



ESG and Data Ethics Policy document

GROUP POLICY

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# INTRODUCTION

## 1. General Information & Governance

### 1.1 Purpose

Flatpay group is committed to operating our business in a responsible and sustainable manner. Our ESG policy serves as a guideline for how we address environmental, social, and governance challenges.

On this basis, Flatpay has set essential principles in this Environmental, Social and Governmental (“ESG”) policy to ensure compliance with national and international rules, standards, and principles concerning ESG matters (the “Policy”).

Flatpay is a Danish private limited liability company (“ApS”) currently with branches in Finland, Germany, Italy, France, UK and the Netherlands.

Flatpay's primary activity involves collaborating with payment service providers (“acquirers”) to offer payment solutions to businesses in the SME segment. Flatpay provides card terminals, point-of-sale systems (“POS”) as well as software installed on the terminals/POS, and Flatpay provides the necessary support hotline to merchants. Further, Flatpay may provide additional products such as “capital”. Flatpay's services comprise both payments in physical stores as well as online payments.

Since Flatpay provides both certain physical equipment (terminals/POS) to the merchants produced by third parties as well having a large workforce employed in field sales (driving in cars) and in tech/IT development, Flatpay has considered ESG in this light.

### 1.2 Scope and application

The Policy applies to all Flatpay group entities (“Flatpay”), as well as to the management, employees and contract workers of such entities. Hence, all obligations and omissions imposed on “employees” in in this Policy also apply to the management and contract workers of Flatpay. Further, Flatpay expects all commercial parties to comply with the principles set out in the Policy.

### 1.3 Governance of Sustainability

- Board of Directors has oversight of ESG compliance.
- Executive management reports once a year to the board.
- Executive management integrates ESG targets into core business planning.

Any deviation from this Policy shall be approved by Flatpay's Chief Legal Officer. Further, if a deviation from this Policy is needed e.g. if additional/other requirements apply due to local laws, such requirements and other changes should be added to an appendix to the Policy.

## 2. Strategy & Business Model

### 2.1 Business Model Resilience

- Dual business model: hardware (payment devices) and software
- Multiple acquirer partners to secure backup and non-dependence
- Supply chain partners which can be substituted and forecast estimate procedures in place
- Data hosting providers with renewable energy commitments goals.

## **2.2 Material Sustainability Topics (Double Materiality)**

- Environmental: carbon footprint, electronic waste, energy use in data centers.
- Social: financial inclusion, diversity & equality, data protection.
- Governance: ethical conduct, anti-corruption, supplier compliance.

## **2.3 Impact, Risks & Opportunities**

- Impacts: reduced paper usage through digitalization, waste challenges.
- Risks: cybersecurity threats, climate regulations, supply chain volatility.
- Opportunities: green finance, inclusive payment technologies, circular design.

# ESG POLICY

## Environmental (E)

We are committed to minimizing our environmental impact and integrating sustainability into all aspects of our business. It is our vision to integrate sustainable environmental practices into our business model, our management approach, and our business activities - thereby supporting the mitigation of global climate change and minimizing other adverse impacts on the natural environment that we may cause or contribute to. We strive to reduce our carbon footprint through recycling, energy efficiency, use of renewable energy, and responsible resource management.

### 1. Climate Change

**Climate change is a material environmental topic for our business and stakeholders. We are committed to disclosing our impact on the climate and addressing the financial risks climate change poses to our operations.**

#### Emissions reporting

We plan to measure and disclose greenhouse gas (GHG) emissions across our value chain. We will provide reporting on direct emissions from owned facilities, indirect emissions from purchased energy, and value chain emissions, including suppliers and product use. This ensures a complete picture of our company's climate footprint.

#### Climate commitment

Our overall ambition is to reduce our emissions in alignment with international climate goals. We work towards long-term reductions across our operations and value chain.

#### Renewable energy transition

**Operations:** We are committed to transitioning our operations to renewable energy as a core part of our climate strategy. Our ambition is to source renewable electricity across all offices and operational activities, and we work actively and strategically to achieve this transition. As part of this effort, we are progressively electrifying our company car fleet. Wherever operationally feasible, company cars are electric, and electrification is the default choice for new vehicles. This approach supports a long-term reduction in direct emissions and aligns our day-to-day operations with the transition to a low-carbon economy.

**Suppliers:** We actively engage with our tier 1 suppliers to encourage the adoption of renewable energy and climate ambitions aligned with our own. As part of our supplier engagement, we promote the setting of renewable electricity targets and support increased transparency around energy sourcing and emissions. Our approach focuses on collaboration and dialogue, with the aim of gradually integrating renewable energy expectations into supplier relationships where this is relevant and feasible.

### 2. Pollution & Resource Use

**Beyond carbon emissions, our operations and products have an impact on pollution and resource consumption. We strive to demonstrate how we reduce waste and pollutants.**

#### Take-back and recycling programs

We are launching expanded programs for device take-back and refurbishment to ensure that components and materials are recovered and reused. We are scaling device take-back systems to maximize material recovery. This contributes directly to reducing our value chain impact while

supporting circular economy principles.

#### **Packaging redesign**

Packaging is a visible area of environmental impact. We are redesigning packaging to eliminate unnecessary materials, reduce plastics and transitioning to recyclable and/or biodegradable packaging materials.

#### **Extended producer responsibility**

We monitor that when we are the first to place packaging and packaging products on the Danish market, we are responsible under the producer responsibility for packaging.

#### **Pollution control**

We aim at implementing chemical management and waste treatment requirements across the supply chain to minimize environmental impacts. We aim to reduce, reuse, sort, and recycle waste from our activities by employees, operations and partners.

#### **Digitalization**

As a digital payments company, our core products and services enable the transition from cash-based and paper-intensive processes to electronic and fully digital payment solutions. By facilitating digital payments, we help reduce the need for physical materials such as paper receipts, cash handling infrastructure, and other resource-intensive processes traditionally associated with payments.

In our own operations, we apply the same principles by digitalizing customer contracts, onboarding processes, and communication wherever possible. This reduces paper consumption, minimizes the use of physical resources, and supports more efficient and scalable customer interactions.

### **3. Circular Economy**

**A circular economy approach helps decouple growth from resource consumption. We aim at enabling circularity through design, sourcing, and end-of-life management.**

#### **Sustainable products and hardware refurbishment**

Recycling, reuse, and refurbishment of hardware components are integral parts of our business model and our approach to responsible resource management. We work to ensure that our operations and products do not cause unnecessary harm to the environment or human health, including by reducing waste generation and the extraction of virgin materials.

A key element of this approach is the systematic refurbishment of hardware products, such as returned, replaced, or end-of-life devices. By repairing, reconditioning, and redeploying equipment where feasible, we extend product lifecycles, lower material and energy intensity, and reduce electronic waste.

To support this in a consistent and scalable way, we are introducing standardised take-back and refurbishment programmes across all markets. These programmes incentivise the return of used devices, enable controlled handling and refurbishment, and ensure responsible recycling when reuse is no longer possible.

#### **Supplier collaboration**

Partnering with suppliers to develop new materials and more sustainable production methods, supported by documentation on resource efficiency.

We prioritize suppliers who can document sustainable practices. We have developed a "Supplier Risk

Assessment Questionnaire” covering Financial and Operational Stability, Legal, Compliance and Ethics, Information Security and Data Protection, Business Continuity and Resilience, Quality, Delivery and Performance, Sustainability, Environmental & Social Responsibility.

### **Design for circularity - Adoption of eco-design principles**

We apply eco-design principles throughout the product development process to support a circular business model and reduce environmental impacts across the product lifecycle. Our products are engineered to be durable and modular, enabling disassembly and repair, rather than full product disposal.

By designing for reuse and refurbishment from the outset, we extend product lifetimes, reduce material and resource intensity, and limit the generation of electronic waste. These design choices also support efficient maintenance and refurbishment processes, helping to retain product value over time while maintaining high standards of quality, safety, and performance.

## **Social (S)**

### **1. Own Workforce**

At Flatpay, our people are our most valuable asset and central to our ability to scale responsibly. We are committed to providing a workplace that is safe, inclusive, equitable and enabling – where everyone is treated with respect, has equal access to opportunity and is empowered to perform at their best.

We build this through collaboration and open communication, active dialogue and feedback, bias-aware decision-making, and a culture of ownership, belonging, and psychological safety.

We create a safe and inclusive work environment, promote diversity, and ensure fair and equal conditions for all. We are committed to fostering a diverse and inclusive workplace where all individuals feel valued, respected, and empowered to contribute.

#### **Equal treatment, diversity and inclusion**

Flatpay has zero tolerance for discrimination, prejudice, harassment, bullying, violence, retaliation, or any other offensive or inappropriate behavior in the workplace. This applies regardless of gender, age, ethnicity, nationality, disability, religion, sexual orientation, union membership, political affiliation, socioeconomic background, or any other protected or personal characteristic.

We prevent and address bias across the full employee lifecycle — recruitment, onboarding, development, promotion, compensation, performance management, and termination. Decisions are based on role needs, performance, and professional competencies, supported by transparent criteria and consistent processes. We actively promote equal opportunities and take steps to eliminate bias in hiring, training, and career progression.

We recognize that equitable treatment may require tailored accommodations. We will provide reasonable adjustments to enable employees with disabilities or other relevant needs to perform and thrive, including accessibility assessments and assistive tools where required.

We are committed to fair, competitive compensation and benefits aligned with role responsibilities and local legal requirements. We review pay equity regularly and remediate unjustified gaps. Benefits and social protection (e.g., pension, insurance, leave) are provided in line with local standards and Flatpay's ambition to support sustainable work and wellbeing.

#### **Health, safety & well-being**

We proactively protect both physical and psychosocial health. We maintain safe working environments, assess risks regularly, and take preventive action. We support sustainable performance through hybrid/flexible work practices, mental health resources, and manager capability building.

We encourage early reporting of safety concerns, harassment, or wellbeing risks, and we treat these as opportunities to improve workplace conditions.

### **Training, skills & career development**

We aim to be a growth company for our people as well as our business. We provide structured onboarding, continuous feedback, and equitable access to training and development opportunities.

### **Employee voice grievance mechanisms**

We enable employee voice through regular anonymous engagement surveys, open communication, and structured dialogue between employees, managers, and HR. We respect freedom of association and the right to collective dialogue where applicable.

Employees have access to confidential reporting channels, including whistleblowing, and are protected against retaliation.

### **Gender balance and diversity targets**

We recognise that diversity extends beyond gender and encompasses differences in background, nationality, ethnicity, age, experience, perspectives, and other characteristics. We are committed to fostering an inclusive workplace where diverse viewpoints are valued and contribute to better decision-making and innovation.

To support this, we are strengthening the representation of underrepresented groups across the employee lifecycle. Our approach focuses on fair and inclusive processes, equal opportunities for development and advancement, and the removal of structural or unconscious barriers that may limit representation.

## **2. Workers in the Value Chain**

### **Commitment to labor rights and safe working conditions**

Our responsibility extends beyond our direct employees to workers throughout the supply chain. We expect our tier-1 suppliers to comply with ILO core conventions. We have developed a “Supplier Risk Assessment Questionnaire” covering tier-1 suppliers’ commitment to labor rights and safe working conditions.

## **3. Customers & End-Users**

**We are committed to protecting customer rights and ensuring that our products and services are inclusive, secure, and beneficial to society. Responsible business conduct and trust are fundamental to our role as a payment services provider.**

### **GDPR and data privacy compliance**

We safeguard customer and user data in strict compliance with GDPR and applicable data protection regulations across all operating regions. Our data protection framework includes technical and organisational security measures, regular privacy impact assessments, and governance structures.

### **Responsible technology**

We actively work to prevent money laundering, fraud, and other forms of financial crime through risk-based controls, monitoring, and compliance procedures. Our POS products and payment solutions comply with local regulatory requirements, including digital sales reporting and bookkeeping obligations.

### **Accessibility features in hardware/software**

We strive to ensure that new product lines are developed with accessibility and inclusive design principles in mind. This includes features such as text-to-speech functionality, high-contrast display modes, and accessible packaging, in line with applicable legislation and standards across our markets.

### **Products enabling financial inclusion**

Our products and services are designed to support financial inclusion by enabling access to secure, compliant, and easy-to-use digital payment solutions. By promoting electronic payments, our solutions help reduce reliance on cash and paper-based processes.

Our technology also supports customers' regulatory compliance by enabling timely and accurate reporting to public authorities. Through our Capital product, and in collaboration with partner banks, we support expanded access to financial services by facilitating financing solutions that can help customers grow and manage cash flow.

# Governance (G)

## 1. Business Conduct

**We believe that strong governance is the foundation for sustainable growth and long-term value creation. Effective governance ensures integrity, accountability, and responsible decision-making across the organisation and underpins trust with stakeholders.**

### **Anti-corruption and anti-bribery frameworks**

We operate under a zero-tolerance approach to bribery and corruption. Clear policies, internal controls, and risk-based procedures are in place to prevent, detect, and address corruption-related risks. All employees receive mandatory annual training on anti-corruption and ethical conduct..

### **Whistleblower channel**

We maintain a secure, confidential, and accessible whistleblower mechanism that enables employees to report suspected misconduct without fear of retaliation. Concerns raised are handled in a timely, transparent, and reliable manner. Reports are reviewed on a regular basis by the company's Chief Legal Officer (CLO) and Chief Financial Officer (CFO).

### **AML (Anti-Money Laundering) compliance**

As a payment services provider, we place strong emphasis on financial integrity and AML compliance. We assist our partners in meeting international AML standards and conduct continuous monitoring of financial transactions to identify and mitigate risks.

## 2. ESG Oversight

### **Board oversight**

ESG is embedded at the highest governance level. ESG matters are a permanent item on the Board's annual agenda, ensuring regular oversight of sustainability-related risks, opportunities, performance, and strategic priorities.

### **Regular reporting to stakeholders**

We are committed to transparency towards stakeholders. ESG goals, progress, and challenges are disclosed through stakeholder updates and, where relevant, integrated reporting as well as on our webpage.

# DATA ETHICS POLICY

## 1. Purpose

At Flatpay, we handle data on behalf of merchants, their customers, and our own employees every day. This policy sets out the ethical principles that guide how we collect, use, share, and protect data — going beyond what is legally required under the GDPR and applicable financial regulation. Our goal is to ensure that data is always used in a way that is fair, transparent, and worthy of the trust placed in us.

## 2. Scope

This policy applies to all Flatpay employees, suppliers and partners who process personal or business data on behalf of Flatpay, regardless of role, location, or technology used.

## 3. Our Principles

**Purpose and proportionality.** We only collect and process data that is necessary for a clear, legitimate business purpose, and we retain it no longer than needed.

**Transparency.** We communicate openly with merchants, customers, and employees about what data we collect, how it is used, and what rights they have. Our communication is written in plain language. **Fairness and non-discrimination.** When we use automated processing, scoring models, or algorithms — for example in onboarding, risk assessment, or fraud prevention — we actively monitor for bias and unintended discriminatory effects.

**Security by design.** Data protection is built into our products and processes from the outset, supported by encryption, access controls, and continuous risk assessments.

**Human accountability.** Significant decisions that affect merchants or individuals are never made by automated systems alone. There is always a human point of contact and a clear path to have a decision reviewed.

**Responsible use of AI.** Before deploying AI or machine learning solutions, we assess the data foundation, potential bias, explainability, and the impact on those affected. We do not feed confidential merchant or personal data into external AI tools that have not been formally approved.

**Respect for the payments ecosystem.** As a payments company, we recognize our particular responsibility for handling transaction and financial data with the highest level of care, and we share data with third parties only when there is a clear legal basis and legitimate business justification. We uphold applicable PCI DSS requirements in our handling of payment card data.

## 4. New Technologies

Flatpay continuously seeks to use data and technology in ways that improve how we work and enhance the value we provide to our merchants, customers, and employees. New technologies, tools, and data-driven solutions must be evaluated carefully before implementation to ensure they align with this policy, our security requirements, and applicable risk standards.

Any new technology that processes personal, business, transaction, or confidential data must undergo appropriate review and approval by Flatpay's IT security and risk functions before use. This includes assessing the purpose, data involved, security controls, potential ethical risks, and whether the technology is proportionate to the intended business need.

## **5. Data Ethics Governance**

Overall responsibility for data ethics sits with Flatpay's management. Day-to-day implementation is supported by the Head of Security together with the compliance functions.

# Compliance

## 1. Training, culture and awareness

Responsibility for ESG and data ethics implementation and compliance lie with management at all levels. To ensure adequate understanding and consistent application of our policies, our employees receive training on this policy document. Employees are expected — and encouraged — to raise concerns about any data practice they find inconsistent with this policy, without fear of reprisal.

## 2. Duty to ask Questions

All employees who have questions about e.g. a given appropriate behavior to be adopted or the interpretation of the principles set out in the Policy, has a duty to speak up and provide its immediate function line manager, Chief Legal Officer, or Chief Executive Officer with such questions.

## 3. Duty to report non-compliance

All employees have a duty to report on any potential or actual violation of laws, our policies or our guidelines. Employees who witness a breach of this Policy are obliged to promptly notify about this to its immediate function line manager or make a report directly to the Chief Legal Officer.

Reporting to the Chief Legal Officer must be done via email. If the employee does not feel comfortable with reporting by email, the employee is encouraged to submit a report through the telephone or whistleblower system established by Flatpay.

## 4. Disciplinary sanctions

Any employee that is found to be in violation of this Policy may be subject to disciplinary action potentially criminal liability, including termination of their contract of employment in accordance with applicable laws.

Distributors, suppliers, agents, consultants and other third parties working with Flatpay who are found to be in violation of this Policy may be subject to termination of the business relationship.

## 5. Approval and policy review

This policy document will be reviewed and revised annually by the Chief Legal Officer (CLO), if necessary and updated as our business, technology, and the regulatory landscape evolve. The Policies may be amended at any time with the approval of The Board of Directors of Flatpay ApS.

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