So, we seek to remove these obstacles through EVP.

Whenever possible, we try to make our financial and volunteering impact within a local context. For example:

- Several of our employees have volunteered with an organization serving at-risk youth in the Pomona community, about 20 minutes from our Diamond Bar office. This was supplemented with donations to the organization.
- When flooding hit parts of Western Germany in 2021, employees from our Frankfurt office used their EVP time and funds to help with the clean up and restoration of family homes.

Sometimes our impact is made further afield. In the wake of the Tohoku earthquake and tsunami in 2011, for example, Liferay employees made several trips to the area to help with the clean up and rebuilding efforts. This again was supplemented with donations to long-term organizations who had an ongoing commitment to the area.

Another guiding principle for Liferay's community impact is to help in ways that reduce or eliminate the need for help through education or prevention. For example, one of our non-profit partners, who works to fight human trafficking through prevention, rescue, and rehabilitation, have received both financial donations and volunteer time, including:

- Financial assistance to purchase land needed to build a safe house for rescued victims
- Volunteer hours to help build the safe house
- Volunteer hours to teach staff how to successfully organize a fundraising event
- Volunteer hours to learn how to use Salesforce CRM to manage donors
- Volunteer hours from developers to build a trafficking risk event database with analytics

Finally, we try to support those who are marginalized within a society, and have supported institutions advocating for minority education and community engagement with a long-term impact approach.

Here is a snapshot of the impact made by EVP over the last 13 years:



13 YEARS EVP HAS BEEN ACTIVE



30164 SERVICE HOURS COMPUTED



1.3M EUR GRANT MONEY DISTRIBUTED



1197 NUMBERS OF NONPROFITS SERVED



1389 EMPLOYEES THAT HAVE PARTICIPATED IN EVP

Environment / Sustainability

While our business is not energy- and resource-intensive, we try to take steps to minimize our environmental footprint. We utilize **data centers** with a **commitment to sustainable environmental performance**. Among other factors like cost and location, sustainability factors and environmental footprint are also important considerations when analyzing potential data centers in order to ensure that we can reliably deliver our services to our customers.

Within our offices world-wide we strive to engage in **responsible food sourcing from local vendors**.

As a technology company we fortunately do not use much paper and we encourage **waste reduction, management, and separation**. In this context, our **Brazilian office** initiated the **Green Liferay project**, which focuses on waste management, and waste separation and the respective communication and training of staff as well as aiming for waste reduction. In addition, vendors are audited for waste management.

Our **Hungarian office** planted a **mixed forest** of 3,200 pedunculated oaks and 600 Hornbeam (*Carpinus betulus*), enriched with 350 wild fruit trees (wild pears, wild apples, wild cherries) and 50 Field Elms at Felsőrákosi-rétek Természetvédelmi Terület. The trees were 1 year old when they were planted, and will expectedly become a small spectacular forest within 10 years. With this initiative Liferay Hungary aimed to contribute to reduce air pollution and to increase the natural habitat for wildlife. It was estimated that these 4,200 trees will sequester an average of 80 tons of CO₂ per year. Additionally, the planted trees are a symbol for children who are sick to give them hope of recovery.

Looking Ahead

Our engagement will have a continued focus on fighting poverty, helping those in need and with special needs, ensuring healthy lives and promoting the well-being of the communities that we operate in all over the world.

We are executing a holistic, phased approach to **Equity & Inclusion** which in its next phase will among other initiatives emphasize the following:

- Evaluating our feedback, evaluation, development, promotion and compensation structures to identify and address opportunities to ensure equity in our organizational design;
- Regular examination of our culture, processes and data to identify and address opportunities to **Grow and Get Better** (another Liferay Core Value).

We see the future as an important opportunity to advance our social impact initiatives and our local outreach, as we look to expand our efforts that intend to serve our communities.

We will look at environmental developments, review and revise our measures on an ongoing basis to re-assess relevant issues and to identify right priorities. We are trying to manage our climate impact and to enhance and expand our sustainability efforts globally. We anticipate that the various ways in which we help communities and society plays an important role in leading our company and ensuring a more sustainable future.

Inspired by our company history, the proven power of community, and by the amazing stories and actions that surround us everyday, we believe there are no limits as to what we can achieve when working together and supporting each other to reach our full potential. In this context we hope you, too, will be inspired to join us in creating a wonderful tomorrow.



Liferay makes software that helps companies create digital experiences on web, mobile and connected devices. Our platform is open source, which makes it more reliable, innovative and secure. We try to leave a positive mark on the world through business and technology. Hundreds of organizations in financial services, healthcare, government, insurance, retail, manufacturing and multiple other industries use Liferay. Visit us at liferay.com.

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