

Vipps MobilePay Statement of the Transparency Act Due Diligence Assessment 2023

1 About this statement

All companies covered by the Transparency Act must report on their due diligence assessments annually, latest by June 30. Vipps MobilePay AS had sales revenues of 1 300,7 MNOK, a balance sheet total of 4 039,4 MNOK, and an average of 616 full-time equivalents in the financial year 2023. Consequently, we are subject to these reporting obligations.

According to the Transparency Act Section 4, second paragraph, due diligence assessments shall be carried out regularly and in proportion to the size and nature of the company, the context of its operations, and the severity and probability of adverse impacts on fundamental human rights and decent working conditions.

Section 5, first paragraph sets the required content of the statement of the due diligence assessment:

- a) a general description of the company's structure, area of operations, standards and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions (internal governance)
- b) information regarding actual adverse impacts and significant risks of adverse impacts that the company has identified through its due diligence assessment
- c) information regarding measures the company has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures

In Vipps MobilePay, we carry out due diligence assessments of our own operations and our value chains minimum annually. The purpose of these assessments is to identify any risks linked to violations of human rights and decent working conditions. These due diligence assessments also describe measures taken to ensure that such risks are prevented, reduced or eliminated. The current statement of due diligence assessment is published on our website, according to the Transparency Act Section 5, third paragraph.

2 About Vipps MobilePay

2.1 Organisational structure of Vipps MobilePay

As one Nordic mobile wallet for all, Vipps MobilePay is one of Europe's largest fintech companies, making it truly simple to pay and be paid. We have implemented a customer-centric, Nordic organisational model, with an organisational structure based around three customer segments and five enabling functions. The three customer segments are: Users, Small & Medium Enterprises, Large Customers. The five enabling functions are: Technology & Platform, Brand & Communication, Risk & Compliance, People & Organisation, Finance & Legal.

2.2 Vipps MobilePay's area of operations

We are one Nordic mobile wallet that was once two: Vipps, founded in Norway and MobilePay, which originated in Denmark. Both solutions were launched with a mission to deliver a service that made sending money as easy as sending a text. Besides app-based payment services for private persons ("users"), we are offering payment products and services to business customers ("merchants"). Vipps MobilePay's ambitions are clear: Continuing the strong growth in eCommerce, launching a tap-to-pay

solution for in-store, being the preferred service provider for everyone who pays and gets paid, being an attractive employer and expanding internationally. Our focus is on building competitive solutions, making user experience as smooth as possible, for our merchants and users in Denmark, Finland and Norway.

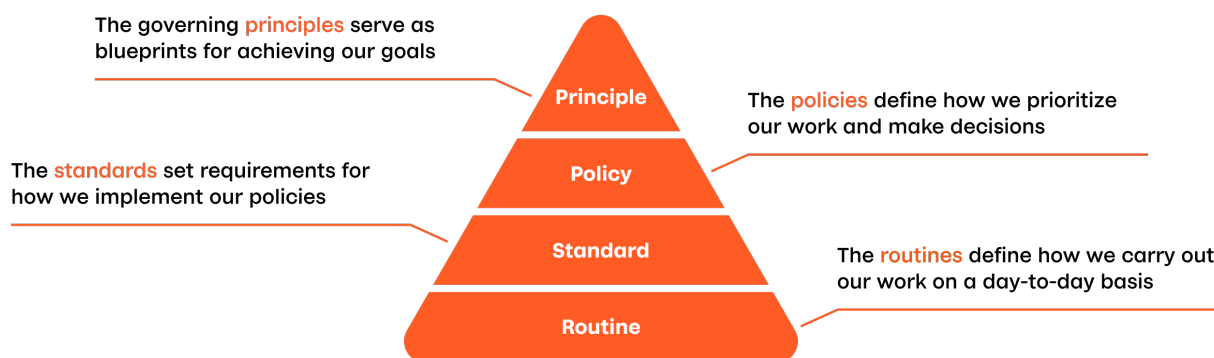


Vipps MobilePay AS was granted the licence to operate as an electronic money institution in February 2023, and is supervised by the Financial Supervisory Authority of Norway. The company was previously licensed and has operated as a payment institution in Norway.

Vipps MobilePay AS operated under the name "Vipps AS" until 03.05.2023 when the merger with the Danish company MobilePay A/S was finalised. During the period 01.11.2022-03.05.2023 MobilePay A/S was a fully owned subsidiary of Vipps AS.

2.3 Internal governance

In line with requirements regarding prudent operations and sound business practices, as set forth in Norway Financial Institutions Act ("Finansforetaksloven") Chapter 13 II, Vipps MobilePay has established an effective internal governance framework. The framework spans principles and policies approved by the Board of Directors that everyone is expected to be familiar with, to standards on more in-depth topics approved by members of the Leadership Team, to detailed and step-by-step routines on key business processes approved by managers and employees.



Accountability for compliance with the Transparency Act is embedded in Vipps MobilePay's governance framework. It is anchored in our governing documents that Vipps MobilePay must safeguard human rights and to carry out risk-based due diligence assessments in our value chain. As an employer, Vipps MobilePay has committed to respect basic human and employee rights, and ensure decent working conditions.

3 Overview of activities for handling adverse impacts on human rights and decent working conditions

The following table outlines Vipps MobilePay's most important activities related to the Transparency Act, including how they are codified in our standards and procedures, for handling actual and potential adverse impacts on fundamental human rights and decent working conditions.

Area	Activities in 2023
Principles for responsible procurement, implemented in our framework for procurement, which includes procurement procedures for large vendors, as well as procedures for acquiring systems or software	<p>Vipps MobilePay has improved established internal governance and sound business processes for procurement and vendor management. This framework enables us to make the best decisions regarding costs and quality, while simultaneously ensuring business ethics, sustainability and social responsibility, as well as compliance with relevant laws and regulations.</p> <p>The following principles are applicable for procurement, outsourcing and vendor management in Vipps MobilePay:</p> <ul style="list-style-type: none"> • Risk and control assessments, including risks for potential adverse impacts on fundamental human rights and decent working conditions, when determining the scope of outsourcing, when selecting suppliers and as an integrated part of our periodic vendor management. • Procurement processes are always based on fair competition, objective functional and technical requirements (including compliance, privacy and security requirements), and non-discriminating supplier selection principles.

Vendor Management	<p>Vipps MobilePay has established internal governance and efficient processes for onboarding, continuous follow-up and off-boarding of vendors, including:</p> <ul style="list-style-type: none"> • Strategic, tactical and operational meetings with vendors • Follow-up of SLAs and service quality • Minimum annually for critical or important vendors: Vendor evaluation, including risk and control assessment • Implementation and use of a dedicated Supplier Management tool that provides an enriched risk classification of suppliers, templates and custom questionnaires and surveys
Outsourcing & Third Party Risk Management	<p>Vipps MobilePay ensures that the company has sufficient competence and uses a risk-based approach for outsourcing arrangements and vendor due diligence. The scope of our outsourcing is sound and in line with regulatory requirements.</p>
Code of Conduct	<p>Our Code of Conduct, "<i>We Are Vipps MobilePay</i>", covers amongst other topics the following:</p> <ul style="list-style-type: none"> • Transparency • Discrimination, Harassment and Labour • Health, Safety and Security • Corporate Social Responsibility • Bribery and Corruption • Conduct Reporting <p>All employees and consultants sign our Code of Conduct upon joining Vipps MobilePay, and annually thereafter. Awareness around the topics covered in the Code of Conduct is strengthened by internal information campaigns, nano-learning activities, etc.</p>
Decent working conditions in Vipps MobilePay	<p>Vipps MobilePay is a workplace where everyone must be treated with respect, fairness and equality regardless of their race, gender, sexual orientation, religion, or any other characteristic that makes us unique. We have zero tolerance for any form of discrimination and harassment - towards customers, suppliers, colleagues, or anyone else we encounter. We take all reports of such behaviour extremely seriously and thoroughly investigate and take swift and appropriate steps to address any concerns or misbehaviours..</p>
Risk management and internal control responsibility of all leaders and employees	<p>Risk management and internal control shall ensure Vipps MobilePay's survival, prudent operations and enable us to achieve its goals. Risk management and internal control activities are based on determinations of materiality and proportionality, and the priority of activities should always be risk-based. Efforts should be directed towards risky areas or areas where errors can have critical consequences.</p> <ul style="list-style-type: none"> • All employees and consultants have an independent responsibility to assess the risks they see in their daily work, implement risk-reducing or control measures, as well as continuously manage and report incidents and deviations, including identified or potential negative impacts on fundamental human rights or decent working conditions.

	<ul style="list-style-type: none"> All leaders are responsible for ensuring that activities within their area or team are carried out and documented in accordance with the framework for governance, risk management and internal control.
<p>Notification channels and complaint mechanisms for employees, customers and other external stakeholders</p>	<p>All employees and consultants working in Vipps MobilePay are encouraged to report unacceptable matters , such as breaches of standards and routines, discrimination, harassment, etc. The company encourage the use of internal portals for reporting general concerns, incidents, and specifically matters pertaining to Health, Safety, Security and Environmental (HSSE). These internal portals are available to all employees and consultants. Such cases can also be escalated to the respective employee's leader, the leader's leader, relevant enabling functions, subject matter experts or they can be reported anonymously by using the company's publicly available whistleblowing channel. For external stakeholders like customers, supply chain or other business partners, Vipps MobilePay has enabled notification of negatives events and complaints through various channels, including our complaint, feedback and anonymous whistleblowing channels on our website: https://www.vipps.no/kontakt-oss/vipps-whistleblowing-channel. In our publicly available whistleblower channel, we encourage the reporting of amongst other the following matters:</p> <ul style="list-style-type: none"> Danger to life and health Danger to climate or the environment Irresponsible working environment Ethically unacceptable behaviour Subcontractors that violate laws and regulations <p>The external whistleblower channel, is available online (https://trustcom.pwc.no/vipps) and is serviced by an external law firm on our behalf. The whistleblower channel accommodates anonymous reports, for internal as well as external whistleblowers, but also two-way communication, in a secure and easy to use manner. The channel is available in Norwegian, Danish, Finnish, Lithuanian and English. We have internal routines for the appropriate processing of such reports</p>

4 Mapping and assessing negative impact/damage from Vipps MobilePay's business operations

Due diligence assessments are an integral part of Vipps MobilePay's work to respect fundamental human rights and decent working conditions. These assessments, in accordance with the Transparency Act, are conducted regularly in order to map and document how we as a business impact, or can potentially impact, fundamental human rights or decent working conditions negatively, so that we can prevent or reduce such negative impacts. Our due diligence processes always include our own business operations, as well as identifying such risks connected to our supply chains or business partners.

4.1 Due diligence assessment for 2023 of Vipps MobilePay's own business operations

In Vipps MobilePay, we believe that our employees are our greatest asset, and we strive to create an environment where they can thrive. The company is committed to creating a collaborative and

welcoming workplace where we provide our employees and consultants with the environment and resources they need to succeed. Our workforce primarily consists of professionals like developers, engineers, product managers, subject matter experts, sales representatives, customer service representatives, etc. working in modern office locations in central business districts in Oslo, Copenhagen, Aarhus, Helsinki and Vilnius.

At Vipps MobilePay, we promote physical, psychological, and social well-being. We have established efficient procedures to provide support to employees facing illness or other personal challenges. Our managers develop and implement appropriate measures and follow-up plans in accordance with relevant laws, ensuring that our employees receive the necessary support.

Vipps MobilePay regularly conducts "Pulse" surveys among all employees to gain insights on the state of working conditions, culture and other key topics, in order to identify appropriate measures to further improve the working environment. There are also regular meetings for all leaders to ensure awareness of their responsibilities as managers. We are actively working to ensure greater gender diversity in our leadership.

Transparency is fundamental at Vipps MobilePay. All employees have a responsibility to act in an ethical manner and to speak up if someone acts contrary to laws, regulations or Vipps MobilePay's governing documents.

4.2 Due diligence assessment for 2023 of Vipps MobilePay's supply chain and business partners

In 2023 Vipps MobilePay AS had 422 suppliers, with a total spend of approximately 876 MNOK. The top 20 suppliers make out approximately 50 % of the spend. These top 20 vendors are primarily cloud hosting providers, IT consultancies (professional services), Software-as-a-Service providers and providers of financial services such as banking and insurance. The majority (approx. 75%) of all of our suppliers are based in Norway, followed by suppliers based in US, Sweden, UK, Denmark, Ireland and Netherlands.

Vipps MobilePay uses an external platform to enrich our own general ledger and supplier overview with relevant data like risk scores, based on industry and geography. The platform provides an industry risk score which is based upon NACE codes and the European Bank of Reconstruction and Development (EBRD) index, and a geography risk score which is based upon the International Trade Union Confederation (ITUC). Together, these make out a social risk score, which is the starting point for our risk-based approach to conducting due diligence assessments of our suppliers in line with the Transparency Act.

Vipps MobilePay has, through this external platform, not identified any medium or high risk vendor due to the geography. However, we continue to have several US and Australian based Software-as-a-Service providers that by the platform was marked as high risk last year (for 2022). Our understanding is that these vendors now have been given a lower score due to more and better data and scoring methods by the platform. Additionally, we continue to have some potentially high-risk Asian suppliers, which are all operating out of Europe. We have also identified 17 suppliers with a high inherent social risk, due to by their high industry risk rating. These are primarily minor suppliers (in total approximately 1.4 MNOK spend), 14 of which are offering debt collection or credit rating services.

4.3 Conclusion

As for last year, Vipps MobilePay has not identified any actual adverse impact in our own business or among our suppliers. Furthermore, no significant risks for negative consequences have been identified. However, it is important to emphasise that it is not possible to avoid all risks for breaches of fundamental human rights or decent working conditions. The company will therefore continue to

improve risk and control assessments, as well as continuously follow up on potentially high-risk suppliers.

If it should be discovered that Vipps MobilePay, directly or indirectly through our supply chain or business partners, have caused or contributed to a breach of fundamental human rights or decent working conditions, we will take measures to ensure that those responsible for the breach will rectify this. Any violations will be documented according to our internal governance.

5 Planned and implemented measures

This section assess the planned measures from last year, in terms of fulfillment of the goals, as well as implemented and planned steps going forward, see table below. The emphasis is on activities to stop any actual adverse impacts or mitigate significant risks of adverse impacts.

Measure	Assessment of fulfillment in 2023	Implemented and planned steps
To raise awareness and conduct training regarding reporting of incidents and the whistleblowing channel	In 2023, we conducted e-learnings, onboarding sessions with new colleagues, and ran broad internal information campaigns on these topics. We experienced more reported incidents and reports for 2023 than in previous years.	Continue the awareness raising
To improve the procurement framework, including standard contracts and Social Conduct appendix.	In 2023, the procurement framework and especially Social Conduct appendix saw concrete improvements and were crucially used in two large procurement: for an HR system and for a customer support tool.	The work on standard contracts and the procurement framework in general can and should be improved especially with regards to assessing human rights and decent working conditions of our largest suppliers, as part of our risk assessments.
Suppliers were expected to accept our Social Conduct appendix	In practice, we have seen mixed result on this in 2023. In 2023, we see that some large suppliers, especially local Nordic suppliers have accepted our Social Conduct, while international suppliers have generally asked for the content to be integrated into their legal documents requiring more negotiation on each point.	The hiring of a dedicated procurement manager, and generally improved work on streamlining and improving our procurement work especially for large suppliers.

<p>Reach out to potentially high-risk suppliers for additional information regarding risks to human rights and decent working conditions</p>	<p>In practice, this work has been ad hoc and non-systematic. It has been done to some degree, such as for new suppliers and for re-negotiations of contracts with existing large suppliers.</p>	<p>Integrate this work more directly with the risk assessment work. Onboard and train risk managers to use the dedicated platform for this.</p>
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