

2023 Corporate Social Responsibility Report

Sustainably Purple



Michelle
HealthEquity team member



Tomas
HealthEquity team member

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A message from our leadership

Welcome to the 2023 edition of *Sustainably Purple*, HealthEquity's annual corporate social responsibility (CSR) report. This year's report covers the period of our 2023 fiscal year (unless otherwise noted), which was February 1, 2022, through January 31, 2023.

This year, we passed two milestones: 20 years of helping Americans connect health and wealth and \$22 billion of Health Savings Account (HSA) assets, making HealthEquity the largest HSA provider in the country.¹ As an established corporate citizen and industry leader, HealthEquity has impact that goes way beyond our bottom line. That's why this report—detailing our approach to and impact on environmental, social, and governance (ESG) issues—is so important.

You'll find that this third edition of *Sustainably Purple* builds on the foundation of the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) industry frameworks. As published in our 2022 *Sustainably Purple*, we continue to report on those topics identified as material to HealthEquity, with some notable new additions:

- A section on HealthEquity governance
- A section on corporate policies
- Insight into our new advocacy organization, PurplePAC
- Information on two new HealthEquity Connections groups
- Expanded commentary about HealthEquity products and services, and their impact on society

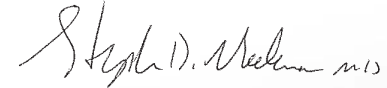
As always, we strive for *Sustainably Purple* to reflect Purple culture. This report and the initiatives it describes were conceived

by HealthEquity team members—not ESG consultants. Inside, you'll find our real faces instead of stock photography. And we'll step outside the GRI and SASB frameworks when needed to show our authentic selves on issues of sustainability.

Sustainability is embedded in our Purple values: do the right thing, be remarkable, make a difference, and celebrate people. These values brought us to the milestones reached this year and, we believe, position HealthEquity for many more years of responsible growth.



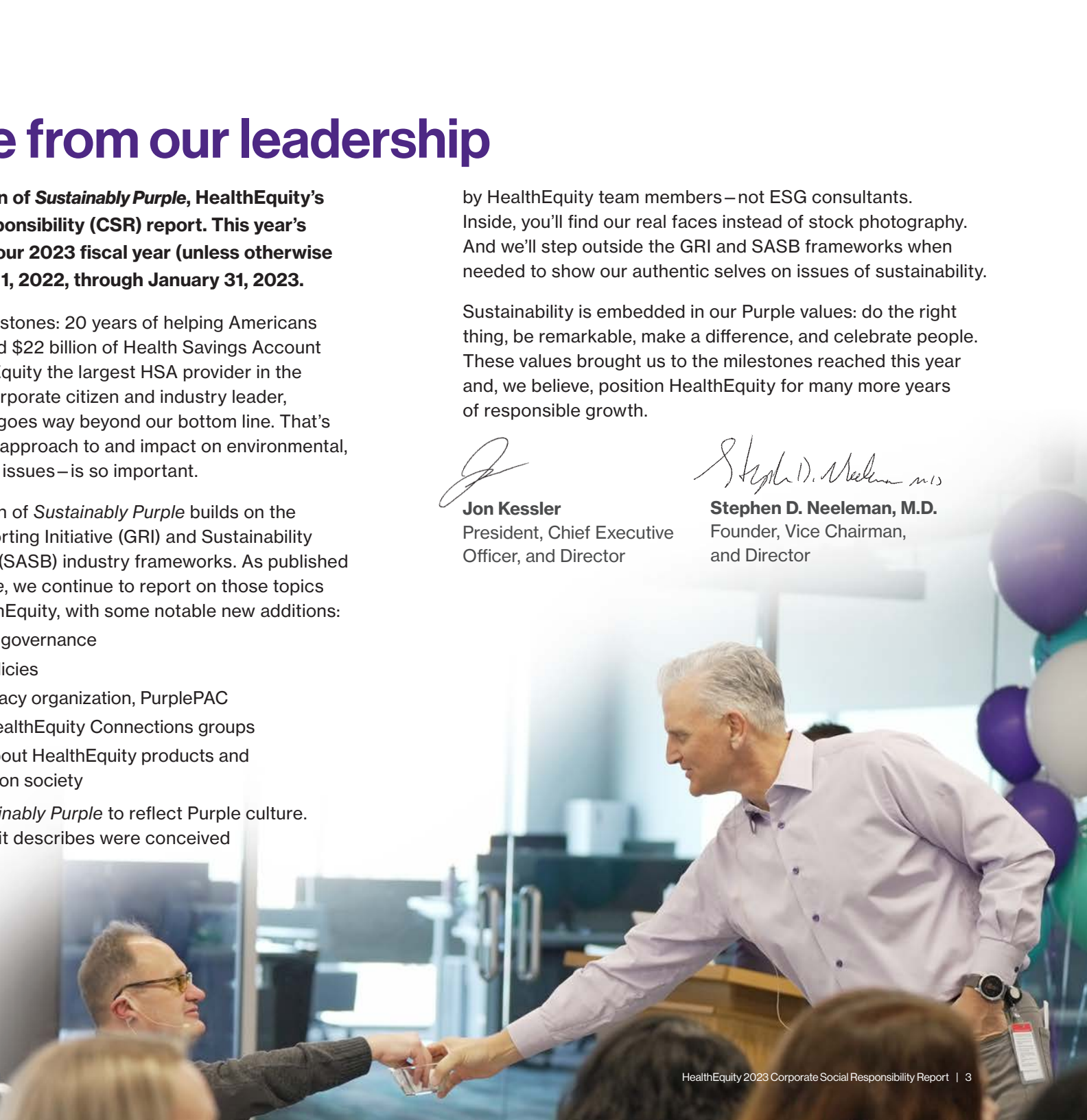
Jon Kessler
President, Chief Executive
Officer, and Director



Stephen D. Neeleman, M.D.
Founder, Vice Chairman,
and Director

All Hands Meeting
March 2023

¹HealthEquity, 2023: <https://ir.healthequity.com/news-releases/news-release-details/healthequity-reports-fiscal-year-and-fourth-quarter-ended-1>.



An introduction to HealthEquity

HealthEquity is a technology-enabled services company that empowers working Americans to gain more choice and control over their healthcare and financial future. Since our founding in 2002, we've used innovative technology to manage consumers' tax-advantaged health savings accounts HSAs and other consumer-directed benefits (CDBs) offered by employers.

Caity
HealthEquity team member

Words to know at HealthEquity

Purple: Code for being remarkable; for under-promising and over-delivering; and for exceeding the expectations of our team members, members, clients, partners, and investors. Being Purple is the heart and soul of our company.

Team members: Some organizations refer to their folks as employees, but we do it differently both at HealthEquity and in this report.

Clients: We refer to our customers that are groups or organizations as clients.

Members: HealthEquity customers who are individuals are called members.

Operations partners: We call the suppliers, vendors, and service partners we work with operations partners.

Network partners: Health plans and insurance companies we work with are called network partners.

Consumer-directed benefits (CDBs): We use the term CDBs to talk about benefits that were designed to give consumers more control over their dollars and decision-making. Some popular CDBs are HSAs, flexible spending accounts (FSAs), and health reimbursement arrangements (HRAs).

Our Mission

For more than 20 years, HealthEquity has remained laser-focused on a single mission: empower working Americans to gain more choice and control over their healthcare and financial future.



Mission

HealthEquity is on a mission to help working American families connect health and wealth. When individuals and employers access HSAs and other CDB accounts through HealthEquity, they spend less on medical expenses today while building tax-advantaged savings for healthcare costs in retirement.



Vision

By 2030, we plan to make HSAs as widespread and popular in family financial planning as 401(k)s and Individual Retirement Accounts (IRAs) are today. We know we're making progress towards this vision by monitoring the number of HSAs and total HSA assets among HealthEquity members and across the market.



Values

At HealthEquity, our values guide how we pursue our mission and fulfill our vision. They're rooted in the importance of the Purple service we provide to our members, clients, partners, and each other. Our values reflect how we want to act and who we want to be. The words we use to describe them may change, but the ideals behind those words are timeless.*

Our values are:

Do the right thing even when it's not the easiest thing to do. Act ethically with integrity and honesty.

Be remarkable in service to members, clients, partners, and each other. Acknowledge our mistakes and accept those of others, rising to the opportunity to show our best selves.

Make a difference for our members, have an impact on our communities, and leave a mark on the world. Be the best at connecting health and wealth.

Celebrate people by driving personal growth and recognizing wins with a little fun along the way. We respect others and encourage authenticity and diverse expression.

*Our company values were revised in 2022 after feedback from engagement surveys and focus groups. We feel our new values focus on our commitment to compliance, team member and member security, and diversity, equity, and inclusion (DE&I).

Who we are

Through the efforts and talents of nearly **3,200 team members** across **47 states**, HealthEquity leads and innovates the way consumers make healthcare saving and spending decisions.

A significant number of our team members work remotely

Office locations:
Draper, UT | Irving, TX



Whom we serve



8 million
HSA members



14.9 million
total accounts



200+
network partners



120,000+
clients

What we do

HealthEquity helps people connect health and wealth through our lineup of benefits products, backed by our client and member education, our member engagement packages, and our industry advocacy.

- Health Savings Accounts (HSAs)
- Flexible Spending Accounts (FSAs)
- Dependent Care Flexible Spending Accounts (DCFSA)
- Health Reimbursement Arrangements (HRAs)
- COBRA
- Wellbeing
- Commuter
- Employee Care and Disaster Relief Accounts

The HealthEquity approach to sustainability

Our commitment to helping Americans connect health and wealth is only as valuable as our business is sustainable. While HealthEquity continues to innovate and build a path to our vision, we are also diligent in ensuring our work remains beneficial to society while mitigating risks and generating long-term value.

The HealthEquity approach to sustainability has three major pieces: it starts with our solutions and services, extends to our industry advocacy, and is represented publicly in annual environmental, sustainability, and governance (ESG) reports.

You'll find more information about all three pieces here.

Our solutions simplify benefits and impact people's lives

A major cornerstone of Purple sustainability is the HealthEquity lineup of solutions and services.

As the country's largest HSA provider,² HealthEquity and its products empower millions of individuals to gain confidence and skills in managing their healthcare costs and building financial security. Investment in member education strengthens our social impact, building financial literacy and making it simpler for members to take action and feel confident in their decisions.

“We don't just administer benefits — we change people's lives.”

Steve Neeleman, MD | Founder, Vice Chair

² HealthEquity, 2023: <https://ir.healthequity.com/news-releases/news-release-details/healthequity-reports-fiscal-year-and-fourth-quarter-ended-1>.



Steve Neeleman, MD
Founder, Vice Chair



HSA

Health Savings Accounts (HSAs) lead our portfolio of services. Now the largest HSA provider, according to Devenir Group in terms of both accounts and HSA assets custodied, HealthEquity helps millions of Americans save and pay for qualified healthcare needs, tax-free.

HSAs are a powerful tool in promoting positive social outcomes. According to two recent nationwide surveys, working Americans using HSAs are more likely to price-shop for healthcare, express confidence about their retirement readiness,³ and feel peace of mind about the COVID-19 pandemic.⁴ Organizations can also tailor HSA plan design to support groups like low-income workers, greatly increasing the social utility of the benefit.

“It’s so nice to have money set aside for healthcare needs. Even when money may be tight, we always have money in that HSA account!”

Keri K.

HealthEquity member since 2013

³HealthEquity, 2020: <https://blog.healthequity.com/there-are-crucial-differences-in-how-working-families-think-about-and-use-hsas-healthequity-survey-finds>. | ⁴HealthEquity, 2021: <https://blog.healthequity.com/did-the-pandemic-boost-the-case-for-hsas>.

Pfizer rolls out a HealthEquity HSA that appeals to colleagues at all income levels

HSAs have tremendous power to accomplish social good.

Pharmaceutical corporation and HealthEquity client Pfizer illustrated this potential with its new HSA plan.

To stay responsive to their employees and remain competitive in the talent market, the Pfizer benefits team designed an HSA that aligned with their goal to provide affordable, comprehensive medical coverage that delivered value to all employees.

The Pfizer HSA plan categorizes employees according to four separate income tiers. Lower-income earners get the largest employer HSA contribution when they sign up, with contributions tapering off at each higher tier. What’s more, the full employer contribution is available on the first day of the plan year.

All employees benefit from a broad range of preventive services and medications covered before the deductible. After the deductible, colleagues pay predictable copays for most in-network services.





FSA and DCFSA

Flexible spending accounts (FSAs) are another tool that helps people save money by setting aside tax-advantaged funds for eligible medical expenses. FSAs can also help people take care of child and eldercare expenses through a dependent care FSA (DCFSA). The value of FSAs is especially felt by groups like women, who suffered greater job losses during the COVID-19 pandemic due in part to difficulty affording dependent care,⁵ and single parents, who spend roughly 34 percent of their income on childcare compared to the 10 percent spent by married couples.⁶



HRA

Health Reimbursement Arrangements (HRAs) give employers another way to contribute tax-advantaged funds to their employees' healthcare needs. Whether offered alongside a traditional group health insurance plan or as a sole benefit, HRAs give people choice and freedom to make personal healthcare decisions.



COBRA

HealthEquity administration of Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits supports organizations and people during some of their most challenging times. When people lose access to employer-sponsored health insurance, COBRA administration and direct billing from HealthEquity helps them stay insured while they seek a new arrangement.



Wellbeing

Wellbeing services from HealthEquity help employers support general physical and mental health for their employees. With reimbursement-based programs for fitness, nutrition, smoking cessation, and transit, HealthEquity wellbeing services support general quality-of-life measures that make a difference. These services have particular utility now, when 76 percent of U.S. workers report at least one symptom of a mental health condition.⁷



Commuter

Commuter benefits encourage working Americans to use public transportation and car pools, promoting public health and reducing greenhouse gases from single-passenger vehicles. Commuter benefits also support frontline workers, many of whom have limited access to a personal vehicle or who deal with unreliable public transit or budget constraints.⁸



Employee Care and Disaster Relief Accounts

HealthEquity Employee Care and Disaster Relief Accounts allow employers to provide tax-advantaged funds for qualified disaster-related expenses, covering items like family and medical care, home office technology, and groceries. When events like the COVID-19 pandemic occur, Employee Care and Disaster Relief Accounts help maintain the integrity of our shared social fabric.

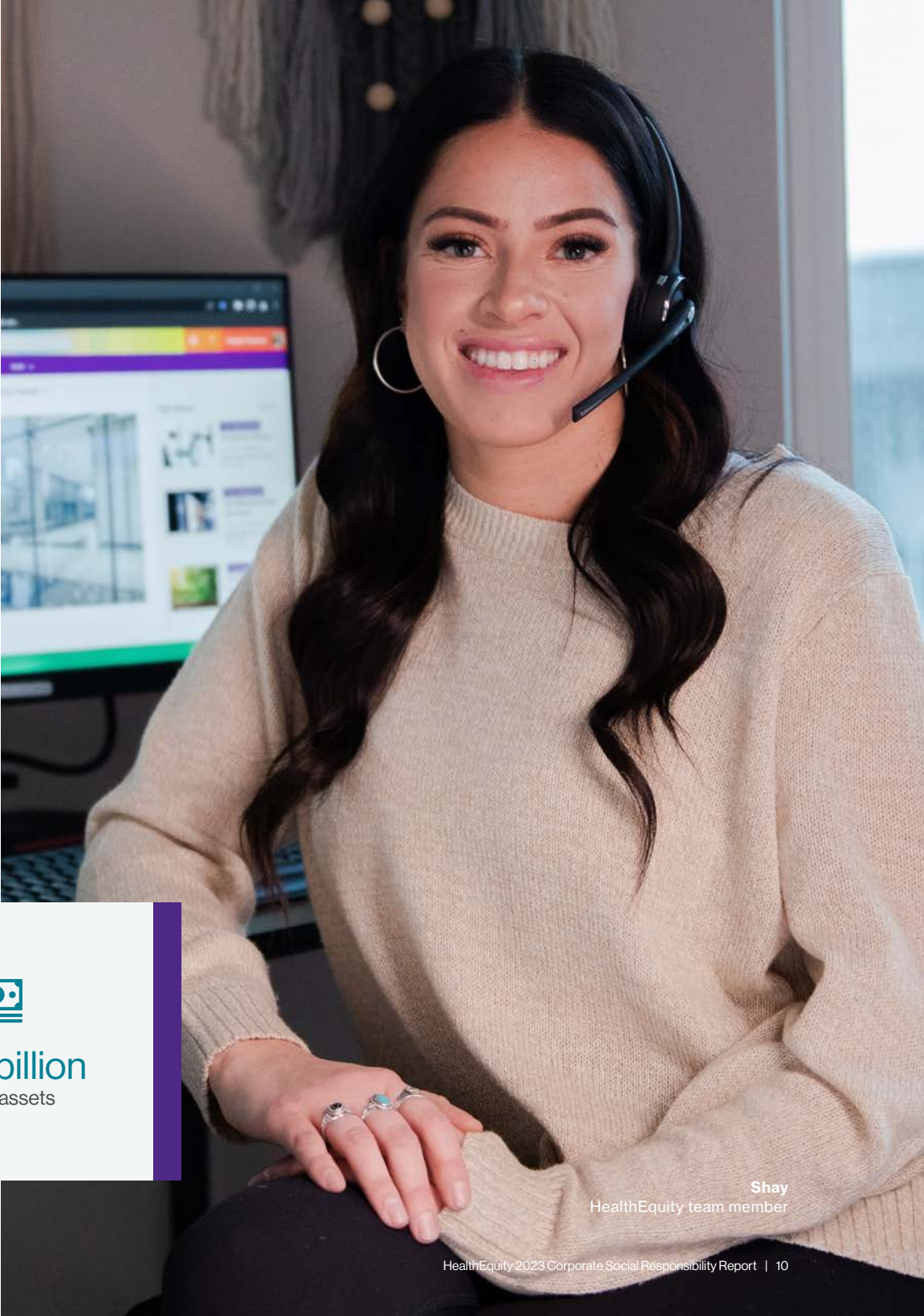
⁵ Pew Research Center, 2022: <https://www.pewresearch.org/fact-tank/2022/01/14/some-gender-disparities-widened-in-the-u-s-workforce-during-the-pandemic/>. | ⁶ CNBC, 2021: <https://www.cnbc.com/2021/05/19/what-parents-spend-annually-on-child-care-costs-in-2021.html>. | ⁷ HBR, 2021: <https://hbr.org/2021/10/its-a-new-era-for-mental-health-at-work#:~:text=Mental%20health%20challenges%20are%20now,up%20from%2059%25%20in%202019.> | ⁸ The Urban Institute, 2020: <https://www.urban.org/features/unequal-commute>.

Member education and Purple service

To maximize the value of our benefits products, HealthEquity is committed to providing client and member education as well as remarkable service. We connect with proven outreach and engagement at critical junctures through email, on-demand webinars, surveys, and other materials.

HealthEquity also provides tools like the Health Savings Score to help organizations assess the efficacy of their HSA and member-level investment advisory services to assist members in choosing and diversifying their HSA investments.

HealthEquity members can get in touch with us 24 hours a day, seven days a week, 365 days a year for support in accessing and using their benefits. Our Member Services team fields an average of 23,000 calls a day (6,000,000 a year), and we engage with members frequently through channels like social media, the Better Business Bureau (BBB), and Yelp.



Sustainability by the numbers


8 million
HSAs


\$22.1 billion
in HSA assets

Shay
HealthEquity team member

We are an active industry advocate

The healthcare and benefits space is dynamic, subject to frequent legislative and regulatory action. To remain sustainable, HealthEquity must stay abreast of shifting governmental policy and, where appropriate, responsibly advocate for change.

Our Public Policy and Government Affairs (PPGA) team is key in this effort. The HealthEquity PPGA manages the company's legislative and political activities in a manner consistent with corporate governance policies and practices. Participation in the political process ensures our voice is heard on matters that are important to our company, team members, clients, and shareholders. We monitor hundreds of proposed laws, regulations, rules, and policies every year.

It is important that our perspectives are heard; sometimes we provide technical information as bills or regulations are drafted. We participate through routine, constructive engagement with government officials, policymakers, and stakeholder groups. In doing so, we comply with all applicable laws and are committed to conducting business in an ethical manner.

During 2022, our advocacy efforts largely focused on concerns impacting average American workers as out-of-pocket expenses continue to rise.⁹ All Americans, regardless of income or what type of coverage they have, should have access to save or pay for often unexpected but truly inevitable health-care expenses.

Our efforts to encourage policymakers to create a new, tax-advantaged vehicle for American workers and retirees to save for future health expenses could positively impact an estimated 160 million people.¹⁰



Willis family
HealthEquity members

⁹The CMS annual National Health Expenditures report released in January found Americans' out-of-pocket health spending rose 10.4% in 2021, a growth rate not seen since 1985. Source: CMS.gov. | ¹⁰Xanthopoulos, J. & Schmitt, M. M. (2022), Revenue Analysis of Savings for Out-of-Pocket Expenses Proposal.

Our goal is to help American workers and retirees prepare for future health expenses.

We believe our advocacy efforts among policymakers could help many workers and retirees better prepare themselves for future medical expenses and reduce the personal financial burden of unexpected medical expenses for millions of people.

Additionally, our advocacy efforts seek to maximize the utility of existing tax-advantaged accounts and other government programs to assist consumers in maintaining healthcare coverage such as HSAs, FSAs, HRAs, COBRA, commuter benefits, and other CDBs.

The HealthEquity Board of Directors oversees the company's PPGA program.



Dale
HealthEquity
team member

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Lobbying

HealthEquity discloses federal lobbying activities in accordance with the Lobbying Disclosure Act (LDA), which requires quarterly reports to be filed with the United States Congress. These reports publicly disclose all our lobbying activities, including all lobbying-related expenses, all issues that the company is currently lobbying, and the entities lobbied.

Pursuant to company policies, we do not use company money or resources to influence any candidate elections. We do not use company money to financially support candidate campaign committees, political parties, and caucuses, and do not make independent expenditures on other political committees or partake in other types of election-related activity.

HealthEquity, Inc. does not regularly make political contributions and made no political contributions in fiscal year 2023.



Industry and trade associations

HealthEquity is a member of various industry and trade associations that advocate for or comment on public policies affecting HealthEquity and our industry. These external groups include industry and trade associations that participate in public policy discussions in different ways. Some of these groups also lobby on behalf of their members.

In addition to their positions on policy issues that affect HealthEquity, we realize these organizations may engage in a broad range of other issues that extend beyond the scope of what is of primary importance to our business. If concerns arise about a particular issue, we convey our concerns, as appropriate. We believe there is value in making sure our positions on issues important to our company and industry are communicated and understood within those organizations.

Consistent with our policy, HealthEquity discloses the portion of its membership dues that trade associations indicate is designated for lobbying or other political purposes. Those expenses are not tax deductible and typically not cost recoverable.

For more information, see "Membership associations" on page 38.



Political Action Committee (PAC)

One recent development in industry advocacy at HealthEquity is the formation of the HealthEquity PurplePAC. PurplePAC is a bipartisan political advocacy initiative that supports candidates for political office who will lead the mission of connecting health and wealth.

PurplePAC is committed to backing candidates on both sides of the political aisle who share the HealthEquity vision of empowering all Americans to save for healthcare and build savings, including through the expansion of HSAs and other health savings vehicles.

“We need bipartisan support to expand HSAs and similar health savings vehicles. After all, red and blue together make Purple!”

Steve Neeleman, MD

Founder, Vice Chair

PurplePAC is managed by the PPGA and is overseen by a committee comprised of members of senior management and an independent director that convenes throughout the year to determine the best opportunities for the PAC. The following criteria will be taken into consideration when choosing which candidates to support:

- Candidate’s voting record and views on issues critical to HealthEquity business
- Candidate’s membership on key committees that consider legislation critical to our business
- Whether the candidate serves or has potential to serve in a leadership position
- Whether the candidate represents a state or district where HealthEquity has a facility or team members
- The competitiveness of the election

Given the diversity of interests and viewpoints represented by potential PurplePAC-supported candidates, candidates may not always share our views on every issue.

Once candidates are selected by the Board, PurplePAC will determine how much to contribute to each individual. PurplePAC can contribute up to \$5,000 per federal candidate and up to \$15,000 to national party committees per calendar year. Contribution limits vary at the state level.

PurplePAC made no political contributions during the last fiscal year.

We are committed to annual ESG reporting

Sustainability is both the heart of the HealthEquity mission and our guiding operational principle. But it's not enough for sustainability to exist at HealthEquity—we must also be transparent about it.

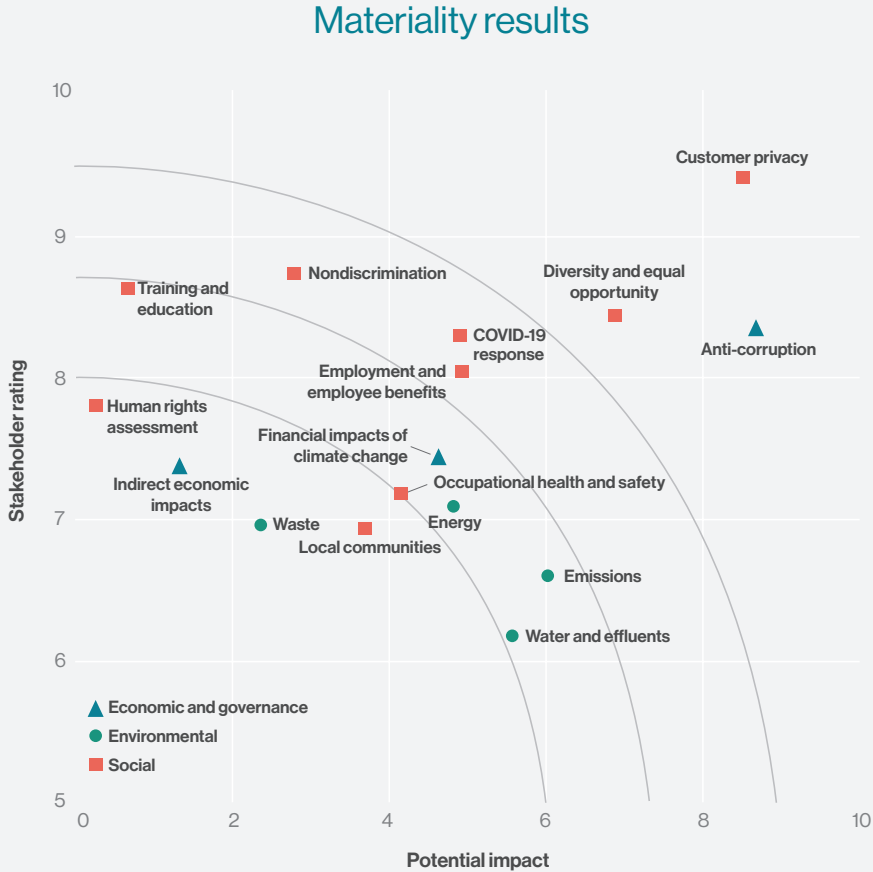
That's why a core piece of our commitment to sustainability is producing an annual corporate social responsibility (CSR) report on environmental, social, and governance (ESG) topics.

Sustainably Purple covers the top ESG issues at HealthEquity in accordance with reporting standards set out by the GRI and SASB. The thematic focus areas covered in this report are those identified as the most material to the long-term success of HealthEquity.

Publishing *Sustainably Purple* helps us assess our performance as a corporate citizen while also allowing others—including HealthEquity clients and members, team members, operations partners, regulators, policy makers, investors, and community members—an opportunity to provide feedback on matters that affect us all.

Information on the third edition of *Sustainably Purple*
 Many of the topics covered in this third edition of *Sustainably Purple* were published in the 2022 report and identified in a 2021 industry benchmarking assessment conducted by an independent third party. This analysis of more than 30 issueareas served as the basis for collected feedback from more than 150 stakeholders and an overall evaluation of the potential impact of these topics on HealthEquity.

The following illustration shows the combined results and highlights the top material categories that emerged from the analysis.



Overall, the following topics emerged as the most material areas of concern for HealthEquity:

- Customer privacy
- Diversity and equal opportunity
- Anti-corruption
- COVID-19 response
- Nondiscrimination
- Employment and employee benefits

The following table shows these priority categories and their alignment to the GRI disclosure topics, SASB metrics, and the United Nations Sustainable Development Goals (UNSDGs).

For this year's edition of *Sustainably Purple*, we have also added sections covering HealthEquity governance and corporate policies, practices, and industry participation. Also, as we did last year, we provide data and information related to our greenhouse gas (GHG) emissions. These topics are addressed in that order, which we believe reflects their order of importance to HealthEquity sustainability.

Material categories					
Strategic Category	ESG Pillar	GRI Disclosure(s)	SASB Metric(s)	SDGs ¹	
Customer Privacy and Data Security	Social	418-1	TC-SI-220a.1 TC-SI-230a.1 TC-SI-230a.2		16 – Peace, Justice and Strong Institutions
Anti-Corruption	Economic & Governance	205-1 205-2			16 – Peace, Justice and Strong Institutions
Diversity and Equal Opportunity	Social	405-1 405-2	TC-SI-330a.1 TC-SI-330a.2 TC-SI-330a.3	  	5 – Gender Equality 8 – Decent Work and Economic Growth 10 – Reduced Inequalities
COVID-19 Response	Social	n/a	n/a		3 – Good Health and Wellbeing
Employment and Employee Benefits	Social	401-1 401-2 401-3		   	3 – Good Health and Wellbeing 5 – Gender Equality 8 – Decent Work and Economic Growth 10 – Reduced Inequalities
Nondiscrimination	Social	406-1		 	5 – Gender Equality 8 – Decent Work and Economic Growth

¹Based on GRI's Linking the SDGs and GRI Standards, March 2020

Customer privacy and data security

Safeguarding the data and privacy of our clients, members, and team members is essential to our success and sustainability at HealthEquity. This emphasis is reflected in the resources we have devoted to developing our cybersecurity organization and building our privacy and data governance programs.

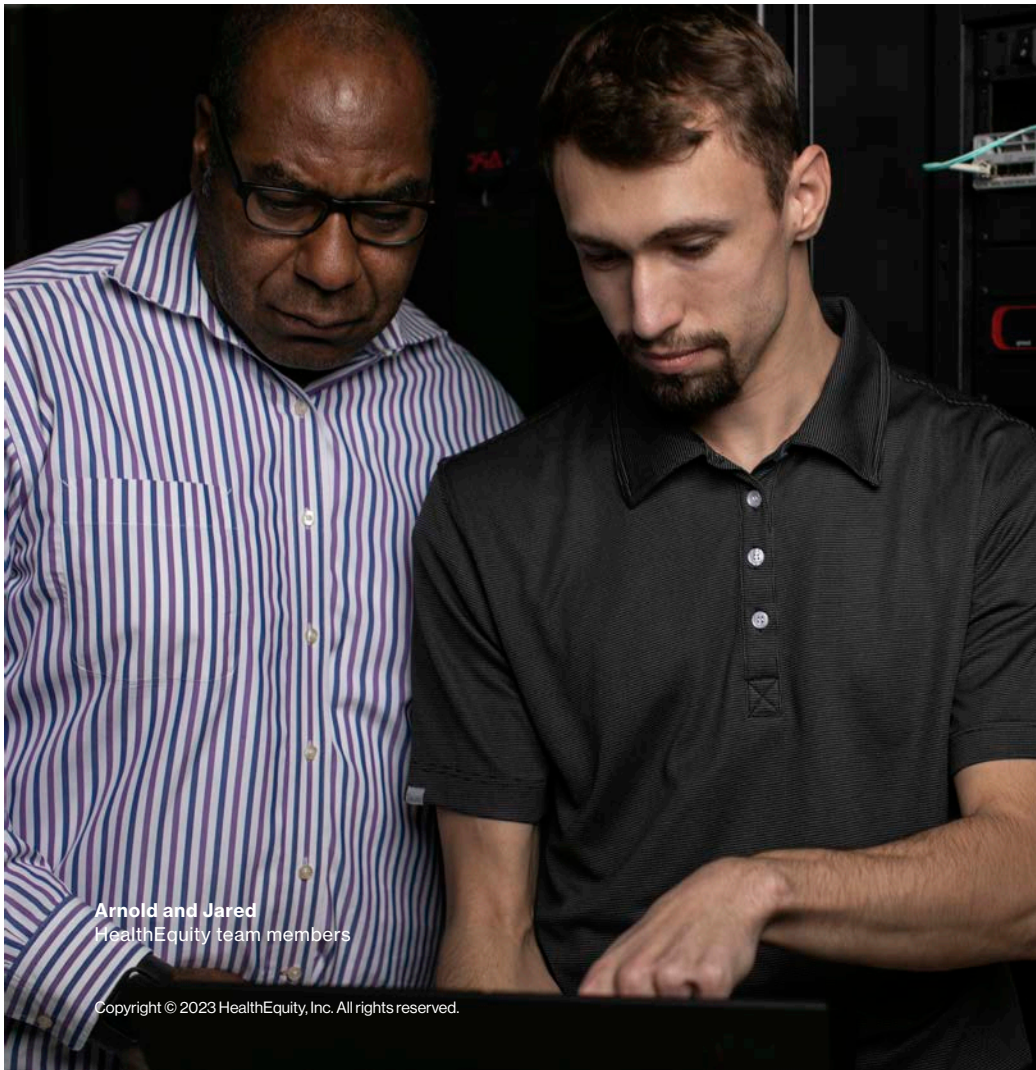
New for HealthEquity in this reporting period is the California Privacy Rights Act, which brought some of our products under the California Consumer Privacy Act's coverage. We implemented measures to enable us to comply with that regulation (and multiple other new state privacy laws coming online in 2023 and beyond).



Zach
HealthEquity team member

Our commitment to privacy and data security starts even before organizations and individuals become clients. Our team members take compulsory privacy and security compliance training annually, which is supplemented through specialized monthly training and educational opportunities across IT, privacy, and data security areas.

Our Marketing team practices care in how we reach potential clients and does not engage in behavioral advertising. Upon partnering with HealthEquity, clients and members are informed of how and why data is collected and used, granting them the information they need to feel confident of their choices and of HealthEquity's services.



Arnold and Jared
HealthEquity team members

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HealthEquity places a high priority on protecting data. We maintain administrative, technical, and physical safeguards designed to protect it. Our comprehensive Cybersecurity team identifies security risks by leveraging partnerships with state and federal law enforcement, security information-sharing organizations, and 24/7 system surveillance through internal and external detection and response teams.

To ensure our approach to customer privacy and security is effective and in line with industry standards, HealthEquity follows risk management standards established by the Statement on Standards for Attestation Engagements 18 (SSAE-18), Service and Organization Controls (SOC 1 and 2) reporting, and NIST's Cybersecurity and Privacy frameworks.

Anti-corruption

Combatting corruption requires vigilance and is an important piece of creating a sustainable HealthEquity. We work to prevent, detect, and correct any instances of corrupt behavior through systemic means, through multiple written policies and ongoing education.

Key policies include the HealthEquity:

- Code of Business Conduct and Ethics
- People Handbook and State Supplements
- Anti-Corruption Policy
- Lobbying Policy

These policies are communicated to team members via our People Handbook. All team members—regardless of level, role, or location—are required to acknowledge that they have received and read the HealthEquity Code of Business Conduct and Ethics (Code); this is done at the time of hire and on an annual basis as part of the company’s annual compliance training (which itself addresses corruption as a topic). The Code is owned by the Board of Directors (Board); the Board reviews and approves this document every year. In addition to the Code, HealthEquity requires team members to acknowledge the People Handbook (and applicable State Supplements) and the following policies at the time of hire and on an annual basis.

- Anti-Corruption Policy
- Insider Trading Policy
- Anti-Money Laundering Policy
- Regulation FD Policy
- Information Security Policy
- Privacy Policy
- Acceptable Use Policy

Note: Our operations partners, i.e., vendors are not required to acknowledge HealthEquity policies, but they provide information on ethics/integrity as part of our procurement process.

In addition, we proactively identify, assess, and mitigate known, material risks to the company on an ongoing basis via our Enterprise Risk Management Team. In this regard, we work with responsible parties to identify, assess, and mitigate any corruption-related risks.



Compliance Team:

- Conducts periodic compliance reviews on multiple compliance topics, including corruption
- Investigates allegations of corrupt behavior in coordination with the General Counsel
- Recommends corrective action where necessary (including the introduction or improvement of specific controls and/or disciplinary action)



Internal Audit Team:

- Audits the adequacy and efficacy of governance, risk management, and control processes
- Investigates known or suspected acts of fraud involving HealthEquity funds, property, or team members in coordination with the General Counsel

Diversity, Equity, and Inclusion (DE&I)

To reach remarkable goals, we need to create a remarkable environment that attracts, sustains, and fulfills our team members. That starts with building and maintaining a culture of diversity, equity, and inclusion (DE&I).

At HealthEquity, we embrace diversity as a powerful strength. We recognize the power of diverse workplaces to produce more innovative ideas and foster a more productive work environment. We also know that building a culture of inclusion and belonging for all team members helps promote financial and emotional health,¹¹ and answers a nationwide demand for employers that value DE&I.¹²

Realizing that reality is a matter of significant importance in creating sustainability for HealthEquity. As such, we're committed to being transparent about our current performance in these areas. We do this both by reporting our individual company metrics and by participating in industry surveys such as Diversity Inc., the National Organization of Disability Employment Tracker, and Women in the Workplace, to help generate larger pictures of DE&I in American workplaces.

“Equality and inclusion are core principles of HealthEquity—equity is quite literally in our name.”

Jon Kessler | CEO

¹¹Forbes, 2020: <https://www.forbes.com/sites/onemind/2020/07/14/the-essential-role-of-mental-health-for-a-diverse-inclusive-workplace/?sh=1310d87fac4d>. | ¹²NBC, 2021: <https://www.cnbc.com/2021/04/30/diversity-equity-and-inclusion-are-important-to-workers-survey-shows.html>.



Leaders and team members

We celebrate the different cultures, perspectives, and backgrounds reflected in our workforce, and we ask our Board and team members to share demographic information on an annual basis to assess our progress as we focus on DE&I.

Based on information gathered during this process, the makeup of the HealthEquity Board during the reporting period included:

HealthEquity Board - 12 Members



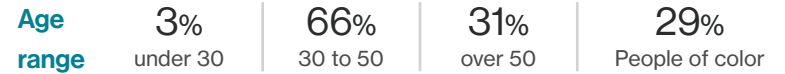
With this demographic makeup, HealthEquity is in compliance with Nasdaq’s Rule 5605(f), requiring each Nasdaq-listed company to have (or explain why it does not have) at least two diverse board members, including at least one director who self-identifies as female and at least one director who self-identifies as an underrepresented minority or LGBTQ+.

At HealthEquity, we value diversity, equity, and inclusion. Each year, we strive to do better, build on our previous successes, and become a more diverse and inclusive workplace.

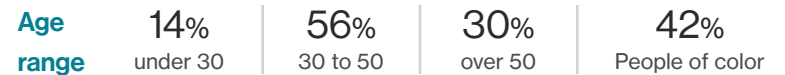
Executive leadership team



People leaders



Team members*



One percent of HealthEquity team members were foreign nationals. HealthEquity employed 33 foreign nationals during the reporting period.

*Team member data excludes People Leaders

Each year, HealthEquity reports this and other demographic information in compliance with Equal Employment Opportunity Commission (EEOC) regulations. The following is a representation of 2021 data sent to the EEOC.

2021															
Job categories	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals
			Male						Female						
	Male	Female	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or more races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaska Native	Two or more races	
HealthEquity															
Exec/Sr. Officials & Mgrs	3	1	65	3	0	2	0	0	33	2	0	2	1	2	114
First/Mid Officials & Mgrs	20	48	215	25	2	12	1	3	297	70	1	19	1	10	724
Professionals	24	27	233	25	0	43	0	8	184	40	1	40	1	6	632
Technicians	3	1	64	2	0	5	0	2	5	0	0	4	0	0	86
Sales Workers	0	0	6	0	0	0	0	1	9	0	0	0	0	0	16
Administrative Support	58	155	158	74	1	6	2	10	694	502	8	10	10	48	1736
Craft Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	108	232	741	129	3	68	3	24	1222	614	10	75	13	66	3308



All Hands Meeting
March 2023

Programs and policies

To ensure DE&I remains a core piece of HealthEquity culture, we establish values, key working groups, detailed policies, and clear future goals that create continuous improvement.

Created Equal is our DE&I initiative. Focused on rooting DE&I in all aspects of our Purple culture, Created Equal is committed to supporting process development that will allow all team members equal opportunity.

Created Equal is run by HealthEquity team members who identify opportunities, guide solutions, and hold the company accountable in the integration of DE&I practices. Diversity encompasses the unique characteristics, perspectives, skills, and talents of all HealthEquity team members.

At the heart of
our Created Equal
efforts are the Created
Equal Council and the
Connections program.

Rick
HealthEquity team member





Created Equal Council. All team members play an important role in DE&I initiatives. However, the Created Equal Council is charged with researching, developing, and proposing mechanisms that will help create a supportive, positive, and inclusive work environment for all team members. The group of cross-functional team members has representation from key stakeholder teams, including People, Legal, and Talent. The Created Equal Council works to integrate best DE&I practices into the policies, procedures, culture, and programs at HealthEquity. The Created Equal Council serves as an advisory body and provides research, recommendations, engagement support, and policy guidance to the company.

HealthEquity team members are invited to create new groups, which may include but are not limited to groups centered on race, ethnicity, LGBTQ+, women, veterans, people with disabilities, interfaith, etc. When a Connections group is approved, all team members regardless of their personal affinity with the group may join and participate.



Connections. Launched in 2021, Connections is a Created Equal program made up of self-directed, team member-led affinity groups that strategically partner with the Created Equal Council. Connections works to advance the understanding and inclusion of team members with a common background, set of interests, and/or goals. Each Connections group has a designated partner on the Talent team, who works to promote roles and attract talent within that demographic. Some of these groups include:



Elevate. Elevate works to empower women to elevate their life and career through connection, education, and inspiration. Elevate hosts gatherings for all team members to address relevant topics and assist women in advancing their careers and building their networks.



African American and Black Connections (AABC). The mission of the AABC is to build and maintain a community together by listening, educating, networking, and advocating for team members. AABC addresses relevant issues in the workplace and society while assisting team members in advancing their careers and building networks.



Pride+. Pride+ strives to increase awareness and opportunity for members and allies of the LGBTQ+ community. Pride+ provides a supportive environment for LGBTQ+ team members and a welcoming environment for allies.



Unidos. Unidos offers an environment of support, inclusion, and community for Hispanic/LatinX team members and others that are interested in learning more about the Hispanic/LatinX culture. The goal is to ensure all team members have a safe environment where innovation can flourish and utilize the group's voice to engage with leadership.



Veterans at HealthEquity. Veterans at HealthEquity's mission is to provide a landing zone to rally support, knowledge, and comradery for service members, military family members, and allies. Veterans at HealthEquity seeks to educate and impact relevant issues in the workplace and society such as transitioning from military to civilian life, veteran mental health, and career development.

To fulfill its commitments on diversity and inclusion, HealthEquity continues to operate according to the HealthEquity Policy Against Unlawful Harassment and Discrimination:

“The Company is committed to providing a work environment that is free of unlawful harassment, discrimination, and retaliation. In furtherance of this commitment, the Company strictly prohibits all forms of unlawful discrimination and harassment, including discrimination or harassment on the basis of race, religion, color, sex (including pregnancy, childbirth, breast feeding, and related medical conditions), sexual orientation, gender identity, gender expression, national origin, ancestry, citizenship status, uniform service member or veteran status, age (40 and older), genetic information, disability (physical or mental), or any other category protected by applicable state or federal law ... The Company’s policy against unlawful harassment, discrimination, and retaliation applies to all team members, including leaders. It also applies to all customers, service delivery partners, vendors (partners), and independent contractors (all of whom are designated in this policy as “Customers and Contractors”). The Company prohibits leaders and team members from unlawfully harassing subordinates or coworkers as well as Customers and Contractors. Any such harassment will subject a team member to disciplinary action, up to and including immediate termination. The Company likewise prohibits its Customers and Contractors from harassing our team members.”



Talent acquisition

Our commitment to DE&I remains integral to HealthEquity, especially as we grow. To keep our values-based culture of inclusion sustainable, our Talent Partner team and others are actively engaged in uprooting bias and centering DE&I in the talent acquisition process.

This begins with preparing our Talent Partner team with the latest information on DE&I in the workplace. Talent team members will have the opportunity to participate in available courses that are focused on race, disability, and gender.

To aid in recruiting, the team is focused on developing relationships with diverse organizations to network, create awareness of HealthEquity, and share job postings. The HealthEquity Talent Partner team is currently focused on making connections with groups focused on the following:

- Gender
- Race and ethnicity
- Veteran and active-duty military status
- LGBTQ+

The team also works to eliminate bias that may surface while crafting job descriptions. Research shows that many words are associated with masculine or feminine stereotypes that can unconsciously influence which jobs people apply for. To counteract this, HealthEquity utilizes gender decoding software to identify and adjust these words.

HealthEquity retains a focus on DE&I across all departments and hierarchies. We have committed to interviewing at least one qualified female candidate for every role Director-level and above, as well as at least one qualified person of color for every role Vice President and above. This is known as the Parity Pledge. The HealthEquity People team strives to review the Parity Pledge with leaders on a regular basis, discussing the importance of diversity, inclusion, and belonging and setting the right expectations regarding hiring processes. In line with our Policy Against Unlawful Harassment and Discrimination, HealthEquity makes clear that hiring and other employment decisions should be made based on qualifications, not candidates' gender or other protected class status.

All Hands Meeting
March 2023

HealthEquity plans to continue building on our accomplishments in talent acquisition, with several goals for the future:

- To improve the candidate experience, further reduce bias, and increase our focus on inclusive hiring practices, we have created hiring committees within each department at HealthEquity. These hiring committees have been trained on, and employ, a competency-based structured interviewing framework.
- We seek to remove bias from our actions and communications by implementing new tools:
 - A communications tool directed toward driving more inclusive and engaging verbiage in job descriptions, candidate outreach, social media usage, employer value proposition language, and DE&I certifications.
- We aim to ensure compliance with our systems and tools usages through quarterly check-ins and goals tied into our performance reviews.
- To build stronger relationships and trust with wider communities, we have developed a formalized Talent Partnership Program with our Connections groups.
- We seek to continue building and growing the foundation for a strong internship and “early careers” recruiting program. This year, we have opened our target campus list to include five historically Black colleges and universities (HBCUs).
- We have begun compiling a library of resources to produce a series with the Talent Partner and Talent Operations teams on how to write resumes, create a social media presence, and prepare for interviews.
- We will launch training that will focus on interview techniques, asking the right questions from a legal perspective, making hiring decisions based on the requirements of the job and candidate qualifications, and removing unconscious bias.



Gwen
HealthEquity team member

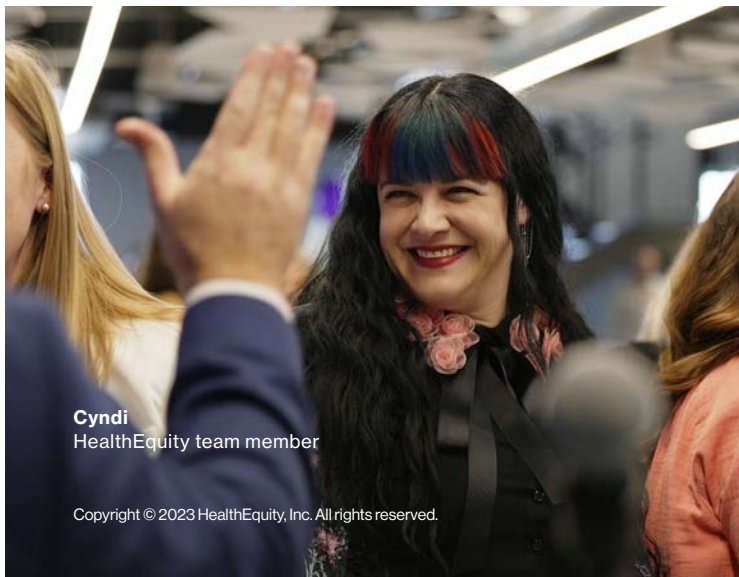
Pay equity gap

Pay equity gap is a crucial metric in assessing diversity and equal opportunity at HealthEquity.

HealthEquity strives to ensure that all team members are paid equitably for their work, regardless of their gender, race, ethnicity, or other protected characteristic.

Our Total Rewards philosophy is intended to promote fairness and simplicity so that all team members and people leaders understand the goals and the outcomes. HealthEquity strives to administer the Total Rewards package in a matter that is applied consistently, equitably, and free of discrimination as follows:

- Maintaining competitive pay by reviewing market data annually
- Rewarding team members based on their abilities, competencies, experience, and performance levels
- Effectively communicating our Total Rewards policies and practices
- Complying with all applicable federal, state, and local laws and requirements



Cyndi
HealthEquity team member

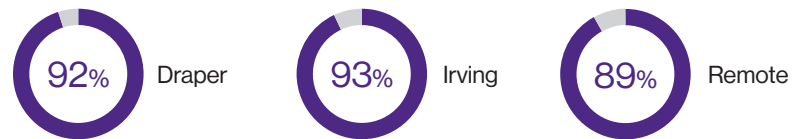
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All positions at HealthEquity are assigned a job description and an associated pay grade. That pay grade is determined using a formal job evaluation methodology based on a job's purpose and key accountabilities described in the job description. This methodology helps guide us as we strive to give equal pay for equal work.

A more specific way to look at pay equity gap is to compare average remuneration among women and men. In 2022, women nationwide earned 18 percent less than men, or 82 cents for every dollar earned by men,¹³ making this a crucial issue for a large number of working Americans.

Among all HealthEquity team members, women currently earn 91% of what men earn.

Broken down by location, those percentages are:*



HealthEquity also considers by equity by role.*



*Average women's pay over average men's pay

¹³<https://www.weforum.org/agenda/2023/03/charted-the-gender-pay-gap-in-the-us-hasnt-changed-much-in-decades/>



Swag Store photo shoot
HealthEquity team members

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Team member engagement

Another important metric in assessing organizational health is team member engagement. HealthEquity seeks team member feedback, tracks team member engagement, and measures our team member Net Promoter Score (tmNPS®)¹⁴ twice a year through a survey. The tmNPS framework surveys team members to generate a total score based on the percentage of those who are promoters (responding with a score of 9 or 10), passives (a score of 7 or 8), and detractors (a score of 0 to 6).

Scores are calculated by subtracting the percentage of detractors from the percentage of promoters (the percentage of passives is not used in the formula). tmNPS can range from -100 to 100.

The following data is from our most recent survey in October 2022:

tmNPS: 42

+8pts when compared to our
spring FY23 engagement survey

83%

Participant rate

58%

Promoters

27%

Passives

16%

Detractors

These numbers reflect a steady increase in tmNPS. After experiencing a dip likely due to COVID-19-related stress and the adjustment to remote work, we worked with our team members and leaders to address the root cause of our lower scores and have now returned to previous highs.

Another approach HealthEquity takes to understanding team member engagement is to analyze our survey results in four key areas: team dynamics, job design, leadership approach, and career growth potential. These drivers allow us to take action to improve engagement. Results are displayed by impact on engagement. From here, our teams can take a deeper dive into each area to improve results.

¹⁴Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld. Net Promoter Score™ and Net Promoter System™ are service marks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.

Purple with Purpose

Another important way we drive team member engagement at HealthEquity is by running our Purple with Purpose program.

Purple with Purpose is focused on supporting philanthropic organizations that align with our values and vision to connect health and wealth in the communities we serve. HealthEquity supports our team members by providing 16 hours of volunteer time off (VTO) for all full-time team members and eight hours for all part-time team members.

We partner with several organizations to provide channels for team members to use their VTO, including:

- Ronald McDonald House
- Habitat for Humanity
- Hunger Task Force
- Utah Food Bank
- Salvation Army
- American Red Cross
- St. Mary's Food Bank
- Make-A-Wish
- Toys for Tots
- Boys & Girls Clubs of America
- Junior Achievement
- USANA Foundation Kids Eat
- Hunger Action Center
- MS Society

We measure the success of Purple with Purpose through two key metrics: the number of team members who participate in Purple with Purpose-sponsored events and the total number of volunteer hours used. In FY23, our goals were 350 team members using VTO and 3,200 hours used.

We outperformed in both metrics, with over 700 HealthEquity team members using nearly 5,000 VTO hours.

These Purple with Purpose champions supported dozens of communities across the country, with notable achievements including contributing 2,000+ meals to food bank events and raising \$4,700 to support those impacted by Hurricane Ian.



Purple with Purpose
March 2023

Supplier diversity

The HealthEquity commitment to DE&I extends to our suppliers. It is important that our growth is backed by operations partners who reflect our own values.

We operate according to the HealthEquity Purchasing Policy, which confirms that HealthEquity is “committed to providing partnership opportunities to qualified U.S.-based diverse Operations Partners” and “recognizes that purchasing products and services from businesses that reflect the demographics of our customers helps contribute to communities, customers, and HealthEquity.”

The Operations Partner Diversity Program explains how HealthEquity fulfills this commitment by facilitating opportunities for socially and/or economically disadvantaged businesses to collaborate with HealthEquity as an operations partner. HealthEquity currently partners with 254 diverse companies (defined as an enterprise in which 51 percent or more of the ownership is of a designated diverse background),* which accounts for 19 percent – an increase

of five percent from the prior fiscal year – of our operations partner population. In FY23, we increased our spend with these organizations by nearly \$2 million.

We are focused on increasing the number of partnerships we have with diverse companies. Some steps we have taken include:

- Implementing the Operations Partner Diversity Program
- Providing training to team members that make purchasing-related decisions
- Attending conferences, expos, and webinars focused on diverse companies

The HealthEquity Procurement team also partners with business owners to identify potential new diverse operations partners or partners that we currently work with that are classified as diverse. We ask that business owners include diverse companies in requests for proposal (RFPs) whenever possible.

HealthEquity monitors the total number of diverse companies we partner with, along with our spend. The latest numbers as of the publishing of this report are:



*Designated diverse backgrounds include Airport Concessions Disadvantaged Business Enterprise (ACDBE), Disadvantaged Business Enterprise (owned and controlled by socially and economically disadvantaged individuals) (DBE), Business managed and controlled by a person with a disability (DISABLED), Economically Disadvantaged Women-Owned Small Business (EDWOSB), Historically Underutilized Business Zone program participant (HubZone), Minority-Owned Business Enterprise (MBE), Small Disadvantaged Business (SDB), Service Disabled Veteran-Owned Business (SDVET), Small business (dependent upon industry, annual sales, and number of employees) (SMALL), Veteran-owned business (VET), Woman-Owned Business Enterprise (WBE), Woman Owned Small Business (WOSB)

COVID-19 response and ongoing public health support

Since its emergence in late 2019, COVID-19 has significantly reshaped business operations at HealthEquity and continues to influence many aspects of our work. At the time of this writing, the pandemic is entering its fourth year and, according to some scientists, has become endemic.

Although the issue of pandemic response is not part of standard GRI or SASB disclosure—and public response to the pandemic has lessened in recent months—HealthEquity considers it of continuing importance to our company.

During COVID-19, HealthEquity took several measures to support our team members and mitigate risk associated with COVID-19, including remote work. Most of our team members continue to work remotely and have done so since March 2020.

HealthEquity diligently monitors federal, state, and local COVID-19 health guidelines and requirements as well as COVID-19 transmission levels and related changing health guidelines and protocols.

The physical and mental wellness of our team members and their families remains paramount. HealthEquity has continued to promote helpful benefits like our Employee Assistance Program (EAP) and our wellbeing program, offering movement money and support in seeking therapy and other care for mental health.

By continuing support for team members throughout the changing nature of the COVID-19 pandemic, HealthEquity remains committed to keeping our team members, clients, and members healthy and whole.

Support for our members and clients

HealthEquity also took action to help our clients and members weather the effects of COVID-19. We have stayed apprised of federal actions that extend benefits-related relief and have incorporated all relevant aspects of that relief to our members and clients through our respective offerings.

As of the time of this writing, the White House announced its plan to allow the COVID-19 Public Health Emergency (PHE) and National Emergency periods to expire in 2023. Specifically, the National Emergency was terminated on May 11, 2023, and the COVID-19 Outbreak Period will end July 11, 2023.

This will bring an end to the following suspended and extended time frames, which HealthEquity had previously supported during the reporting period:

- COBRA deadlines, including elections and premium payments
- HIPAA special enrollment rights
- Deadlines for claims and appeals related to reimbursement accounts, such as FSAs and HRAs.

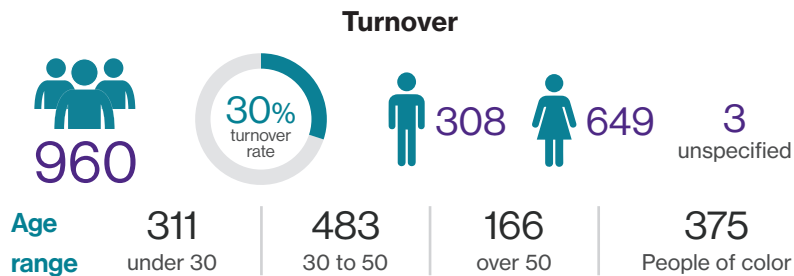
HealthEquity will continue to support other COVID-19-related regulatory changes, such as the IRS rule allowing Personal Protection Equipment (PPE) used primarily for the purpose of preventing COVID-19 to be considered a qualified medical expense under FSAs, Archer MSAs, HRAs, and HSAs. This includes face masks, hand sanitizer and sanitizing wipes.

Employment and team member benefits

Recruiting and retaining a talented workforce has always been a key part of a sustainable organization. But today’s environment can make that challenging.

Inflation reached a record high during this reporting period,¹⁵ and—coupled with the rising cost of healthcare—it has caused many Americans to rethink their work environment. Additionally, the COVID-19 pandemic continues to cast a long shadow, presenting mandates around work-life balance and support for team member mental health.

At HealthEquity, we have worked hard to help our team members thrive despite these challenges, and we are committed to transparency about where we stand.



Given our status in the employee benefits space—and the current economic climate—HealthEquity feels strongly about providing our team members with a robust and valuable benefits package. Our 2023 offerings, including eligibility guidelines, are as follows:

2023 Benefits eligibility		
Benefits	Full-time (30+Hrs)	Part-time (20-29Hrs)
Medical	Yes	No
Dental	Yes	No
Vision	Yes	No
Employee assistance plan (EAP)	Yes	Yes
Voluntary life insurance	Yes	No
HQY provided life and disability (Life/STD/LTD)	Yes	No
HSA (base + match)	Yes	Yes, Base + match are 1/2 of FTE
401(k)	Yes	Yes
Paid Maternity Medical Leave	Yes, 6 weeks paid	Yes, 3 weeks paid
Paid Parental Leave	Yes, 6 weeks paid	Yes, 3 weeks paid
CDH Change (Wellness program)	Yes, Full-time = \$250 annually individual/\$500 annually 2+ /family	Yes, Full-time = \$125 annually individual/\$250 annually 2+ /family
Movement Money (fitness reimbursement)	Yes, \$240 per year	Yes, \$120 per year
FSA	Yes, if no HSA	No
LPFSA	Yes, if no FSA	No
DCFSA	Yes	Yes
Commuter	Yes	Yes
GoodRx	Yes	Yes
Balance Booster	Yes, if on HQY HSA	Yes, if on HQY HSA
Aflac Voluntary Benefits	Yes	No
Tuition Assistance	Yes, up to \$5,000 per year	Yes, up to \$2,500 per year

¹⁵PBS, 2022: <https://www.pbs.org/newshour/economy/u-s-inflation-at-9-1-percent-a-record-high>.

A notable highlight during this reporting period was the addition of our new vacation policy, MyTime. As of September 2022, all regular full-time exempt HealthEquity team members have access to MyTime. MyTime gives team members flexible vacation time with no specific limits on the length or amount they may take. Full-time exempt team members also received up to 80 hours each year for paid sick leave (PSL).

“As a company that helps Americans achieve greater health and wealth, it is imperative that we practice what we preach.”

Jon Kessler | CEO



Denis family
HealthEquity members



Parker family
HealthEquity members

We can also provide additional context regarding some of our major benefits offerings, like medical insurance and parental leave.

During this reporting period, HealthEquity medical insurance premiums were subsidized up to 84 percent generally (though for team members in certain areas, a network plan with subsidies of up to 87 percent was available).

All full-time and part-time team members who are a birthing parent qualify for paid maternity medical leave. All full-time and part-time team members who are welcoming a new child, whether through birth, adoption, or fostering, qualify for paid parental leave. During the 2023 fiscal year, we announced increases to the amount of paid leave we are providing, effective January 1, 2023. For example, full-time birthing parents receive 12 weeks of combined paid maternity medical and parental leaves.

2022:

 **98** female team members
maternity medical leave

 **127** team members
parental leave
including 89 women & 38 men

Team member retention following maternal medical leave or parental leave is an important focus for HealthEquity. Eighty-three out of 98 team members who took maternity medical leave transitioned into parental leave following their maternity medical leave.

Following parental leave, 121 of the 127 team members who took leave returned to work. The six team members who did not return were all women. Following maternity leave, 95 of the 98 team members who took leave returned to work. The three team members who did not return were all women.

Return-to-work rate



Team members who took maternity medical leave or parental leave in 2022

Non-discrimination

Creating and maintaining a remarkable HealthEquity culture also means fostering an environment of non-discrimination. To do that, we implement and enforce values-driven codes and policies that shape and govern our workforce.

HealthEquity has continued to operate under our formal equal employment opportunity, non-discrimination, and related policies, which are made available to all team members through our People Handbook and applicable State Supplements to the People Handbook. We require our team members to acknowledge these policies in writing upon hire and annually thereafter.

Our Equal Employment Opportunity (EEO) and Pay Transparency policy includes a commitment to providing equal opportunity in all of our employment practices and prohibits discrimination, harassment, and retaliation in employment based on race, religion, color, sex (including pregnancy, childbirth, breastfeeding, and related medical conditions), sexual orientation, gender identity, gender expression, national origin, ancestry, citizenship status, uniformed services member or veteran status, age (40 and older), genetic information, disability (physical or mental), or any other category protected by applicable state or federal law. As part of our commitment to equal opportunity, and pursuant to federal laws and regulations, the policy also states we take affirmative action to ensure that applicants and team members are treated without regard to any of the protected categories, and that all team members are considered for employment opportunities without regard to these categories.

Our Policy Against Unlawful Harassment and Discrimination includes our commitment to provide a work environment that is free of unlawful harassment, discrimination, and harassment and strictly prohibits unlawful discrimination and harassment, including discrimination or harassment on the basis of the protected categories listed in the

EEO policy. The policy lists examples of prohibited sexual and other protected category harassment. Our Policy Against Unlawful Retaliation is clear that we are committed to prohibiting retaliation against those who report, oppose, or participate in an investigation of alleged unlawful harassment or discrimination in the workplace.

These policies also encourage our team members to report harassment, discrimination, and retaliation, and require supervisors who become aware of such issues or complaints to report them promptly. We include options for reporting such concerns, including to the People Team and via the Company's Ethics hotline.

Violation of these policies will result in disciplinary action, up to and including immediate termination.

We also have a consistent procedure for tracking, reviewing, and—where appropriate—investigating complaints in a neutral, thorough, and prompt manner. When policy violations have occurred, we take further steps as needed, including disciplinary action up to and including termination, to keep team members and the workplace safe and to prevent any recurrence of policy violations.

Our team members are required to complete harassment prevention training upon hire and annually thereafter. This year, we rolled out brand new training that reviewed the newest developments in this important area. Our supervisors receive additional online and “live” training on how to prevent and respond to reports of discrimination. And we have continued to take our complaint investigation and response process very seriously.

Governance

HealthEquity works in an important and sensitive space. That makes our reputation one of our most valuable assets, and for more than 20 years that reputation has been founded on strong and ethical governance.

From our Board of Directors to our executive leadership, HealthEquity maintains strong corporate governance that guides our business toward responsible growth while helping to reduce risk. Their leadership is undergirded by our company values, and helps deliver significant benefit to shareholders, customers, team members, and the wider community.

As a publicly traded company listed on the NASDAQ Stock Market, HealthEquity is also subject to the rules and regulations of the U.S. Securities and Exchange Commission (SEC) and NASDAQ continued listing standards, and we regularly provide governance information to shareholders as well as other financial and business updates.

The HealthEquity Board conducts annual performance reviews of all individual directors, as well as the Board of Directors as a whole.

HealthEquity maintains a majority voting standard for the election of our directors in uncontested elections. When evaluating new potential directors, HealthEquity considers the recommendations of stockholders, who have the power to refer candidates, and seeks diversity, core competencies, and high professional ethics.

Board of Directors

HealthEquity business affairs are managed under our Board of Directors, which is currently composed of 12 members, with one non-executive chairman of the Board.

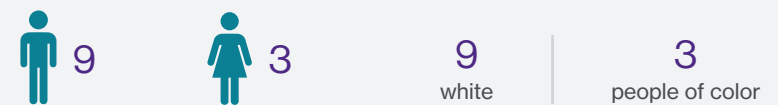
Ten of our 12 current directors are independent, which we believe provides effective independent oversight of HealthEquity. Our Chief Executive Officer, Jon Kessler, is a director, but he does not serve as Chairman of the Board and does not serve on any committee of the Board.

Our Vice Chairman, Steve Neeleman, also serves on the Board, but not on any committee.

Board independence



Board demographics



Board tenure



Standing Board committees

HealthEquity has four standing Board committees overseeing important aspects of company operations, including ESG practices.

The four standing committees of the Board include:

- **The Audit and Risk Committee**, which is responsible for selecting and overseeing our independent registered public accounting firm, reviewing and approving the annual internal audit plan, reviewing and approving the annual risk management plan, and reviewing and discussing major risk exposures at HealthEquity, among other duties. The audit and risk committee is comprised of four members and operates under a written charter that satisfies the applicable rules and regulations of the SEC and NASDAQ listing requirements.
- **The Cybersecurity and Technology Committee**, which reviews the cybersecurity threat landscape and HealthEquity data security programs, HealthEquity compliance with security and data protection laws and industry standards, crisis preparedness, and other critical cybersecurity and technological issues. The committee has five members.
- **The Talent, Compensation, and Culture Committee**, which reviews executive compensation, approves employee benefit plans, oversees HealthEquity culture, reviews compliance with key laws, and supervises the overall HealthEquity compensation philosophy and benefits programs. The committee is comprised of four members and operates under a written charter that satisfies applicable rules and regulations of the SEC and NASDAQ listing requirements.
- **The Nominating, Governance, and Corporate Sustainability Committee**, which evaluates the Board of Directors and oversees its activities and members, including overseeing the HealthEquity strategy on ESG topics. The committee also makes recommendations on new directors to the Board. The Committee has four members and operates under a written charter that satisfies the NASDAQ listing requirements.

Because ESG concerns are rooted in every aspect of HealthEquity operations, these standing committees also oversee ESG topics material to the company. The Nominating, Governance, and Corporate Sustainability Committee provides general oversight of HealthEquity ESG strategy and programs and gives regular updates to the Board on these matters.



Brad Bennion
SVP Corporate Development

For more information on the HealthEquity Board of Directors, the committees of the Board, and the qualifications to serve on the Board, see our annual Proxy Statement to shareholders at ir.healthequity.com. Our Code of Business Conduct and Ethics as well as our Corporate Governance Guidelines can be found at the same site.

Policies, practices, and industry participation

HealthEquity understands that a sustainable organization and culture requires strong, clear policy commitments. We've referenced several codes and policies in this edition of Sustainably Purple, but we would also like to provide an overview of some of our most important documents.

They are:

- **The Code of Business Conduct and Ethics (Code).** Adopted and governed by the HealthEquity Board of Directors, the Code promotes honest and ethical conduct, compliance with laws and regulations, and the protection of company assets. It also serves to deter wrongdoing and ensure accountability for adherence to the Code.
- **The People Handbook.** Maintained by the People Team, the People Handbook serves as a guide to HealthEquity for team members, providing a reference for information about employment, company policies, and culture. It covers timekeeping and payroll practices, company benefits, information on technology and social media, and expectations for team member conduct. It also includes our Equal Employment Opportunity (EEO) and pay transparency, reasonable accommodations, and our Policy Against Unlawful Harassment and Discrimination and Policy Against Unlawful Retaliation. Applicable State Supplements to the People Handbook also include policies relevant to team members in certain states. These and other policies are embedded into every level of our work at HealthEquity.

Membership associations

As a leading organization in the benefits space, HealthEquity participates in several industry organizations to varying degrees. Some of these involvements include:

- *Employers Council on Flexible Compensation (ECFC):* Board member, Government Relations & Interpretations Chair, Technical Advisory Council, Conference Committee Chair
- *The Special Interest Group for IIAS Standards (SIGIS):* Chair, Board member, Audit Committee, Eligible Product List Committee
- *American Benefits Council (ABC):* Executive Board Committee Member, Policy Advisor Committee
- *Employee Benefit Research Institute (EBRI):* Speaker
- *Alliance to Fight for Health Care (AFHC):* Committee member
- *The Council for Affordable Health Coverage (CAHC):* Board member
- *Health Savings Account Council (HSA Council):* Board member, Advocacy and Compliance Committees
- *U.S. Chamber of Commerce:* Employee Benefits Committee Member
- *America's Health Insurance Plan (AHIP):* Communication, Employer Provided Coverage and State Affairs Committees
- *Association for Commuter Transportation (ACT):* Advisor and member
- *American Public Transportation Association (APTA):* Advisor and member
- *Consumer Healthcare Products Association (CHPA):* Advisor
- *Employee Benefits Institute of America (EBIA):* Advisor/industry speaker

- **Corporate Governance Guidelines.** Approved and adopted by the Board of Directors, corporate governance guidelines assist the Board in its oversight of the business and affairs of HealthEquity and the discharge of its fiduciary responsibilities.
- **Anti-Corruption Policy.** This policy is intended to ensure HealthEquity is compliant with anti-corruption laws, as well as prevent improper payments and other improper transfers, detect any HealthEquity noncompliance with the policy, and ensure appropriate action by HealthEquity to address noncompliance.
- **Lobbying Policy.** This policy ensures all HealthEquity lobbying is conducted in accordance with applicable law and registration filings, in coordination with the HealthEquity General Counsel and Senior Vice President for Public Policy and Government Affairs. The policy also requires that lobbying activities are reported under the rules of the Lobbying Disclosure Act and outlines the official HealthEquity public policy and government affairs program.

These and other policies are embedded at every level of our work at HealthEquity.

HealthEquity houses all charters, policies, programs, and standards in our Policy Center, available to all team members through the company intranet. Team members are trained on certain policies at regular intervals, and HealthEquity strives to ensure all team members, business partners, and other stakeholders receive clear communication regarding our policy commitments.

Our Board of Directors also conducts an annual review of each committee charter and several other key governance policies.



All Hands Meeting
March 2023

For more information on policies at HealthEquity, including dissemination and enforcement, please see our latest Proxy Statement to shareholders at ir.healthequity.com.

Greenhouse Gas (GHG) Emissions

Climate change is a risk that affects us all. Although HealthEquity—as a technology-enabled company—has a smaller carbon footprint than some, we remain eager to do our part in protecting our shared planet.

As a company committed to sustainability, we understand the importance of transparency and accountability in our reporting. Our GHG emissions have been a focus of our sustainability strategy, and we have reported on them in the past. However, this year we made the decision not to publish our GHG data.

At the time of publication of this report there are pending regulations that could impact how GHG emissions are reported. We believe it is essential to stay current with regulatory requirements to ensure the accuracy and integrity of our reporting. As a result, we have decided to hold off on publishing our emissions data until we have a better understanding of how these regulations may affect our reporting obligations.

Moving forward, we will continue to monitor developments in the regulatory landscape and make any necessary adjustments to our reporting practices. We remain committed to taking steps to ensure our reporting remains transparent and accurate and will continue to report on our sustainability progress and other material metrics.

We believe that our decision to not publish our GHG emissions data this year is a responsible one, aligned with our values and commitment to compliance.

We appreciate the trust and support of our stakeholders as we strive to uphold our commitment to transparency and accountability.



Taylor family
HealthEquity members

Staying Purple

HealthEquity continues to grow and to play a leading role in the benefits and healthcare space. We have a responsibility to our team members, our business partners, our members and clients, and the communities in which we live and work to respect that position.

We hope exploring this year's edition of *Sustainably Purple* has given you greater insight into how we strive to fulfill that responsibility.

The environmental, social, and governance topics covered in this report are not just issues we consider once a year. They are embedded into the foundation of our company and inform everything we do. As we continue to fulfill our ESG commitments, we hope both our values and the specifics around how we implement them become even clearer.

We welcome feedback from all our stakeholders on *Sustainably Purple*, and we look forward to hearing your thoughts and ideas on how we can improve. We also hope you'll continue following us on our mission to build a better, more sustainable HealthEquity.

For more information, please contact:

Gabe Brambila

Vice President of Corporate Sustainability

gbrambila@healthequity.com

Awards and Recognitions

At HealthEquity, we take our sustainability efforts seriously. We are proud to share that our work has been recognized in many areas by several third-party groups.



Bloomberg Gender Equality Index (GEI), 2023



Energage Top Workplace USA, 2022



Investor Business Daily Best HSA Providers, 2023



ADP Sales Choice Award, 2022



Women Tech Council Shatter List, 2022



Utah Worksite Wellness Council, Platinum honor and Physical Innovation Award, 2022

Appendix I

In preparing Sustainably Purple, HealthEquity has sought to report with reference to the disclosures, standards, and metrics laid out by GRI and SASB. Here, you can find an index of disclosures from both bodies complete with HealthEquity commentary.

GRI index

HealthEquity has reported the information cited in this GRI content index for the period February 1, 2022 to January 31, 2023, unless otherwise noted, with reference to the GRI standards.

GRI standard	Disclosure	Page(s) in this report	Further information and commentary
GRI 2: General Disclosures 2021	2-1 Organizational details	4 - 13	
	2-2 Entities included in the organization's sustainability reporting		For a full list of subsidiaries of HealthEquity, Inc., see Exhibit 21
	2-3 Reporting period, frequency and contact point	3	
	2-4 Restatements of information		
	2-5 External assurance		HealthEquity did not seek external assurance for this report
	2-6 Activities, value chain and other business relationships	8-13, 29-30, 38	
	2-7 Employees	6	
	2-8 Workers who are not employees		HealthEquity employs contractors but they are not included in our total team member count
	2-9 Governance structure and composition	36 - 39	For more information on this topic, see our latest Proxy Statement
	2-10 Nomination and selection of the highest governance body	36 - 39	For more information on this topic, see our latest Proxy Statement
	2-11 Chair of the highest governance body	36 - 39	
	2-12 Role of the highest governance body in overseeing the management of impacts	36 - 39	For more information on this topic, see our latest Proxy Statement
	2-13 Delegation of responsibility for managing impacts	36 - 39	For more information on this topic, see our latest Proxy Statement
	2-14 Role of the highest governance body in sustainability reporting	37	For more information on this topic, see our latest Proxy Statement
	2-15 Conflicts of interest		For more information on this topic, see our Code of Business Conduct and Ethics
	2-16 Communication of critical concerns		For more information on this topic, see our latest Proxy Statement
	2-17 Collective knowledge of the highest governance body		For more information on this topic, see our latest Proxy Statement
	2-18 Evaluation of the performance of the highest governance body	36 - 39	For more information on this topic, see our latest Proxy Statement
	2-19 Remuneration policies		For more information on this topic, see our latest Proxy Statement
	2-20 Process to determine remuneration		For more information on this topic, see our latest Proxy Statement
	2-21 Annual total compensation ratio		For more information on this topic, see our latest Proxy Statement

GRI standard	Disclosure	Page(s) in this report	Further information and commentary
	2-22 Statement on sustainable development strategy	3, 7, 14	
	2-23 Policy commitments	38 - 39	For more information on this topic, see our Code of Business Conduct and Ethics
	2-24 Embedding policy commitments	38 - 39	For more information on this topic, see our Code of Business Conduct and Ethics
	2-25 Processes to remediate negative impacts		For more information on this topic, see our latest Proxy Statement
	2-26 Mechanisms for seeking advice and raising concerns		For more information on this topic, see our latest Proxy Statement
	2-27 Compliance with laws and regulations		For more information on this topic, see our latest Proxy Statement
	2-28 Membership associations	38	
	2-29 Approach to stakeholder engagement	11-15, 28-31	For more information on this topic, see our latest Proxy Statement
	2-30 Collective bargaining agreements		HealthEquity does not have team members covered by a collective bargaining agreement
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14-15	
	3-2 List of material topics	14-15	
	3-3 Management of material topics		Each material topic is discussed in detail throughout this report
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	18	
	205-2 Communication and training about anti-corruption policies and procedures	18	
	205-3 Confirmed incidents of corruption and actions taken		We are not aware of any incidents during this reporting period
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40	
	305-2 Energy indirect (Scope 2) GHG emissions	40	
	305-3 Other indirect (Scope 3) GHG emissions		HealthEquity does not track
	305-4 GHG emissions intensity		HealthEquity does not track
	305-5 Reduction of GHG emissions		No goals have been set
	305-6 Emissions of ozone-depleting substances (ODS)		HealthEquity does not track
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		HealthEquity does not track
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	32	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	32-33	
	401-3 Parental leave	34	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	19-21	
	405-2 Ratio of basic salary and remuneration of women to men	27	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	35	This information is confidential to HealthEquity
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16-17	This information is confidential to HealthEquity

SASB index

Topic	Disclosure	Page(s) in this report	Further information and commentary
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy (TC-SI-220a.1)	17	
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), and (3) number of users affected (TC-SI-230a.1)	N/A	This information is confidential to HealthEquity
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards (TC-SI-230a.2)	16-17	
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore (TC-SI-330a.1)	20	
Recruiting & Managing a Global, Diverse & Skilled Workforce	Employee engagement as a percentage (TC-SI-330a.2)	28	
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees (TC-SI-330a.3)	19-24	

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Connecting health and wealth

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