

nets::

**Nets Norway
Transparency
Act Report
2023**



INDEX

INTRODUCTION	2
GENERAL INFORMATION	3
Organization	3
Nets Branch Norway	3
POLICIES AND REGULATIONS	3
Code of Ethics	3
Supplier’s Sustainability Code of Conduct 2024	4
ESG STRATEGY	4
RISK MANAGEMENT	5
DETAILED DATA AND COMPREHENSIVE ESG INFORMATION	5
OUR GUIDELINES AND ROUTINES ON FAIRNESS AND TRANSPARENCY	5
Sustainability Across the Value Chain	5
How Nets’ due diligence is conducted within its value chain	5
Process and Outcomes	6
Risk Management tailored approach and Method	6
Value Creation	6
Analyzing outreach and tailoring actions	7
PROGRESS AND FINDINGS – VALUE CHAIN	7
Initial Target Suppliers	7
Key Findings	8
Focus on Human Rights and Vulnerable Groups	9
IDENTIFICATION OF ISSUES AND NEGATIVE IMPACTS	10
IMPLEMENTING APPROPRIATE MEASURES: VALUE CHAIN	11
Process and Procedures	11
Case Handling and Remediation	11
NEXI’S WHISTLEBLOWING MECHANISM	12
ASSURING COMPLIANCE	12
BUSINESS CONTINGENCY PLAN	12
OUR RESPONSIBLE PATH TO THE FUTURE	13
HOW NETS’ DUE DILIGENCE IS CONDUCTED WITHIN ITS OWN WORKFORCE	13
Progress and Findings – own workforce	14
Implementing appropriate measures: own workforce	15

INTRODUCTION

This report is prepared on behalf of [Nets Branch Norway] ("**Nets**") in line with the requirements of the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the "Transparency Act" or the "Act") section 5.

The Transparency Act entered into force on 1 July 2022. Nets is subject to the Transparency Act, pursuant to Section 2 and 3 of the Act. Pursuant to Section 4 of the Transparency Act, Nets is obliged to conduct due diligence to identify actual and potential threats to fundamental human rights and decent working environment within its own organisation and value chain, and also key environmental, social and governance aspects.

The purpose of this due diligence report is to give the general public access to the key findings from the due diligence, as well as Nets implemented and ongoing efforts to address and combat any actual or potential risks. The findings from the due diligence shall be presented by way of an annual due diligence report, as per Section 5 of the Act. This due diligence report elaborates on the due diligence conducted by Nets in the period from 1 July 2023 to 30 June 2024, on the active portfolio of suppliers.

At Nets, we are committed to ensure respect for human rights and decent working conditions and actively collaborate with United Nations Global Compact (UNGC) to uphold these principles, making efforts to ensure the ten principles which cover areas such as human rights, labour standard, environmental stewardship, and anti-corruption.

Over the past year, Nets has undertaken numerous projects and implementations that go beyond the scope of the Transparency Act. These initiatives include sustainable procurement, managing risks associated with sustainable suppliers, and ensuring compliance, among others. This report will present all the areas and initiatives we have focused on.

Daniel Meneghin
Head of ESG Nordics



Elena Florido Gomes
Human Resources Director, Norway



Lars Erik Tellmann
Chief Regional Officer, Nordics,
Country General Manager Norway



GENERAL INFORMATION

Organization

Nets Branch Norway is as part of Nets Denmark A/S and Nexi S.p.A. committed to corporate sustainability and bases its work on national legislation, international standards, and UN Conventions. Working with due diligence assessments and dialogue with our employees, suppliers and business partners is a continuous process that Nets Branch Norway is committed to continue.

Nets Branch Norway

Nets Branch Norway ("Nets") is as a Norwegian branch of Nets also part of Nexi Group, the result of the merger of Nexi, Nets, and Sia, three of Europe's largest players in the payments market and, to date, present in more than 20 countries. The European PayTech has the scale, capabilities, and territorial proximity to provide the simplest, fastest, and most secure payment solutions to individuals, businesses, and financial institutions. since the merger on 1 July 2021 between Nets and Nexi. Nets is a company specializing in providing digital payment infrastructure, digital ID and other information services. Nets consist of two business areas adjusted to different customer segments. Merchant Services provides terminals (physical and virtual) and acquiring for merchants. Issuer and eSecurity-services provide card processing, ID-solutions, and related services for banks.

These are complementary units supporting Nets ambition to be a leading player in the Nordic region. Nets Branch Norway's strategic position is related to delivering and growing these services in close cooperation with its partners to maintain Norway's leading role in the area, and to export and gain scale advantages in taking these further into selected geography.

Nets Branch Norway has its headquarters in Oslo and had 286 employees at the end of 2023 of which 10 employees were part-time employees. The company's IT department have established a close cooperation with partners delivering operation and development of the company's services and use consultants in Norway and abroad extensively. This also applies to research and development.

Nets Branch Norway in Oslo have a large fintech environment and employs innovative and modern technologies to develop its products and services.

Nets develops most of the solution offerings that the company offers, but also employs technology partners, customers and other fintech companies in the innovation effort to develop the future payment solutions.

POLICIES AND REGULATIONS

Supplier's Code of Conduct, CSR Policy, Ethical Policy, Diversity Policy, Whistle-blower Policy and the Anti-Bribery and Corruption Policy form essential part of the governance framework for Nets and are publicly available in our websites.

Code of Ethics

In a context with ever increasing attention to corporate governance issues, Nets, at Group level, has formalized a Code of Ethics summarizing the ethical principles by which the Group is inspired as well as the establishment of an organizational model that is capable of managing business risk more effectively.

The Group Code of Ethics aims to clearly and transparently define the set of values promoted by the Group in the conduct of its activities. In running its activities, the Group aims to combine profitability and competitiveness with scrupulous respect for professional ethics.

Therefore, the Code of Ethics establishes the ethical values and principles of conduct to which the Group orients its activities toward all internal and external stakeholders. Among the main values promoted are the principles of honesty, fairness, transparency, and impartiality. In addition, guiding principles, complementary to legal obligations and self-regulation, are promoted to guide conduct consistent with the Group's mission. The contents of the Code of Ethics and its updates - including any amendments and/or additions made by the Group - are defined and approved by the Board of Directors of the Nexi Group.

Supplier's Sustainability Code of Conduct 2024

In 2023 we updated our Suppliers' Code of Conduct, driven by the imperative to establish a robust framework for managing sustainability issues among suppliers, aligning it with our ESG long-term strategy, and addressing regulatory matters and decarbonization. The primary objective is to harmonize key operational elements of suppliers with our strategic requirements and refine pertinent aspects.

The enhancements to the code include clarification and definition of commitments, addressing obligations related to existing and forthcoming regulations, refining the due diligence process, introducing the value chain concept, validating targets where applicable, and facilitating data and information sharing.

Our Human Rights Statement, available at www.nexigroup.com, defines our commitment to the respect and protection of Human Rights in all countries in which it operates and it is committed to identifying, mitigating and, when possible, preventing potential violations related to its operations and its entire supply chain.

In addition, as a fundamental premise, Nets and its value chain are expected to comply with several environmental, social and governance regulations, from which our policies were originates from, with string emphasis on:

- UN Universal Declaration of Human Rights
- UN declaration against corruption
- The ILO's eight core conventions 29, 87, 98, 100, 105, 111, 138, 169 and 182
- UN Convention on the Rights of the Child
- EU Waste Framework Directive 2008/98
- EU Persistent organic pollutant regulation 2019/1021
- EU Mercury and Repealing Regulation 1102/2008
- EU Forest degradation Regulation 2023/1115
- EU Data Protection Regulation 2016/679 and 2016/680
- EU Corporate Sustainability Reporting Directive
- EU Corporate Sustainability Due Diligence Directive

ESG STRATEGY

As part of Nexi Group, Nets execute on the Group ESG strategy, the material areas and targets.

ESG plays a central role in the Nexi Group' business strategy adopted and executed by Nets, with the approach of integrating sustainability across the entire value chain. The overall goal of the ESG Strategy is to make digital payment the driver of progress, as an ESG champion. This will generate sustainability value for the company and its shareholders.

The Group has defined its first ESG strategy as basis for driving ESG objectives and instrumental actions in the period 2023-2025, in all its material topics because of the Group materiality assessment, reflecting all material areas from across the group and regions.

Since 2019 Nexi Group has built solid ESG foundations, followed by the formalisation of the Group Sustainability Policy in 2020 and the participation in the UN Global Compact since 2022, valid and implemented for Nets.

RISK MANAGEMENT

Nets' Enterprise Risk Management (ERM) model focuses on informed decision-making by identifying and managing risks that could affect its strategic goals. Key objectives include identifying, prioritizing, and monitoring corporate risks, clearly assigning management roles, and embedding a risk-aware culture. Nets have adopted an ERM policy detailing principles, roles, and the risk management framework for analysing, assessing, and monitoring risks across several categories: strategic, operational, compliance, financial, and environmental, social, and governance risks.

Nets' internal control system, designed to manage and monitor organizational risks, complies with the Corporate Governance Code and is supported by a detailed set of guidelines and procedures. The Audit Function oversees the effectiveness of the internal control and risk management system, with independent audits conducted on various issues, including cybersecurity. Nets also focuses on compliance, anti-money laundering, business continuity, and lobbying activities to ensure decision-making processes are inclusive and participatory.

DETAILED DATA AND COMPREHENSIVE ESG INFORMATION

Regarding various environmental, social, and governance disclosures discussed herein, particularly pertaining to environmental emission data, Nexi Group's Sustainability Report, published in April 2024, meticulously outlines detailed data and comprehensive general information in alignment with The Global Reporting Initiative standards (GRI).

Access to this report is available at <https://www.nexigroup.com/en/esg/documents/>

OUR GUIDELINES AND ROUTINES ON FAIRNESS AND TRANSPARENCY

Sustainability Across the Value Chain

Nets is dedicated to enhancing the environmental and social sustainability within its value chain, aligning its operations with human rights and Environmental, Social, and Governance criteria. This commitment spans various purchasing areas such as auto teller machines, point of sales, consulting, and IT services, as articulated in the company's Human Rights Statement and reflected in its Purchasing Policy and Code of Ethics. Nets aims for responsible supply chain management, prioritizing fairness, quality, innovation, and ethical practices in supplier selection.

How Nets' due diligence is conducted within its value chain

2023 brought about a comprehensive review of third-party management procedures relating to ESG aspects. This was to align with EU sustainability due diligence regulations and various national legislations aimed at promoting transparency and preventing unethical practices in supply chains. An innovative sustainability scoring framework was developed, facilitating objective assessments of suppliers based on their ESG performance. This framework aids in making informed decisions regarding supplier relationships and compliance with sustainability standards.

Nets' Suppliers undergo rigorous qualification and continuous monitoring processes to ensure they meet high standards in terms of technical capability, compliance with social regulations, and financial stability. This vigilant approach enables Nets to maintain a sustainable and responsible supply chain.

Process and Outcomes

Current and new suppliers, all any nature, undergo a detailed 5-stages screening process (i) data intake, (ii) automated screening and ESG data model, (iii) contracting stage, (iv) actions to take, and (v) monitoring & reporting, covering wide ESG considerations, and all must agree to contractual clauses ensuring ongoing compliance in these areas.

In the automated screening and ESG data mode stage, our algorithm outputs several suggested actions, from low to critical priority, such as follow up progress, due diligence, urgent due diligence, red flags, high and low overall scores, and small enterprises, with less than 10 employees.

In cases of critical actions, such as due diligence, urgent due diligence, red flags, high and low overall scores, Nets reaches out to supplier and request them an initial meeting to discuss the results, with following that, depending on the results discussion and clarifications, will be followed by additional document request and possibly a follow up physical due diligence.

Risk Management tailored approach and Method

Nets implemented an internal process and method involving the design and creation of a risk model embedded in a sustainability automated balanced scorecard tailored to Nets operations, strategy and risk appetite. This model calculates scores and ratings based on factors such as risk level, severity indicators, exposure to sustainability materiality topics, and geographical criteria.

The model, built according to Nexi's risk and sustainability strategy, offers tailored recommendations for each party assessed, ensuring automatic data analysis and devoid of subjective interpretation. Additionally, the model was designed to comply with the current due diligence acts across the EU, including but not limited to the Transparency Act (NO), Modern Slavery Act (UK), Supply Chain Act (DE), Corporate Duty of Vigilance (FR), Child Labour Due Diligence Law (NE) and CSRD and CSDDD (EU) and OECD requirements, serving as a best-practice reference and significantly improving operational efficiency.

Our approach is to assess over 60 ESG risk factors, each with a specific relevance weightage, and identify more than 10 red flag cases independently. This makes it possible to isolate specific risks regardless of the overall score, enabling the creation of remediation plans by risk and topic, rather than just from a general entity source.

Existing solutions in the market demonstrate a low level of customization when weighting and assessing risk factors, proving ineffective for our purposes and overly commoditized. Furthermore, they entail heavy dependency on third-party knowledge and data, contradicting our ambitions in this area.

Value Creation

The value being created lies in the assurance we provide to our clients and stakeholders, demonstrating our commitment and implementation of robust actions in managing sustainability risks alongside traditional risks across our suppliers.

Our primary aim is to continually enhance our approach to managing and evaluating sustainability risks within our supplier network, placing a strong emphasis on ethical and quality standards for the betterment of our organization, suppliers, clients, and end-users. We are committed to complete transparency in our actions and rationale.

This commitment will pave the way for a more sustainable and resilient future business model, not only for our organization but also for our entire value chain.

Analyzing outreach and tailoring actions

Given our constant expansion and the global nature of our suppliers and supply chain, it is imperative to enhance our risk modeling by taking into account key geographical factors.

Each element's risk sensitivity can vary significantly depending on the business landscape in each country where we operate. This diversity must be acknowledged as a critical consideration for our expansion strategy, especially in light of the varied compliance and regulatory requirements across different territories.

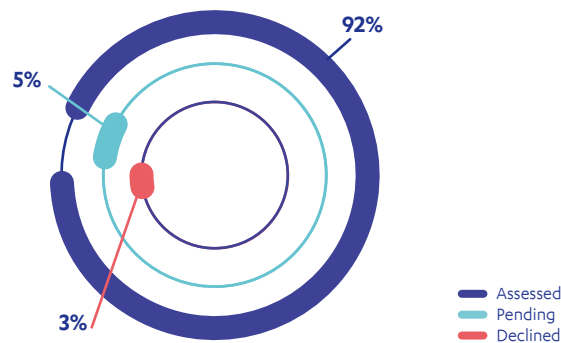
Conversely, there is also merit in adopting an inclusive approach. By integrating perspectives from each region into our risk model, we broaden the scope of risk identification and assessment.

PROGRESS AND FINDINGS – VALUE CHAIN

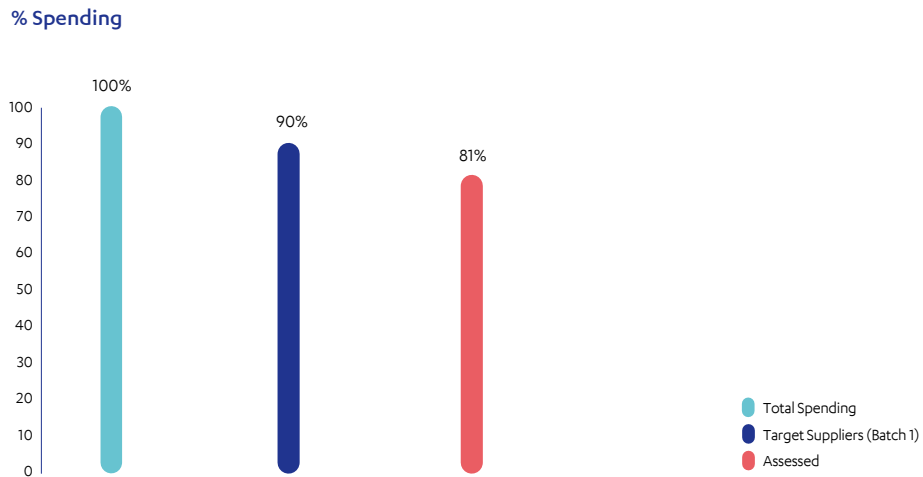
Initial Target Suppliers

In 2023, Nets significantly enhanced its sustainable procurement and supply chain procedures, substantially increasing the screening volume of suppliers. The initial selection of suppliers ("Batch 1") represents approximately 90% of the total spending in the Nordics and other European countries, encompassing all business relationships managed by the Norwegian branch. Simultaneously, new suppliers were automatically integrated into the updated process.

Adherence to this process and programme is illustrated below:

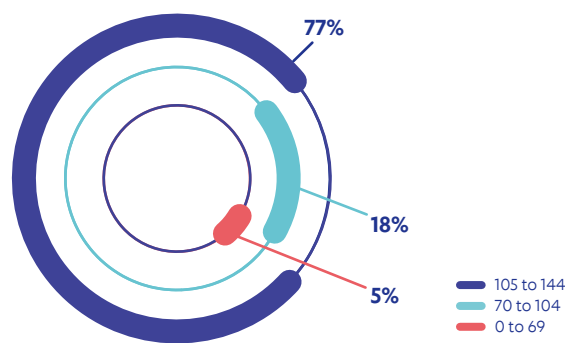


Considering the achievements of the new process **in spending**, the current batch of assessed suppliers (92% in volume) has reached 81% of the total spending. This figure does not yet account for all new suppliers, whose inclusion will further increase this representation as their relationship with Nets develops, as shown below:



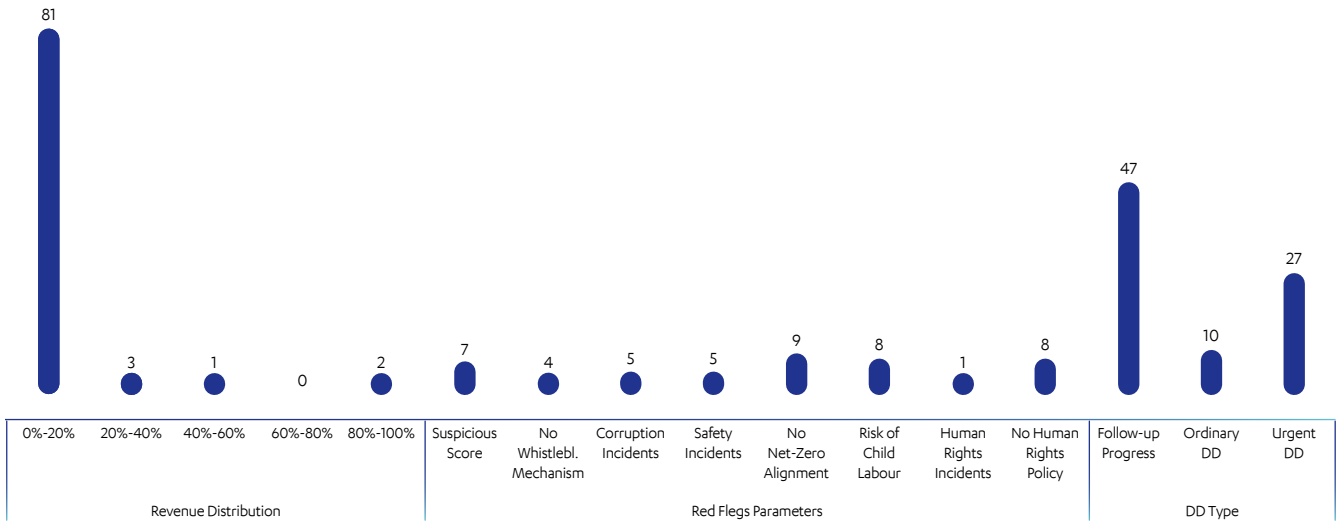
Key Findings

As mentioned in the section 'Risk Management Tailored Approach and Method,' Nets' sustainability risk and assessment model scores suppliers based on factors such as risk level, severity indicators, exposure to sustainability materiality topics, and geographical criteria. This scoring ranges from 0 to 144. The current overall performance of suppliers, categorised by score clusters, is as follows:

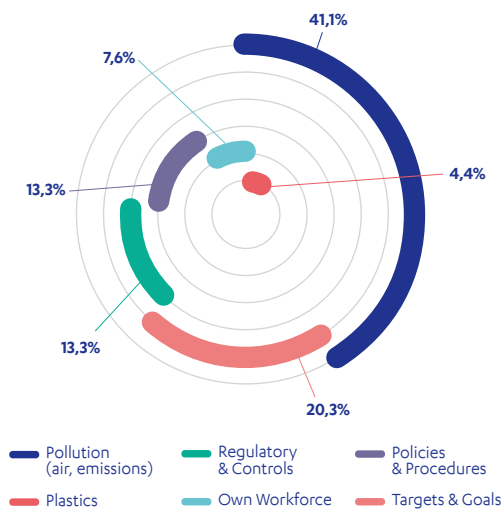


Focus on Human Rights and Vulnerable Groups

The comprehensive analysis of our suppliers has yielded the following results, highlighting the most relevant sustainability factors for Nets. These factors align with, social priorities, strategy, core values, and principles. Attached to red flags, triggers, and alerts, they determine the type of due diligence required:



The following overview focuses on key issues related to Nets’ material topics, based on the guidelines of the Corporate Sustainability Reporting Directive (CSRD):



IDENTIFICATION OF ISSUES AND NEGATIVE IMPACTS

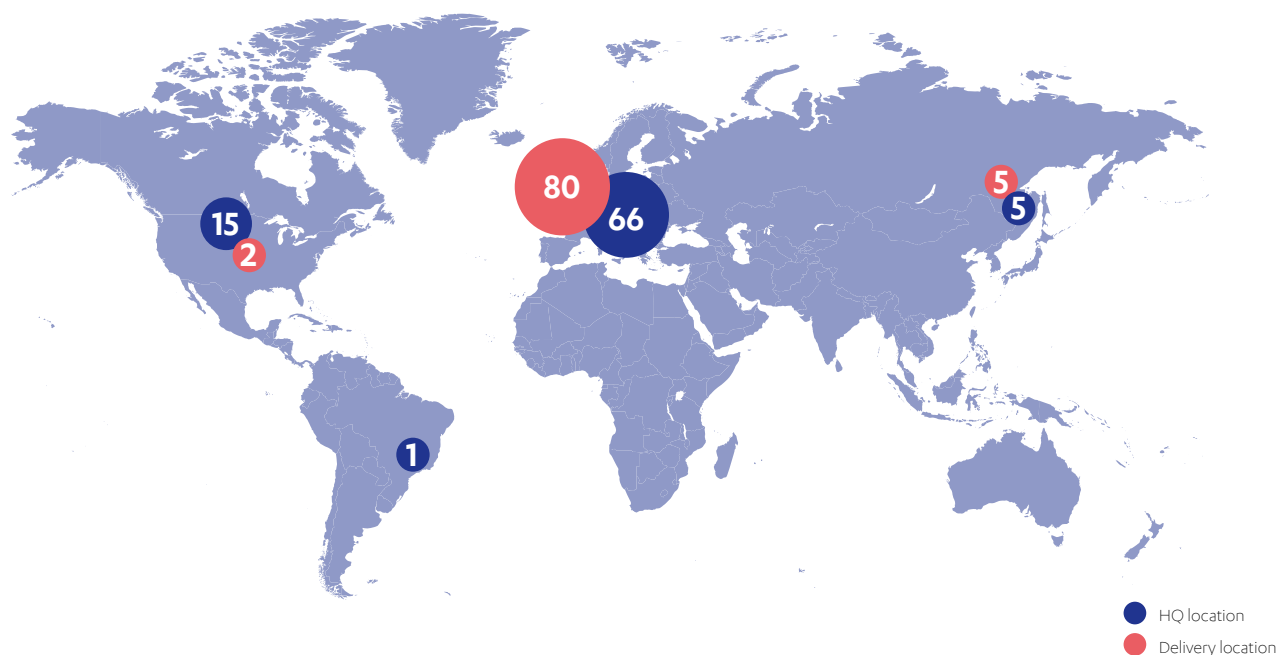
The table below presents a concise overview of the primary material issues identified during the analysis of our suppliers, which will be the base for the remediation plans. These have been categorised into four main macro topic groups: Regulatory, Strategic, Controls, and Specific Concerns.

From the issues identified, no potential impacts have materialised thus far. However, to ensure the integrity and sustainability of our operations, we will conduct further investigations on specific suppliers and operations at a granular level.

This thorough investigation aims to confirm that these potential negative impacts are not material and will not become material in the future. The investigation is ongoing throughout the second half of 2024, and we will provide detailed findings in our next report.

Regulatory	Non-EU companies' non-compliance with EU regulations, such as CSRD, Minerals, Batteries and Waste Directive, CSDDD, and other UN conventions.
Strategic	Misalignment with Nets' goals and targets, particularly regarding decarbonization and sustainable supply chain practices. Challenges in obtaining environmental data, particularly concerning emissions tonnage per scope.
Controls	Many suppliers, regardless of size or nature, lack formalization and documentation of their procedures and policies.
Specific Concerns	Resourcing companies: despite their small structure, staff, and footprint, are not acknowledging their responsibility under new regulations for their value chain. These companies specifically lack comprehensive policies and procedures to manage workers in their value chain in different countries and premises, with few apparent controls. Individual and small traders: we've established a category for small companies, comprising up to 10 employees, as their setup places them in a highly uncompetitive position compared to medium and large organizations when considering ESG scores, and not all regulations apply to these entities.

Additionally, considering various regulatory frameworks, social realities, and other factors, Nets is also tracking and analysing the different locations of its suppliers. This analysis includes both headquarters and primary locations for service and/or product delivery, also as a tool to identify negative impacts relate dot geography matters:



IMPLEMENTING APPROPRIATE MEASURES: VALUE CHAIN

Process and Procedures

Embedded within the Process and Outcomes section lies Nets' robust and detailed approach to supplier evaluation. Embracing a comprehensive five-stage screening process, all incoming suppliers undergo a rigorous examination.

This multi-faceted process includes: (i) meticulous data intake, (ii) automated screening leveraging an advanced ESG data model, (iii) meticulous contracting procedures, (iv) strategic action planning, and (v) vigilant monitoring and reporting protocols. Encompassing a broad spectrum of ESG considerations, suppliers are mandated to affirm contractual clauses, ensuring unwavering adherence to these critical areas.

In instances necessitating urgent intervention, such as due diligence inquiries, identification of red flags, or significant fluctuations in overall scores, Nets swiftly initiates direct engagement with suppliers. This proactive approach involves convening initial meetings to dissect findings, facilitating transparent discussions aimed at resolving any discrepancies. Subsequent to this deliberation, additional documentation requests may ensue, culminating in the possibility of comprehensive physical due diligence assessments.

Furthermore, Nets prudently conducts approval and bi-annual compliance screenings through an independent partner, meticulously scrutinizing 90% of the supplier portfolio. Complementing this scrutiny, periodic credit checks are performed to swiftly identify any signs of vendor instability or financial turbulence.

These stringent assessments now stand as imperatives for all prospective suppliers seeking to forge partnerships with Nets. Emphasizing a commitment to continual improvement, supplier scores undergo annual reassessment, with progress meticulously tracked and evaluated. This evaluation extends beyond mere numerical metrics, encompassing nuanced elements such as red flags and other strategic triggers aligned with Nets' overarching objectives.

Case Handling and Remediation

Nets adopts a meticulous approach to handling case-by-case findings, engaging suppliers, procurement, and business units in thorough discussions and remediation efforts, all overseen by the vigilant ESG team. Additionally, quarterly reports are disseminated to stakeholders and the Board of Directors, ensuring transparency and accountability at every level.

In the event of controversies, Nets acts by planning interventions with suppliers based on the due diligence outcomes related to its material areas and sustainability topics. These actions are detailed and monitored through the supplier management risk mitigation plan, following our internal processes and procedures as well as OECD guidelines.

These established processes empower Nets to effectively manage and communicate its supply chain sustainability performance in a concise and actionable manner. Through this framework, Nets achieves several key objectives: monitoring supplier sustainability performance and mitigating associated risks, fostering transparency through reliable assessments, and gaining valuable insights into industry-specific sustainability challenges.

NEXI'S WHISTLEBLOWING MECHANISM

Nexi's whistleblowing system is accessible to any supplier, their employees, representatives, and external parties in more than 15 countries. This reporting system covers a wide range of issues, including but not limited to breaches of any nature, violations of the law, bribery and corruption, fraud, financial crime, safety and quality matters, harassment and discrimination, protection of personal data, rights and protection of individuals, and conflicts of interest. Reports can be made confidentially and in an organised manner, either anonymously or with identification.

This ensures that reports and information can reach Nexi securely, and that each case will be assessed through a structured and independent process. Nexi's whistleblower channel can be accessed at <https://nexigroup.whistleblownetwork.net> and is managed by Nexi's compliance department.

This channel further assures transparency, security, and safety across Nexi's operations and value chain, delivering even more value to clients and end-users.

ASSURING COMPLIANCE

In tandem with these efforts, Nets leverages Reg-Track, provided by Reg-Room LLC, to access real-time, comprehensive information on global regulations. This invaluable tool enables ESG, procurement, compliance, legal, and other departments to stay abreast of regulatory changes and maintain compliance standards.

Looking ahead to 2024, Nets is poised to undertake a comprehensive review and refinement of all supplier-related policies. This proactive measure ensures alignment with evolving industry standards and best practices, as outlined in this comprehensive report.

BUSINESS CONTINGENCY PLAN

Furthermore, Nets conducts thorough analyses of critical suppliers, prioritizing risk exposure, supply chain continuity, and overall business resilience. This comprehensive approach to supplier management facilitates informed decision-making, ensuring that Nets selects partners who align with its sustainability objectives.

By employing these strategies, Nets gains a profound understanding of its suppliers' sustainability commitments, driving continuous improvement across its supply chain. Notably, Nets has established minimum sustainability score benchmarks aligned with its strategic goals, identifying supplier strengths and weaknesses and developing tailored corrective action plans for those falling short of expectations.

Looking forward, Nets envisions the future of supplier collaboration as intelligent and digitized, grounded in transparency and trust. These strategic relationships not only reduce costs and mitigate risks but also foster innovation, driving sustainable growth and resilience within the organization.

OUR RESPONSIBLE PATH TO THE FUTURE

As we look forward, we are committed to further enhancing our sustainability efforts and ensuring responsible practices throughout our value chain. The following steps outline our strategic initiatives for the upcoming period:

Enhance Risk and Assessment Model: We will refine our risk and assessment processes to better identify and evaluate a broader range of issues, risks, and potential impacts. This improvement will enable us to address sustainability challenges more effectively and proactively.

Develop a Comprehensive Sustainability Policy: A detailed sustainability policy will be integrated within our Procurement Policy. This policy will ensure alignment with our project objectives and the Corporate Sustainability Reporting Directive, reinforcing our commitment to sustainable procurement practices.

Strengthen Operational Diligence Practices: we are committed to improving our operational model to enhance our diligence practices. This will involve adopting more rigorous procedures and methodologies to ensure thorough and effective due diligence across all operations.

Achieve 100% Supplier Assessment: Our goal is to move towards assessing 100% of our suppliers. This comprehensive assessment will ensure that all suppliers adhere to our sustainability standards and contribute positively to our overall sustainability goals.

Initiate Supplier Assistance Programme: We will launch an assistance programme for our suppliers, providing them with the necessary support and guidance to improve their sustainability practices. This initiative aims to foster collaboration and continuous improvement in sustainability across our entire supply chain.

By implementing these steps, we aim to solidify our commitment to sustainability and responsible business practices, ensuring a positive impact on our stakeholders and the environment. Our journey towards a more sustainable future is ongoing, and we will continue to report on our progress in future updates.

HOW NETS' DUE DILIGENCE IS CONDUCTED WITHIN ITS OWN WORKFORCE

Nets has integrated human and labour rights commitments and environmental obligations into the corporate policies including Nets Ethical Policy to protect the employees, Nets Diversity & Inclusion Policy that sets out commitments as well as governance including establishment of Nets internal system for reporting in case an employee wants to report an incident.

The Nets Diversity and Inclusion Board was established in 2021 and has in 2022 been prioritising a number of important areas such as gender pay gap analysis, establishing a Women in Nets Network and in 2022, Nets Branch Norway published an equality report with the results so far.

Employee welfare and health and safety is central for Nets Branch Norway that also operates a data center. The Working Environment Committee that during 2022 have met 5 times and primarily discussed how Nets can improve the working environment.

Nets Branch Norway is committed to work to ensure that all accidents can be avoided, and the aim is zero work related injuries.

In 2022, the employees of Nets Branch Norway received training in average around 11 hours per employee, including mandatory courses such as Anti-Bribery & Corruption, Anti-Money Laundering and Counter Terrorist Financing, Conflict of interest, GDPR Awareness and IT Security Training.

Nets Branch Norway was also part of the first employee engagement survey of Nexi Group which was carried out in 2022 with a response rate of 85% of the employee of Nets Branch Norway. The results are included in the dialogue with the employee representatives and the works council at Nets Branch Norway. Nets Branch Norway Transparency Act report 2022

Another priority area is Diversity, Equality, and Inclusion (DE&I) where the 2022 activities have been to follow-upon the work set out in the equality report for 20213.

In addition, the priority areas have been the following during 2022:

- Equal pay review was carried out in Nets Branch Norway to address any gender pay differences that cannot be satisfactorily explained on grounds other than gender.
- Focus on the recruitment. A review of language in advertising, use of digital channels, including language linked to the interview process, was implemented.
- The launch of Women in Nets / Nexi Group – with aim to foster an environment where female talents get the same opportunities as men and establishing mentoring programs for women.
- Promoting knowledge of equality, diversity, and inclusion associated training for all managers and employees.

Progress and Findings – own workforce

The Equal Pay review for 2023 found the pay gap in Nets had reduced 5% and the number of female managers had increase with 3%.

The 2023 Equality report highlights the following findings:

- Women are more prevalent on lower bonus grades levels than men, and completely disappear on the highest grades in Norway, which shows the highest management positions are not occupied by women.
- Other than the restructuring changes made in 2020, the numbers are consistent throughout the years, not showing any upward trend movement and showing a slight decrease on the top bonus grades from 2021 to 2022.
- Men in Nets make on average 33.755,36 NOK above the salary average whereas women make 79.449,31 NOK less than the average. If we compare the median, women make less than men in both yearly salary and target pay.
- In 2022, 25 out of 196 male employees took parental leave, which means 12,7% of the male workforce. In the case of female employees, 25 out 81 female employees them took maternal leave, which means 31,8% of the female workforce.
- The percentage of sick leave has reduced significantly from 2021, but still women surpass men in sick leave by 2,30 points in the company. It is too early to discern a trend.
- The number of temporary employees however is skewed towards men. In 2022 all the temporary workers in the company were men. The total amount of temporary workers has been in constant reducing trend since 2020.
- There is a very positive decrease of part-time workers in Nets. From 14 points for women and 4 for men in 2020 to 5 points for women and 2 for me in 2022.
- After a record-low number of female leaders in Nets, the trend seemed to turn upwards in 2022.

Implementing appropriate measures: own workforce

A yearly Equal pay reviews aims to even out differences between grades and genders across the many areas of Nets. Together with this analysis, we also strive to implement the Group equality framework in the coming years:

Equal Opportunities

We will offer opportunities based on talent and merit, breaking down barriers to inclusion for under-represented groups. We will not discriminate based on gender, age, disability, gender identity, marital status, pregnancy and maternity, race, religion or belief, sexual orientation, country of origin, or any other characteristic not relevant to the delivery of the role.

Non-Discrimination

We oppose and avoid all forms of unlawful discrimination, including in relation to pay and benefits, terms and conditions of employment, grievances and discipline, dismissal, redundancy, leaves, requests for flexible working, selection for employment or promotion, training, or other developmental opportunities. Discrimination, whether direct, indirect, perceptive, victimization, or harassment, will not be tolerated.

Inclusive Workplace

We will foster a workplace that promotes acceptance, where employees from diverse backgrounds feel valued and can bring their whole selves to work. We are committed to meeting or exceeding all diversity and non-discrimination laws and requirements in the markets in which we operate.

Supplier and Business Partners

We expect all our suppliers and business partners to respect and adhere to the principles of diversity and inclusion.

nets: