

TRANSPARENCY ACT

Annual Report for 2022-2023 of Mastercard Payment Services Infrastructure (Norway) AS and Mastercard Payment Services Norway AS under the Norwegian Transparency Act

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1. Introduction

The Transparency Act entered into force 1st of July 2022. The three main elements of the Act are that entities in scope must:

- perform due diligence activities to identify and assess actual and potential adverse impacts on human rights and decent working conditions, implement suitable measures to cease, prevent or mitigate such impacts, track the implementation results, communicate with stakeholders, and provide for or co-operate in remediation and compensation where necessary,
- account for our operations and due diligence activities in a yearly report, and
- respond to individual requests for information concerning our due diligence activities.

This report provides an overview of the internal procedures, requirements, tools, and processes adopted by Mastercard Payment Services Infrastructure (Norway) AS, and Mastercard Payment Services Norway AS (hereafter Mastercard), including those that have been specifically adopted in light of the Norwegian Transparency Act.

We will provide a general description of our structure, operations, as well as the governance in place for handling actual and potential adverse impacts on fundamental human rights and decent working conditions. Finally, we will briefly summarize our findings so far.

2. Structure and operations

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart, and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments, and businesses realize their greatest potential. Our decency quotient drives our culture and everything we do inside and outside of our company.

Mastercard Payment Services Infrastructure (Norway) AS provides infrastructure services in respect of critical Norwegian payment systems to its client, Bits AS. In 2021, the company was acquired by Mastercard as part of a deal including most of Nets' Corporate Services (now Mastercard Payment Services).

Mastercard Payment Services Norway AS provides bill payment services to clients in the Norwegian banking sector. The company is registered as an agent of Mastercard Payment Services Denmark A/S in respect of payment initiation and account information services (PSD2 open banking offerings) in the Norwegian market. In 2021, the company was acquired by Mastercard as part of a deal including most of Nets' Corporate Services.

Both companies are in Oslo. As of December 31, 2022, we employ approximately 180 persons in Norway.

We do not manufacture goods, operate factories, or handle raw materials or commodities. We do, however, source products and services from suppliers globally. Our primary supply chain categories include marketing and advertising, information technology, office services, professional services, and consumer benefits. We estimate that there are approximately 70 suppliers in our local supply chain.

3. General overview of Mastercard's global approach to responsible business conduct

At a corporate group level, the Board of Directors of Mastercard Inc. oversees Mastercard group's sustainability policies, including those for respecting human rights. The Nominating and Corporate Governance Committee of the Board (NCG Committee) oversees the Group's policies and programs and monitors governance trends in the following areas: corporate responsibility, environmental stewardship,



human rights, inclusion and diversity, and other such matters of significance to the Company and its shareholders.

Mastercard has also been a member of the United Nations Global Compact since 2018, a voluntary initiative based on company commitments to implement and report annually on implementation efforts related to Human Rights, Labor, Environment, and Anti-Corruption. To align our sustainability reporting across channels, we use our comprehensive annual Corporate Sustainability Report (from 2023, title changed to annual ESG Report) to fulfill our Global Compact Communication on Progress (COP) annual reporting commitment. Details of our participation in the Global Compact together with our latest COP can be found here: [Mastercard | UN Global Compact](#).

In keeping with our commitment to act with integrity in all our business dealings, many of our existing policies are relevant to ensuring that there is no slavery or human trafficking in any part of our business or our supply chains.

For more information on how Mastercard globally approaches responsible business conduct, please see our [Mastercard Code of Conduct](#).

For more information on our global commitment to and approach to human rights, please visit: <https://www.mastercard.com/global/en/vision/corp-responsibility/human-rights-statement.html>, and for our UK and Australia Modern Slavery Statements, please visit: <https://www.mastercard.us/en-us/vision/who-we-are/careers/mastercard-modern-slavery-and-human-trafficking-statement.html>

For more information on our supply chain operations including our [Supplier Code of Conduct](#), please visit our procurement website: <https://procurement.mastercard.com/>.

Equality is one of the foundational cores of our commitment to building an inclusive, high-performing culture at the company, so we remain dedicated to practices designed to ensure there is equal pay for equal work. In Mastercard, Women employees earn \$1.00 for every \$1.00 men employees earn, globally. Learn more about our commitment to Diversity, Equity and Inclusion including accessing our 2021 Global Inclusion Report here: <https://www.mastercard.us/en-us/vision/who-we-are/diversity-inclusion.html>

4. Local procedures and approach to the Transparency Act

In August 2022, The Board of Directors for the Mastercard companies in Norway approved a new procedure outlining our approach to the Transparency Act. The procedure outlines four primary processes and activities:

- A broad scoping exercise mapping overall risk landscape performed every second year meant to support our risk-based efforts, identifying areas where we should perform more in-depth assessments.
- Due diligence activities directed at individual vendors, projects, products, or activities otherwise taking place at start-up or following major changes. New reviews of existing vendors, projects, products, or activities taking place as necessary considering the risk landscape, and as a minimum every second year. Managing human rights and labor condition risk is an ongoing responsibility.
- Developing this report which will happen yearly.
- Information requests handled ad-hoc when such requests arrive and within the deadlines set out in the Act.

To support this work, the procedure also defines roles and responsibilities in the business and the second line functions to ensure that the processes and activities are performed timely and properly.



Lastly, in connection with the procedure and the new Act, we have performed various training and awareness activities to ensure that all local employees are familiar with the Act and the procedure, as well key roles, and responsibilities, hereunder:

- All hands townhall meetings,
- Companywide newsletters,
- One-on-one trainings with key personnel.

5. Due diligence

5.1. Suppliers:

We have performed multiple activities as part of our due diligence of our supply chain. Our first initial step was to map all relevant suppliers, identifying all vendors having supplied goods, manpower or services to our Norway business. We then assessed if there were sector specific risks (e.g., do any parts of our supply chain have known human rights challenges looking at known sector risks, product risks and geographic risk factors) we needed to be aware of. Being a technology company, we do not have a raw material supply chain or manufacturing supply chain, this reduces our exposure to many high risks or known challenges.

Based on this, we decided to approach our due diligence in a two-fold manner:

- First, we performed an initial survey going out to our entire supply chain – all vendors. This survey was high level, meant to ensure a high response rate and give us a snapshot of the overall human rights and labor condition status of our supply chain.
- Then, based on the results in this first survey, we have done a more in-depth risk-based review of select vendors with the goal of identifying potential and actual risks and harms.

In Q1 2023 we sent the initial survey to all suppliers and received a response rate of 68,8 %.

- The overall result was positive in that Suppliers are concerned about and are trying to address human rights risks. High positive response rate in relation to suppliers communicating human rights and labor standards in the selection of sub-suppliers and sub-contractors, ensuring fair pay and conditions (as a minimum in line with local regulations) for labor hire and/or sub-contracted workers, having procedures to ensure good HSSE (Health, Safety, Security & Environment)/OSH (Occupational Safety and Health) conditions in the company, adapted to the company's activities and risks and agreeing to work towards meeting and/or exceeding Mastercard's Supplier Code of Conduct.
- In case of indication of potential (or actual) harm, dialogue between the supplier and Mastercard will be initiated, and afterwards (if needed) acted on.

For the coming cycle, we believe we need to learn from 2022 and improve the initial survey – and our survey methodology. We believe that we need to approach this in an iterative way – applying learnings from this year and improving incrementally.

5.2. Internal operations

First, we want to highlight that Mastercard has a strong commitment to Diversity, Equity, and Inclusion. Equity is built into many of the processes at Mastercard. When we recruit new employees, the recruiter fills out a 'diverse slate' statement, to evaluate the selected candidate against our internal criteria to ensure diversity and equity within the organization.

Here in Norway, we do an annual review of equal pay, the 2023 salary review will be finalized by Q2. Mastercard does central analysis of the bonus nominations, to ensure that female employees receive equal bonus as male colleagues for equal performance.

We have collaborated with local HR and unions to identify some areas for attention and action in fortifying workforce protections and worker treatment, and while we have not identified actual adverse impacts or significant risks of adverse impacts for our internal business activities, we have however identified two areas for further improvement:



- As a measure ensuring that we have sufficient insight in overtime use, we have implemented a control in connection with our time recording system where the payroll team pulls data on overtime every month, enabling the local People Business Partner to follow up on employees that are approaching the limits of overtime hours, as there were some challenges here. We will continue to monitor this measure and recalibrate as necessary to ensure effective management of employee overtime.
- Concerning roles and positions (particularly management and particularly independent positions), we recognize that our evaluation methods are not as systematic as we would like, and we are working towards implementing a checklist for hiring managers to fill out to ensure we capture all relevant elements to determine the managerial nature or independence of positions where relevant.

5.3. Conclusion

We strive to be an ethical company which believes in doing well by doing good for society. We endorse the principles of The Transparency Act and are committed to continue and improve our efforts to identify and mitigate the risks of human rights and labor condition issues from our business and supply chains.

Our consultation process included engagement with representatives from our global Sustainability, Ethics and Compliance, Legal, Risk Management, Franchise, People & Capabilities, Finance, Corporate Governance and Procurement teams.

This report has been approved by the management and Board of Directors of Mastercard Payment Services Infrastructure (Norway) AS and Mastercard Payment Services Norway AS.

