

Nets Branch  
Norway  
Transparency Act  
report 2022

# Nets Branch Norway

## Transparency Act report 2022

### 1. Introduction and scope of the report

This report sets out to meet the requirement for due diligence and transparency as is required by the Norwegian Transparency Act. The aim of this first report is to cover the year 2022 and to describe the systems, structures, results, and next steps that has been put in place during the past years. Nets Branch Norway is as part of Nets Denmark A/S (“**Nets**”) and Nexi SpA (“**Nexi Group**”) 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.

### 2. Nets Branch Norway

Nets Branch Norway is as a Norwegian branch of Nets also part of Nexi Group 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.

### 3. Organisation

Nets Branch Norway has its headquarters in Oslo and had 286 employees at the end of 2022 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.

The company has an agile development environment preferably Java developers. Development of products and services is done in close cooperation with the business side and customers.

#### 4. Human and labour rights policies and procedures

Nets Branch Norway is as a part of the Nets and Nexi Group's commitment to the UN Global Compact and the policies in place are based on the international standards and UN conventions including:

- The United Nations Global Compact, which is derived from:
  - The Universal Declaration of Human Rights
  - The International Labour Organization's Standards
  - The United Nations Convention Against Corruption
  - The Rio-Declaration on Environment and Development
- The United Nations Guiding Principles on Business and Human Rights
- The Paris Agreement
- The United Nations Sustainable Development Goals

The Nets CSR Policy, the Nets Ethical Policy, the Nets Diversity Policy, the Whistle-blower Policy and platform and the Anti-Bribery and Corruption Policy form essential part of the governance framework for Nets Branch Norway and are all publicly available<sup>1</sup>.

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. Nets also has a Supplier Code of Conduct that sets out the requirements and conditions expected from suppliers and business partners.

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<sup>2</sup> with the results so far (see section 5 for more details).

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.

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<sup>1</sup> For all policies visit the website [Corporate Social Responsibility \(nets.eu\)](https://www.nets.eu/corporate-social-responsibility).

<sup>2</sup> To access the report please visit [LIKESTILLINGSREDDGJØRELSE-2021-Nets-Branch-Norway.pdf](https://www.nets.eu/likestillingsredgjoerlse-2021-nets-branch-norway.pdf) .

## 5. Due diligence

Nets and Nets Branch Norway is committed to map the human and labour right risks and work to prevent and mitigate in cases where there is identified a finding that needs to be addressed

### Activities in own organisation

Every year the Working Environment Committee set a target for the following year. In 2022 the aim was that all employees are responsible for ensuring that health, environment, and safety are taken care of. The Health Environment Safety System (HES) monitor the progress of the target.

During 2022 the work included assessment, dialogues and involvement of the following committees and institutions to ensure labour rights, workers relations and targets were met:

- Working Environment Committee
- Cooperation meetings with the union, Finansforbundet
- The employment committee
- Update of the HES system
- Cooperation with the Occupational Health Service
  - o First aid course (Once a year)
  - o Influenza vaccine
  - o Other health and safety work
- Sponsored a home office for each employee with up to NOK 6,000, so that the working conditions home are as good as possible.

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 2021<sup>3</sup>. 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.

### Due diligence in the supply chain

Nets provides digital payment solutions that traditionally do not involve a value chain with production of physical products but is related to technological services based in clouds and data centres across Europe. Nets does, however, also provide terminals and uses hardware with a physical supply chain and source services from external consultants where requirements and assessments may be more relevant in relation to human and labour right due diligence.

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<sup>3</sup> To access the report please visit [LIKESTILLINGSREDDGJØRELSE-2021-Nets-Branch-Norway.pdf](#)

In 2022, Nets revised the Supplier Code of Conduct to ensure clear expectations on due diligence performance communicated to suppliers and business partners. Nets also strengthened own due diligence process and drafted internal guidelines developed by the Due Diligence Task Force composed by Risk, Procurement and the CSR Group Function. The guidelines described the annual process in reviewing the criteria for defining critical suppliers according to ESG risks and describing Nets' requirements for signing Supplier Codes of Conduct. Relevant Legal and Procurement employees were onboarded with regards to implementation of the new guidelines.

Nets conducted a pilot project with a revised in depth ESG Self-Assessment questionnaire and follow-up dialogue with key suppliers for Nets Branch Norway. The aim was central for mapping human right risks in the value chain and better understand where the due diligence challenges occur in relation to be able to identify potential human rights issues.

### Mapping of the supply chain

Nets has as part of the human rights due diligence mapped all suppliers by category, activity, and value chain. Four supplier categories were identified having the highest risk of potential human rights violations. As a result, Nets prioritizes focus on identified risk areas in relation to compliance to our Supplier Code of Conduct. The categories are Outsourcing, IT Consultancy, Hardware, and Terminals. Nets Due Diligence Taskforce reviewed the four categories and identified 15 suppliers for further assessments. They will be assessed in 2023.

Nets is part of Nexi Group's program for the conduction of on-site audits with the aim to verify the alignment of the supplier's processes / activities / practices with local regulations and international standards on ESG related topics, such as Health & Safety, Human Rights, Labour, Governance, Management of environmental aspects, Management of Business Continuity issues and security of the information managed. The on-site audit is carried out by a third party and started in end 2022. One sub-supplier and other Nets supplies will be audited during 2023. For the remaining ESG critical suppliers in the four categories and the business partner they will be asked to comply with a revised Self-Assessment questionnaire during 2023.

## **6. Findings and next steps**

### Findings and next steps in own operations

As 2022 was still a year where Covid-19 restrictions and work from home and keeping social distance was a priority, there has been monitoring of Health, safety and Environment initiatives and there has not been any findings. Work in the committees continues involving employee representatives and ensuring national legal requirements for HES and work environment committee are followed.

The equal pay analysis is expected to be finalised in 2023 and findings and potential action plans will be communicated for Nets Branch Norway as part of the equality report for 2022 which will become publicly available during autumn 2023.

### Supplier findings and next steps

Nets is committed to communicate progress and share experiences with other companies on the processes and findings and a section on the website has been created to ensure suppliers and customers and others can request information. Nets has enabled suppliers' employees to anonymously report suspected breaches through Nets' Whistle Blower Scheme.

For the in-depth assessment of key suppliers to Nets Branch Norway there were no findings, the learning was however that a more systematic dialogue on ESG risks and how the suppliers handle their supply chain will be needed. This will therefore be implemented in 2023.

The audit process has taken off in 2023 with findings of a Chinese supplier, related to national legislations and a follow-up audit scheduled for end of 2023. The audit planned for one supplier has been on standby due to travel restrictions in that country. For the rest of the audit plan, it is being implemented during 2023 including audits in Europe and Asia. The findings and follow-up will be reported for the year 2023.

Oslo, June 29, 2023

A handwritten signature in blue ink, appearing to read 'Dag - Baal', is centered on the page. The signature is fluid and cursive, with a horizontal line extending from the end of the name.

**Dag van Baal**  
CEO Nets Branch Norway