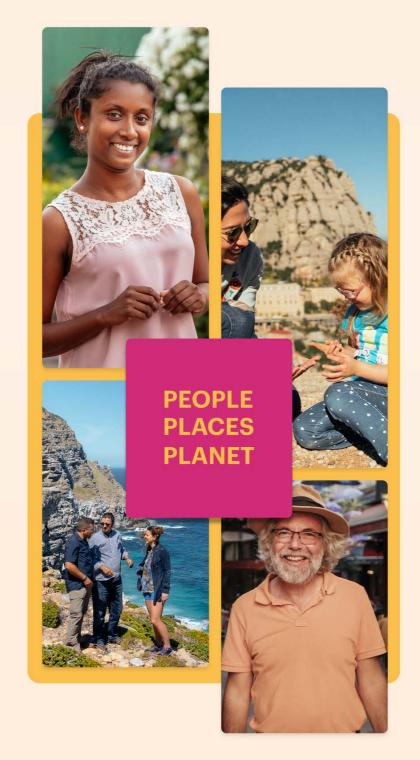
# **withlocals**



# IMPACT REPORT 2023

### **Contents**

### **Executive summary**

Purpose of the Impact Report Key Findings

### Introduction

Our Founding Story
Withlocals in a Nutshell
Our Mission
Objectives of the Impact Report
Responsible Travel Principles

### **B Corp Certification**

**B Corp Assessment Pillars** 

### Social-economic impact

Direct Economic Impact

Get to Know our Host Community

Empowerment of Local Hosts

Meet our Team

Supporting Local Businesses

Cultural Exchange

Tourism Industry Growth

Sustainable Tourism Practices

### **Environmental impact**

Carbon Footprint Reduction
Waste Management and Reduction
Promotion of Responsible Travel

### **Technological impact**

Digital Platform Development
Innovation in Local Experiences
Data as a Force for Good

### **Recommendations for future impact**

Expanding Withlocals' Destination Coverage
Strengthening Local Partnerships
Fostering Responsible Travel
Investing in Withlocals' Growth









# **Executive summary**

### **Purpose of the impact report**

The Withlocals impact report is a comprehensive analysis of the company's impact on the local communities where it operates. The report provides a comprehensive reflection on the achievements and progress of 2022 while also highlighting the proactive measures that have already been set in motion in 2023. Withlocals is a platform that connects travelers with local hosts who offer authentic experiences. The report aims to measure the social, economic, and environmental benefits that Withlocals has created for its hosts and the communities they are part of. By analysing data and feedback from hosts and travelers, the report will provide insights into how Withlocals has contributed to sustainable tourism, while also supporting local entrepreneurship and job creation.

Ultimately, this impact report will help Withlocals understand its role as a responsible tourism platform and identify areas for improvement to maximise its positive impact.

# **Executive summary**

### **Key findings**

Overall, the Withlocals Impact Report highlights the company's dedication to reshaping travel, fostering sustainable livelihoods, and inspiring responsible travel practices.

### **B Corp Certification**

Withlocals achieved B Corp certification, reflecting a high level of social and environmental responsibility and commitment to positive change.

### **Direct Economic Impact**

Withlocals generated over €8.1M in income for local hosts and local businesses in 2022, and over €25M since its founding.

### **Supporting Local Businesses**

Withlocals encourages local hosts to support small businesses, contributing to the local economy and culture. Around 50% of hosts' earnings in 2022 (€4M) went to local businesses.

### **Carbon Footprint Reduction**

Since 2020, Withlocals has offset all carbon emissions with partner Chooose™ In 2022 Withlocals offset over 1,800 tonnes of carbon emissions.

### **Digital Platform Development**

Withlocals has developed a sophisticated digital platform that utilises traveller experience design, data analytics, and artificial intelligence. The platform enables users to discover and access unique, tailor-made experiences that align with their interests and preferences.

### **Expanding Destination Coverage**

Withlocals has successfully expanded its reach to over 150 destinations worldwide and aims to expand in over 250 cities by the end of 2023, covering Asia, Europe, Africa, Australia, North American and South America.

### **Investing in Withlocals' Growth**

Withlocals emphasises growth and innovation to create a responsible and authentic travel experience. Withlocals is committed to providing better tools and resources for hosts, including training, support, technology, and marketing tools.



### **Our Founding Story**

The story of Withlocals began in 2013 when our founder, Willem, was travelling in India and connected with a friendly local named RP. Impressed by RP's knowledge of the local area and his passion for sharing it with others, Willem and his wife decided to take RP up on his offer to explore Rajasthan with him.

What followed was an unforgettable experience, with RP introducing them to local life, food, culture, and friends. It was this personal, authentic experience that inspired the idea for Withlocals - a platform that would enable more people like RP to earn a fair income by sharing their passion with travellers.

RP's enthusiasm for his city was infectious, but he was struggling to make ends meet. He suggested to Willem, "Can you set up a website in Europe to send guests to me directly?" This sparked the idea for Withlocals to connect passionate locals with travellers from all over the world and help them earn a living doing what they love.

Withlocals has now grown to become a thriving platform with thousands of hosts and guests from all corners of the globe. We are proud of the positive impact we have had on the lives of our hosts and travellers, and we remain committed to our mission of connecting people and cultures through authentic, sustainable and personalised experiences.



"There are many beautiful things in this world and there is only one way to get the most out it; by sharing them."

- Willem, founder Withlocals -

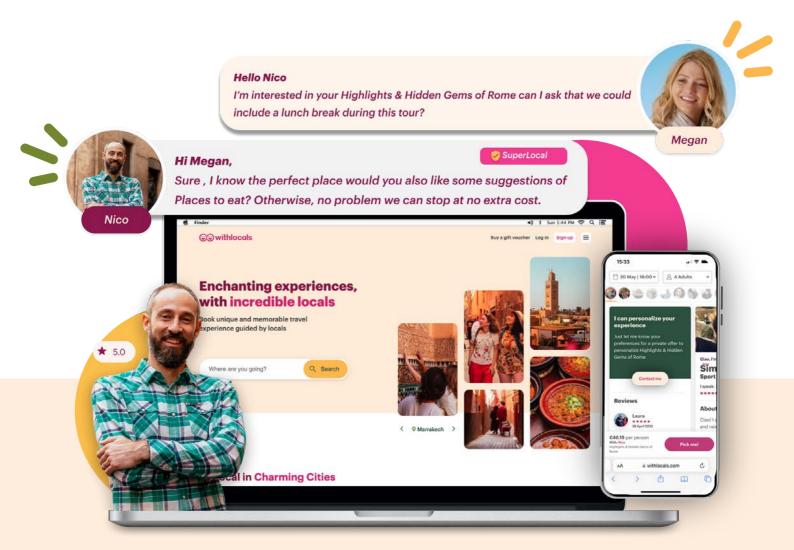




### Withlocals in a Nutshell

At Withlocals, we connect travellers with local hosts who are passionate about their city and eager to share their expertise with guests. We are a marketplace model, where locals offer unique experiences that showcase the best of their city. Our hosts include chefs who lead food tours including visits to the local market and restaurants, artists who share their knowledge of historical buildings, and more.

As a company, we take a commission on every booking, which helps us build and improve our platform (website, app, partner integrations), run effective marketing campaigns, and provide support to our hosts and guests. We are committed to ensuring that our locals receive fair compensation for their services, while also running a sustainable and profitable business.





### **Our Mission**

At Withlocals, we are driven by a mission to reshape the way people travel. We're doing that by connecting people and cultures through unique and memorable travel experiences with people, places, and the planet in mind. We are dedicated to making a positive impact through three key pillars.



### Offer authentic travel experiences

We believe that the best way to truly experience a new place is through the eyes of a local. That's why we have built an experiential travel platform that offers private, personalised tours led by knowledgeable and passionate locals.



### Support sustainable livelihoods

We are committed to fostering economic and social inclusivity by supporting local hosts and small businesses. In turn, this helps to strengthen local economies and promote community development.



### Inspire responsible travelling

We believe that travel should be a force for good in the world, which is why we are dedicated to inspiring responsible travel practices that takes into account the impact of our actions on the planet and the people who call it home.





### **Objectives of the Impact Report**

### **Comprehensive Overview**

The first objective is giving an overview of our socio-economic and environmental impacts. We will highlight our contributions to responsible travel, support for local communities, and efforts to minimise our carbon footprint.

#### **Positive Outcomes**

Secondly, the report aims to showcase the outcomes of Withlocals' operations. We will highlight job creation, revenue generation, and cultural exchange as examples of the positive impact we have had on local communities.

### **Areas for Improvement**

Finally we want to identify the areas where Withlocals can improve its sustainability and social responsibility practices. Based on that we will take specific next steps and measure the outcome. We recognise that there is always room for improvement, and we are committed to continuously assessing and refining our practices to ensure that we are making a positive impact.

Overall, the Withlocals Impact Report serves as a tool for transparency, accountability, and continuous improvement in the company's operations. By sharing our progress and identifying areas for improvement, we hope to inspire others in the travel industry to embrace sustainability and responsible practices.

### **Responsible Travel Principles**

- Respect local culture
- · Avoid and prevent overcrowding
- Support local people and businesses
- Protect the natural environment
- Be 100% carbon neutral





# **B Corp Certification**

### **B Corp Assessment Pillars**

In April 2021, Withlocals began its journey to become a <u>certified B Corp</u>, which represents a high level of social and environmental responsibility. As a certified B Corp, Withlocals is legally required to demonstrate its commitment to people, planet, and purpose.

Throughout the process, B Lab guided Withlocals in developing a roadmap and prioritising changes needed to meet the B Corp standards. With the introduction of Sustainable Development Goals and stakeholder engagement, Withlocals assessed its impact, made policy modifications, implemented training and established new procedures. In August 2022, Withlocals was proud to achieve B Corp certification with an impressive 86.5 impact score, reflecting its commitment to driving positive social and environmental change.

# Based on the B Impact assessment, Withlocals earned an overall score of 86.5. The median score for ordinary businesses who complete the assessment is currently 50.9. 86.5 Overall B Impact Score 80 Qualifies for B Corp Certification 50.9 Median Score for Ordinary Businesses



Full breakdown





# Social-economic impact

### **Direct Economic Impact**

At Withlocals, we are proud to support local hosts and businesses through our platform. The majority of the booking value of every experience goes directly to the local host, and to local businesses, such as restaurants and cultural institutions. By supporting these local businesses, we are helping to foster economic and social inclusivity in the destinations we serve.

In 2022, Withlocals generated close to €8.1M in revenue for local hosts and local businesses. Since our founding in 2013, we have generated over €25M in revenue for these communities. These numbers demonstrate the positive economic impact that Withlocals has had in destinations around the world.

### **Get to Know our Host Community**

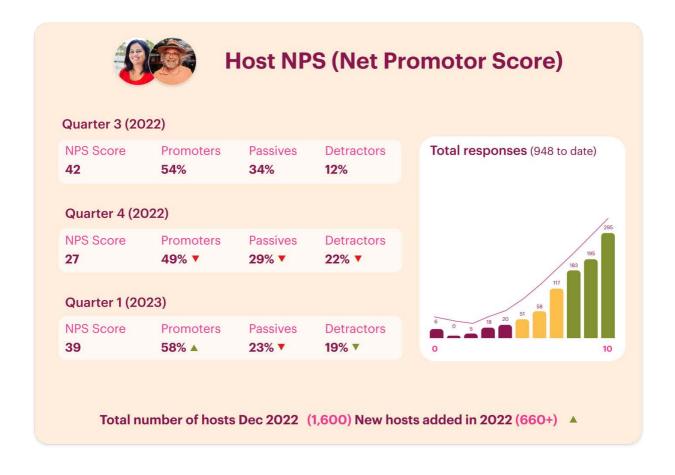




# Social-economic impact

### **Empowerment of Local Hosts**

We empower local hosts by providing them with a platform, training, and tools to create unforgettable experiences and connect with travelers from all over the world. Our platform is open to both passionate locals and professional tour guides, enabling us to give more people the opportunity to become a host and to foster micro-entrepreneurship. We do not require any exclusivity, meaning that hosts are free to leave the Withlocals platform and work with other platforms if they choose to do so. We believe that our added value will drive long-term loyalty and retention.



We are committed to treating our hosts with respect and fairness, and have implemented several policies to ensure this. They include the cancellation and rescheduling policy, the code of conduct for our guests and the policies that are explained below.



### **Fair Treatment Policy**

Our hosts are at the forefront of our decision-making, and we strive to provide equal opportunities for all hosts. This policy covers topics such as fair distribution of bookings and equal treatment for all our hosts.

### **Anti-discriminatory Policy**

When recruiting new hosts, we ensure that there is no differentiation based on factors other than their ability to perform the role of a host. We aim to make this a part of our culture and have had no reports of discrimination in our recruitment process.

### **Know the team**



### eNPS (Employee Net Promotor Score)

Quarter 3 (20	)22)			
NPS Score	Promoters	Passives	Detractors	
57	63%	31%	6%	
Quarter 4 (20	022)			
NPS Score	Promoters	Passives	Detractors	
37	<b>52%</b> ▼	33% 🔺	15% 🔺	
Quarter 1 (2023)				
NPS Score	Promoters	Passives	Detractors	
27	44% ▼	39% ▲	17% 🔺	

Gender	
Male	68%
Female	32%
Other	0%
Age	
18 to 24	4%
25 to 34	37%
35 to 49	55%
50 to 69	4%
Location	
Europe	75%
Africa	10%
Asia	10%
North America	5%

Total employees 1 May 2023 (23)





### **Supporting Local Businesses**

We believe in the power of local businesses to create a unique and authentic travel experience. To support this, we actively encourage our local hosts to work with and promote small local businesses over large chains. Not only do these businesses provide personalised service and unique items, but they also contribute to the local economy and culture.

In 2022, our hosts earned a total of €8.1M. We estimate that approximately 50% of this amount (€4M) was spent at local businesses, which have benefited from Withlocals' efforts to promote sustainable and responsible tourism.

### **Cultural Exchange**

We consider that cultural exchange is a powerful tool for promoting mutual understanding, respect, and appreciation among people from diverse backgrounds. Our platform enables travellers to immerse themselves in local cultures and customs by connecting with local hosts, who share their unique perspectives, stories, and traditions. By fostering these exchanges, we aim to promote cross-cultural understanding and break down cultural barriers.

By supporting local hosts and businesses, we help to promote the preservation and celebration of local cultures, customs, and traditions. This, in turn, creates a more authentic, immersive travel experience for our guests, who gain a deeper appreciation and understanding of the host culture. Ultimately, we believe that these collaborative interactions help to strengthen global connections, bridge cultural divides, and create a more tolerant, inclusive world.







### **Tourism Industry Growth**

In the aftermath of the COVID-19 pandemic, the tourism industry has witnessed an incredible revival, with tours and experiences taking centre stage as people yearn to reconnect with the world around them. As travel restrictions lifted, a growing number of individuals started exploring new destinations, eager to make up for lost time.

In 2022, we experienced the delicate balance between responsible travel and over-tourism firsthand. While it's heartening to receive positive feedback from our host community about bookings returning, we also hear from hosts about the impact of over-tourism on the liveability of their neighbourhoods. Withlocals is committed to making a positive impact for both our hosts and guests, recognising the value of travel and the opportunities it brings. As the World Economic Forum report on Travel and Tourism (2022) notes, incorporating inclusivity, sustainability, and resilience into the sector as it recovers will ensure it continues to foster global connectivity, peace, and economic and social progress.





### **Sustainable Tourism Practices**

Withlocals has taken significant steps towards promoting responsible travel. While we acknowledge that there is always room for improvement, we are proud of the progress we have made thus far by implementing the following best practices:

### Onboarding and education of local hosts

We believe that everyone has the potential to be a great local guide. Our onboarding process recognises that many of our hosts are not professional tour guides and provides additional training to help them run high-quality experiences. This training is a valuable element of their professional development, even if they decide to leave the Withlocals platform at some point. We also prioritise education to make our hosts aware of our sustainability goals and incentivise them to not just follow policies, but to embrace these goals and stand out as leaders in responsible tourism.

### **Driving bookings for hosts**

Driving bookings for local hosts is a top priority for Withlocals, as we are committed to providing fair and sustainable income opportunities. We understand that a steady stream of bookings is crucial to the success of our hosts, and we work hard to ensure that they receive maximum exposure on our platform. By doing so, we aim to enhance their quality of life and encourage long-term participation in our community. In turn, this creates a positive impact on local economies, as hosts are able to invest in their businesses and contribute to the growth of their neighbourhoods.

### Small groups and personalised experiences

We prioritise personalised experiences by limiting the maximum group size for every experience on our platform to eight people. We also ensure that the experience is private, allowing our guests to have a more intimate and authentic experience with their local hosts. This approach enables us to include local venues that cannot accommodate large groups of visitors and minimises the impact on neighbourhoods. By offering small group experiences, we help promote responsible tourism practices and foster deeper connections between guests and their hosts.



### Fair payment and commission structure

We recognise the valuable skills, knowledge and experience that our hosts bring to the platform and believe in providing them with equitable compensation. By offering competitive rates, we are able to empower local communities and facilitate connections between travellers and hosts. This has not always been an easy process. In 2022 we have reviewed our pricing and commission structure to cover for inflation, to maintain a fair income for our hosts and to work towards a financially sustainable company.

Some hosts from our community have reached out with critical feedback about these changes. One specific example is related to the Withlocals commission being perceived as too high compared to the hosts' share of the total booking value. Based on this feedback we organised a webinar where the whole community was invited to participate to explain what we are doing to drive bookings and which costs are associated with that. Withlocals does not require any exclusivity, which means that hosts are always free to use other platforms to drive bookings. Moving forward we will continue to evaluate the value we offer, based on host feedback, in relation to the commission structure. Our goal is to make this work for both sides in order to have happy hosts and a sustainable platform.







# **Environmental impact**

### **Carbon footprint reduction**

At Withlocals, we understand the importance of minimising our carbon footprint to ensure a sustainable future. Since 2020, we have been offsetting all our carbon emissions through our partner, Chooose™



We have implemented a sustainable office space policy and trained all our staff members to save water, recycle, and reduce waste. As a hybrid working team, we also have guidelines for creating sustainable home office spaces, which include saving energy and reducing waste.

To further reduce our carbon footprint, Withlocals is actively working on minimising team travel emissions. We have guidelines for using sustainable means of transport for business trips whenever possible and require team members to seek approval from leadership to deviate from these guidelines. In 2022, we saved 4.3 tonnes of CO2 emissions by opting for clever business transportation options.



### Waste management and reduction

At Withlocals, we are committed to reducing our environmental impact by implementing sustainable practices across our operations. To this end, we have a comprehensive waste management and reduction program in place. Our sustainable office space policy covers not only saving water but also reducing waste and recycling. We ensure that all staff members are trained on these policies.

In addition, as a hybrid working team, we have established guidelines for sustainable home-office spaces for our team members. These guidelines include tips on how to save energy and reduce waste. By encouraging and empowering our employees to adopt eco-friendly practices both in the office and at home, we are working to reduce our carbon footprint and promote environmental sustainability.

### **Promotion of responsible travel**

We are proud to be a signatory of the Glasgow Declaration on Climate Action in Tourism. This commitment reflects our dedication to promoting responsible travel and reducing the impact of tourism on the environment. As part of this commitment, we are developing a comprehensive climate action plan that will be publicly available by January 2024.







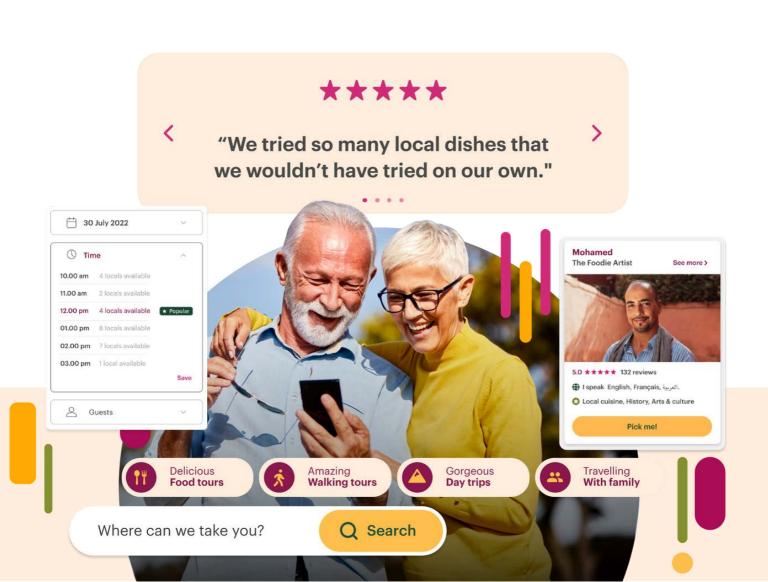


# **Technological impact**

### Digital platform development

Withlocals has developed a sophisticated digital platform to facilitate meaningful connections between travellers and local hosts. Our digital platform makes it easier for users to discover and access unique, tailor-made experiences that align with their interests and preferences by harnessing the power of user experience design, data analytics, and artificial intelligence. This allows us to offer a personalised and seamless experience to our users while also promoting off-the-beaten-path experiences and reducing the impact of over-tourism.

We understand that building a digital platform involves a lot of technology, tools, and talented people. That's why we prioritise sustainability in our technology stack and prefer suppliers who share our values. Withlocals runs most of our technology stack on Google Cloud, which is carbon-neutral today and aims to be carbon-free by 2030. We also have a sustainability checklist for our selection process to ensure that our technology partners align with our mission of promoting responsible and sustainable tourism.





### Innovation in local experiences

Withlocals is committed to constantly improving the experience for both hosts and guests. In order to do this, we developed an innovative approach to leverage the data we have collected over the years from both hosts and guests. We have very specific insights into preferences towards the duration of a walking tour, the number of drinks and bites, the perceived value of the experience, and many more data points.

Based on this input, we have developed a framework which our hosts can use to build their own experiences. This means that we can offer our hosts the opportunity to showcase their own unique experiences to a wider audience, while providing guests with more options and better accessibility to local experiences.

### Data as a force for good

Data is a valuable resource that can have a positive impact on society when used effectively. At Withlocals, we leverage data from various sources such as reviews, booking information, and marketing to enhance the experiences our hosts offer and create a positive impact within communities. By analysing customer feedback, we identify areas of success and areas that require improvement, which enables our hosts to continuously refine their offerings.

Furthermore, Booking data enhances our understanding of traveler preferences, aiding in itinerary updates and personalized offerings. Additionally, it enables us to distribute tourists evenly across cities, avoiding overcrowding. Time-based data optimizes tour schedules, reducing transportation's environmental impact and minimizing congestion. Through our data-driven approach, we strive to enhance experiences while fostering positive environmental and community impacts.





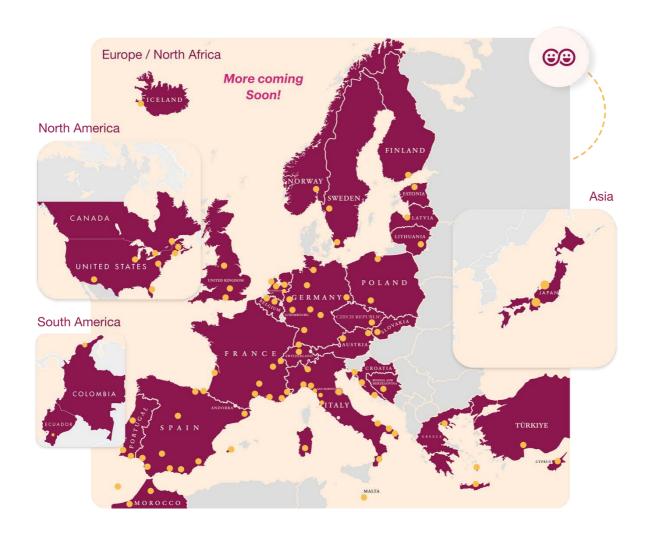


# Recommendations for future impact

### **Expanding Withlocals' Destination Coverage**

Over the past few years, Withlocals has made significant strides in expanding its reach. Today, the platform offers experiences in over 150 destinations worldwide, including major cities like Rome, Barcelona, and Washington DC, as well as lesser-known destinations like Chiang Mai, Malaga, and Porto.

This has created new opportunities for hosts, allowing them to showcase their local expertise to guests from around the world. For travellers, it means discovering new destinations and connecting with local people in a meaningful way. Withlocals' expansion has also positively impacted local communities by promoting sustainable tourism and supporting local businesses. During and post-Covid we have invested a lot of resources in scaling and streamlining our processes. As a result it is now possible to open a new destination in any part of the world without the need for physical travel. This not only saves time and money, but also reduces the carbon footprint associated with travel.



### **Strengthening Local Partnerships**

Withlocals has recently partnered with Planeterra, a non-profit organization that empowers local communities through tourism, to create impact experiences that promote sustainable tourism and support local communities. Partnering with Planeterra helps Withlocals to identify local hosts who are committed to making a positive impact in their communities, offering unique experiences that not only showcase the best of local culture but also contribute to local development projects supported by Planeterra.

Withlocals' and Planeterra's impact experiences include activities such as cooking classes led by local women, craft workshops that support local artisans, and tours of community-run conservation projects. These experiences provide travellers with the opportunity to connect with local people and cultures while supporting local communities and promoting sustainable tourism. Withlocals will donate 15% of the revenue generated from every booking on an impact experience to Planeterra as part of the partnership.

One example of an impact experience in Q2, 2023 will be City Walks in New Delhi. With more than 18 million children living on the streets, India has the highest concentration of street children in the world. The experience is a youth-led walking tour that provides a different perspective of Delhi while giving young people the opportunity to gain new skills. Through the Withlocals platform, Planeterra will link them to a traveler customer base from across the globe.





### **Fostering Responsible Travel**

Withlocals is committed to fostering responsible travel by promoting low-impact experiences that prioritise sustainable transportation options. With a focus on walking and biking tours, Withlocals aims to reduce carbon emissions and promote environmentally friendly travel. In cases where private transportation is necessary, Withlocals caps guest numbers to ensure that smaller, less emission-heavy vehicles can be used. As a result, only 4.52% of 2022 bookings were done by private transportation. Through these efforts, Withlocals is helping to promote sustainable tourism practices and reduce the impact of travel on the environment.

### **Investing in Withlocals' Growth**

Withlocals will continue to prioritise growth and innovation as it works towards the mission of creating a more responsible and authentic travel experience. In the future, we plan to continue innovating and growing in several key areas. One of the most important of these is better matching hosts with guests. By using advanced algorithms and data analysis, we hope to improve the accuracy and relevance of our host-guest matching process, ensuring that travelers are paired with hosts who can offer them the experiences they are looking for.

Another area of focus for us is customer and host retention. We recognise that building long-term relationships with both customers and hosts is essential to our success, and we are constantly working to improve the retention rates through better customer service and more personalised experiences.

In addition, Withlocals is committed to providing better tools and resources for hosts. This includes everything from improved training and support to better technology and marketing tools that can help hosts reach more customers and grow the businesses.

Looking further into the future, we have a long-term vision for making our services more accessible to travelers all around the world. Ideas we want to explore are offering small group tours, as well as developing a "plan your trip service" that can help travellers design customised itineraries that meet their specific needs and interests.

Overall, investing in Withlocals Growth is an investment in a company that is dedicated to pushing the boundaries of what is possible in the travel industry. With a focus on innovation, customer service, and long-term growth, Withlocals is well-positioned to continue driving its business forward and delivering unique and unforgettable travel experiences to people around the world.

# THIS IS JUST THE START



"Building a platform where responsible travel experiences are universally accessible and tourism has a positive impact on our planet, changing lives for the better is what we at Withlocals are working on"

Thank you for being part of our journey -

Matthijs Keij, CEO



www.withlocals.com











