

JUNE 2023

# Banqsoft Statement on compliance with the Transparency Act (Åpenhetsloven)

*BanQsoft*

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# BANQSOFT STATEMENT ON COMPLIANCE WITH THE TRANSPARANCY ACT

## 1.1 PURPOSE

This Statement intends to describe how Banqsoft work with these important aspects of business and thus fulfil the Transparency Act requirements.

## 1.2 THE NORWEGIAN TRANSPARANCY ACT (ÅPENHETSLOVEN)

The Transparency Act entered into force 1. July 2022, and the first statement must be published on the companies' web sites no later than 30. June 2023.

The Transparency Act requires companies, such as Banqsoft, to document how we make sure respect for Human Rights and working conditions are fulfilled in our own business, as well as in our supply chains and with our business partners. The Act requires companies subject to the law to carry out due diligence assessments, implement needed measures, report on the results, follow-up of work and compliance, related to both Human Rights and working conditions.

This Statement intends to describe how Banqsoft work with these important aspects of business and thus fulfil the Transparency Act requirements.

# ABOUT BANQSOFT

## 1.3 INTRODUCTION

Banqsoft is a provider of financial software based in the Nordic region, offering software solutions for Digital Banking, Asset Finance and Credit Management companies. Banqsoft is a fully owned subsidiary of the Danish IT group KMD A/S, a NEC company. Together with NEC, Banqsoft offers a comprehensive set of services for the financial industry.

Banqsoft has 362 employees in Norway, Sweden, Finland, Denmark, and Poland. Banqsoft provides different types of delivery models, including License, AO, ASP and SaaS, and supports more than 350 installations for more than 300 financial services providers with sales agents and customers in 30 countries.

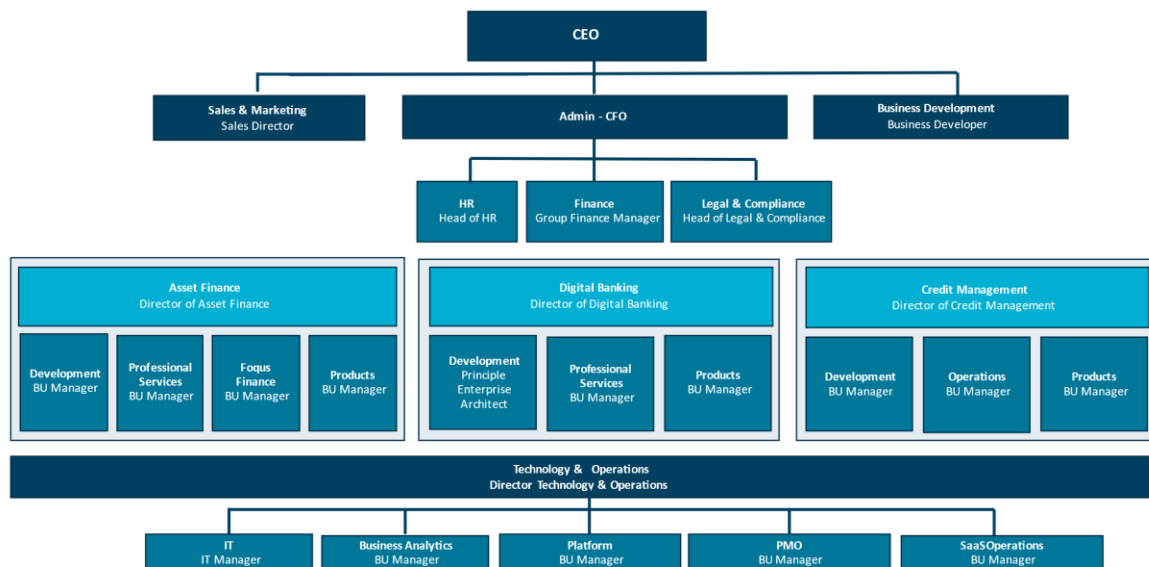
## 1.4 BANQSOFT ORGANIZATION

The group companies in Banqsoft's legal structure are Banqsoft A/S, a company headquartered in Oslo, Norway. Below this company, there are several branches and subsidiaries. This includes a branch in Sweden (Banqsoft Sweden Filial) and a branch in Poland (Banqsoft So.z.o.o Oddzial w Polsce), and subsidiaries in Finland (Banqsoft Oy), Denmark (Banqsoft Denmark A/S) and Norway (Banqsoft Credit Management A/S). Banqsoft A/S is a subsidiary of KMD A/S, a leading Nordic IT Group. KMD is owned by NEC a corporation based in Japan.

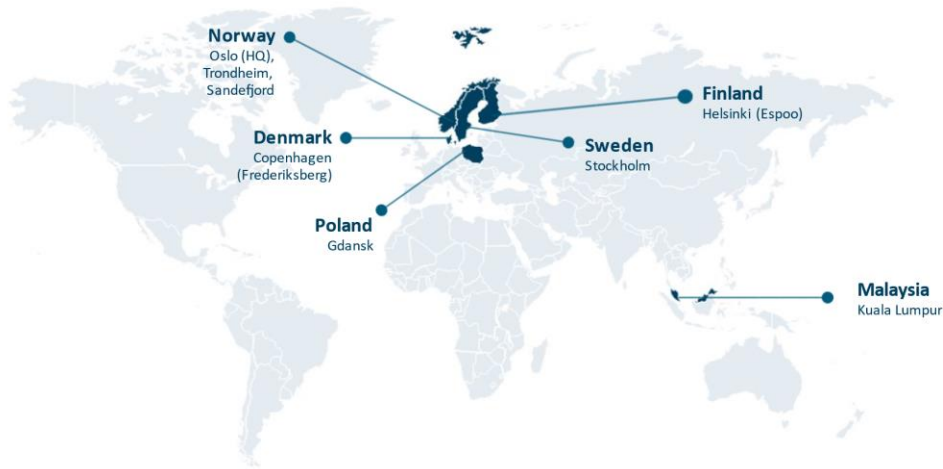
As of June 2023, Banqsoft has a total of three office locations in Norway (Oslo, Sandefjord and Trondheim) and we also have offices in Sweden (Stockholm), Denmark (Frederiksberg), Finland (Espoo) and Poland (Gdansk). In addition to this, Banqsoft has an insourcing agreement with a third-party, offering resources located in Malaysia (Kuala Lumpur). Since 2022 Banqsoft has bought development capacity form NEC India a company in the NEC group.

Since 2020, the Banqsoft organization has been structured into three functional Business Areas (BA) related to the key markets these are delivering software and associated services. These three functional BA's are Asset Finance, Digital Banking and Credit Management. In addition to this, a unit named "Technology & Operations" was established to support the organization with common services (such as platform framework and operation of the various software applications)

## OrganizationStructure



### OUR OFFICES



### 1.5 BANQSOFT PRODUCTS IN A GLANCE

## Banqsoft's Comprehensive Product Overview

Asset Financing	Digital Banking	Credit Management
<p><b>Leasing</b>   <b>Fleet Planning</b>   <b>Car Loans</b></p> <p><b>Fleet Management</b>   <b>Hire Purchase</b>   <b>Payment Protection</b>   <b>Rental</b></p> <p><u>Add-on Service Support</u></p> <p><b>Collections</b>   <b>Service</b>   <b>Insurance</b>   <b>Gasoline Card</b></p> <p><b>Re-invoicing</b>   <b>Proportional Registration Tax *</b>   <b>Split Leasing*</b></p>	<p><b>Sales Finance</b>   <b>Unsecured Loans</b>   <b>Secured Loans</b></p> <p><b>Deposits</b>   <b>Mortgage Loans</b>   <b>Credits</b></p> <p><b>Credit Cards</b>   <b>Contract Management</b>   <b>Debit Cards</b></p> <p><u>Add-on Service Support</u></p> <p><b>Business Analytics</b>   <b>Digital Information &amp; Archive</b>   <b>Consulting Services</b>   <b>UX Design</b></p>	<p><b>Collect</b>   <b>Procasso</b>   <b>Ledger</b></p> <p>Credit Management &amp; Debt Collection system   Credit management &amp; Debt collection system for municipalities   Invoice and ledger solution</p> <p><b>Connect</b>   <b>Self Service</b></p> <p>Open API's connecting to your business   Online Office &amp; My Page solutions</p> <p><b>Insight</b>   <b>Contact Center</b></p> <p>High volume production and distribution   Call center and chat solutions</p> <p><b>Omnichannel</b></p> <p>Reporting for decisions, prediction and distribution</p>

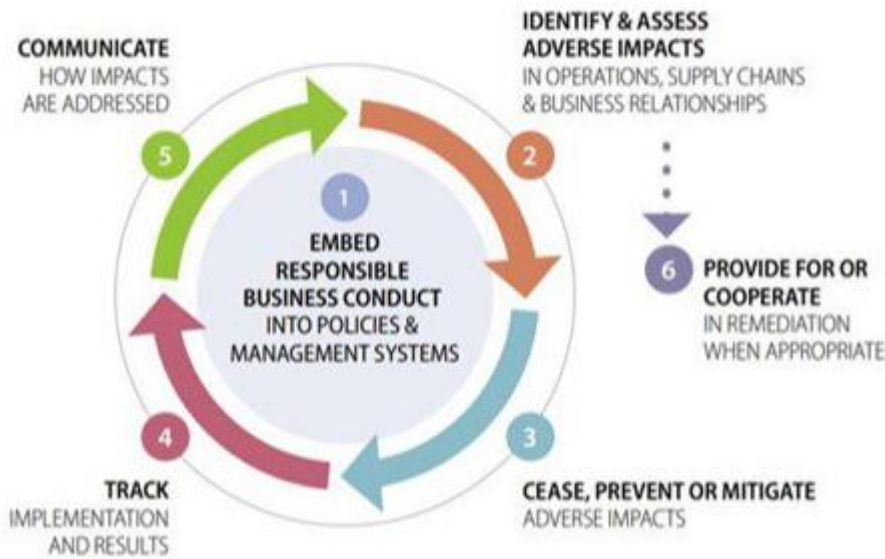
Banqsoft

## HOW BANQSOFT WORK WITH THE REQUIREMENTS

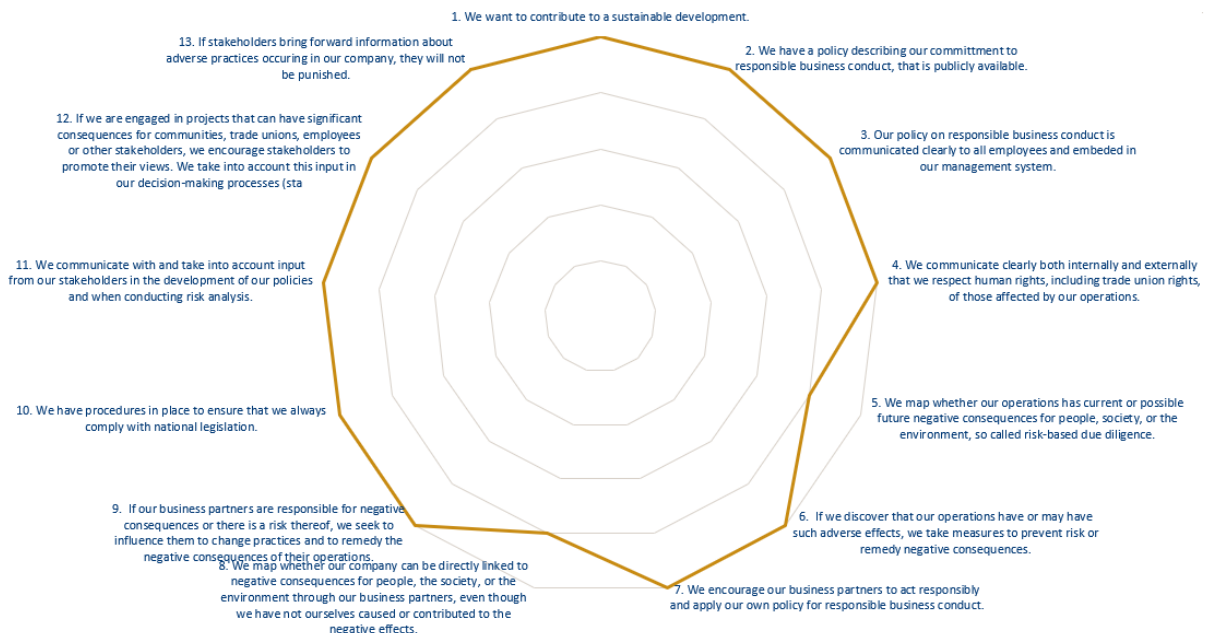
### 1.6 OECD GUIDELINES FOR MULTINATIONAL ENTERPRICES

Banqsoft follows the OECD Guidelines for Multinational Enterprises. The Due Diligence Process & Supporting Measures are illustrated in the drawing below.

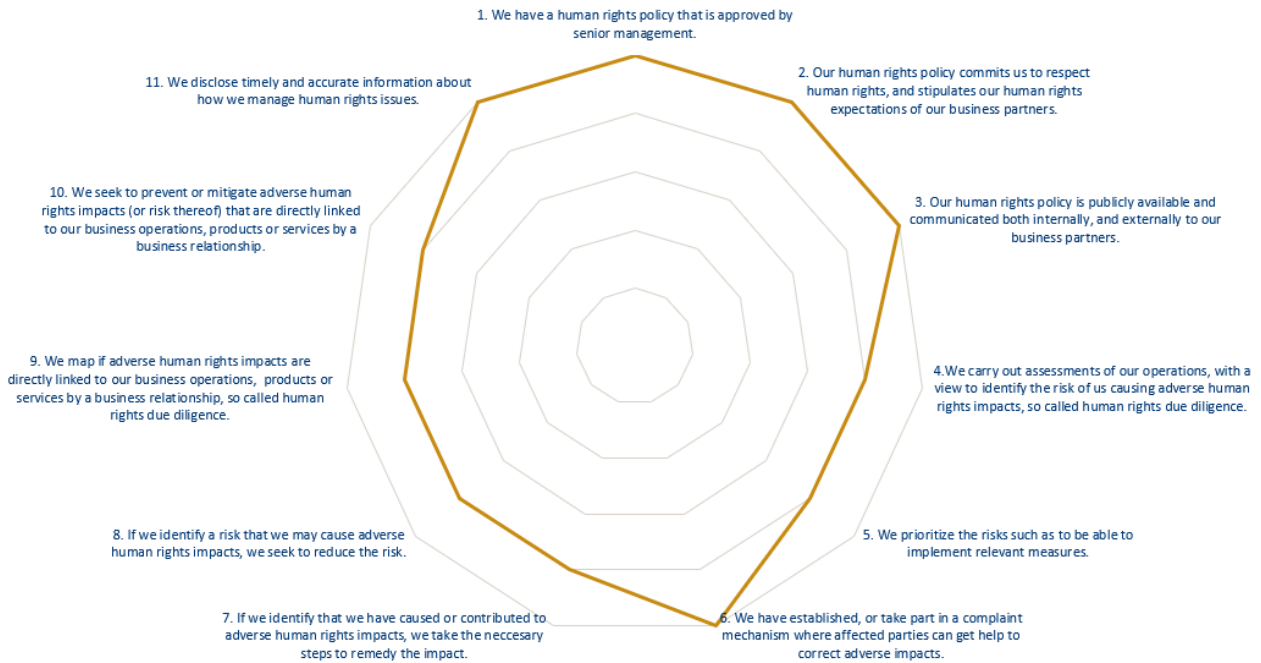
FIGURE 1. DUE DILIGENCE PROCESS & SUPPORTING MEASURES



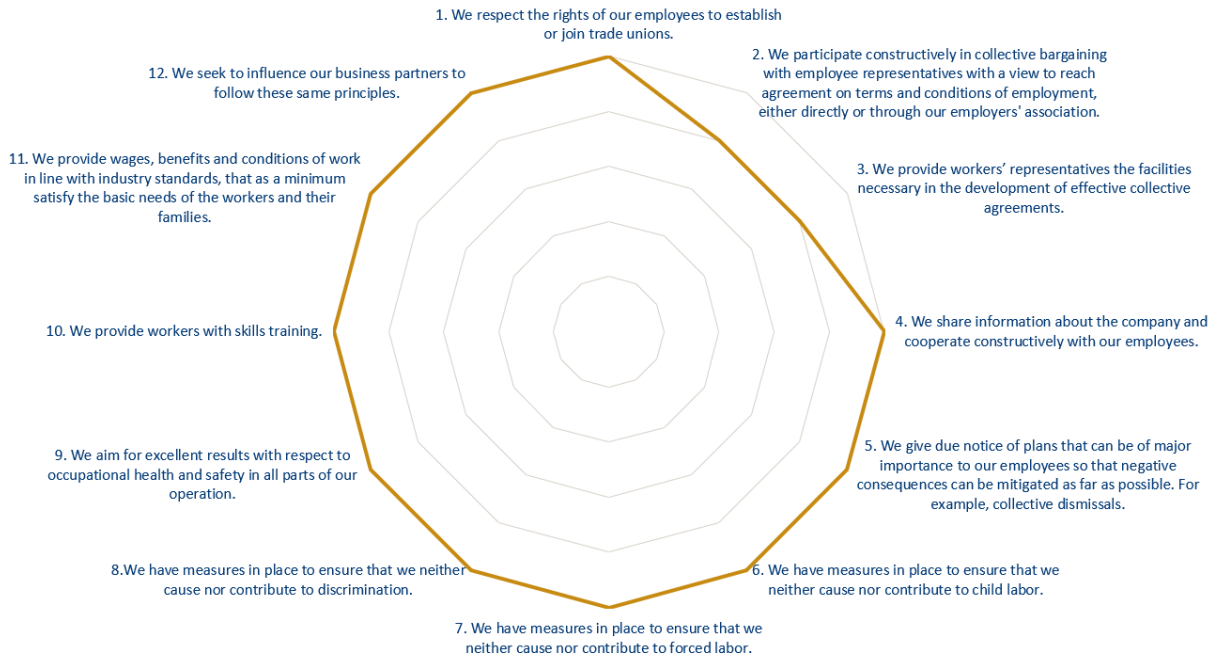
Banqsoft has utilized the OECD Guidelines tool of Responsible Business Conduct Compass, which has four additional areas to evaluate compared to the Transparency Act itself, to establish a baseline and view of current situation in Banqsoft. The OECD Guidelines contains the following areas: Human Rights, Employment, Environment & Climate, Combating bribery, Consumer interests and Tax & Compensation. The combined results of Banqsoft current baseline in these 6 areas are graphicly described like this:



The results of Banqsoft baseline in the Human Rights area is graphicly described like this:



The results of Banqsoft baseline in the Employment area is graphicly described like this:



## 1.7 BANQSOFT POLICY ON RESPONSIBLE BUSINESS CONDUCT

Banqsoft Policy on Responsible Business Conduct is formally approved by Banqsoft Board of Directors. The purpose of the Policy is to safeguard ethical business conduct including Human Rights and Employment, and to secure adherence to the Transparency Act. Banqsoft CFO is the owner of the Policy and appointed as responsible for compliance to the requirements in the Transparency Act in Banqsoft.

## 1.8 SUPPLIERS AND PARTNERS

Banqsoft has a large number of suppliers and partners. We have grouped all suppliers which we remunerate above 1 MNOK per year according to geography, type of partnership and industry. Banqsoft has used this overview as a tool for our risk-based approach to decide on prioritization of Suppliers for due diligence assessments. Banqsoft work with due diligence assessments will continue in Q3 and Q4 2023.

We have grouped our partners according to degree of integration and importance to Banqsoft Services, geography and industry.

## 1.9 DUE DILIGENCE ASSESSMENTS

### 1.9.1 BANQSOFT TOOLS

In Banqsoft we have a Management & Quality system “Quality system” we use actively in all our work.

The risk module is for defining, evaluating, and reducing risks/increasing possibilities and documenting actions and controls in place. Banqsoft utilize the risk module for all risk assessments including information security and due diligence assessments related to the Transparency Act.

Banqsoft Risk Management Process is based upon the NS-ISO 31000:2009. The Risk Management Process is shown in figure below.

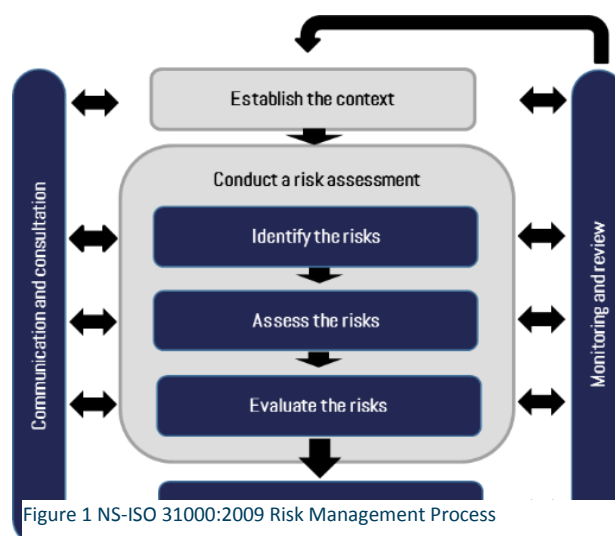


Figure 1 NS-ISO 31000:2009 Risk Management Process



Risks identified will be managed according to this process, and the risk module in the Quality system is the supporting tool in this work. Registration, assessment, and treatment of risks are all managed within the risk module, which gives good support in the follow up and managing of risks.

Risk assessment and treatment is monitored, facilitated, and coordinated by Legal & Compliance department members, Chief Information Security Officer (CISO), Quality Manager (QM), Data Protection Officer (DPO) and Chief Compliance Officer (CCO). Each role acting within their area of responsibility (ex. Information Security, Quality, Privacy and Compliance).

## 1.9.2 DESCRIPTION OF PROCESS

This chapter provides a brief description of the process and frequency for conducting due diligence assessments to ensure responsible business conduct.

**Process:** Banqsoft is committed to conducting due diligence assessments to identify, prevent, and mitigate any potential adverse impacts on human rights, labour conditions, and the environment resulting from our business operations and supply chain activities. These assessments will involve a systematic and comprehensive review of our activities, and relationships to assess and address any potential risks or non-compliance with our Policy on Responsible Business Conduct.

**Risk-Based Approach:** Banqsoft adopts principles of risk-based approach and proportionality to due diligence assessments. This means that the frequency, scope, and depth of the assessments will be determined based on the level of risk associated with our operations, suppliers, and industry. Risk assessment will consider factors such as geographical location, sector-specific risks, the nature of business activities, and past performance.

**Frequency:** Due diligence assessments will be conducted on a regular basis to ensure ongoing compliance and identify any changes or emerging risks. The frequency of these assessments may vary depending on the level of risk identified through the risk assessment process. Assessments should be conducted at least annually and may be triggered by significant changes in operations, suppliers, or relevant laws and regulations.

**Improvement Measures:** If any potential risks or non-compliance issues are identified during the due diligence assessments, Banqsoft is committed to taking appropriate measures to address and improve the situation.

**Follow-up and Monitoring:** Banqsoft will establish a robust follow-up and monitoring process to ensure the effectiveness of improvement measures.

## 1.9.3 RISK GROUP HUMAN RIGHTS

In the Quality system we have established this Risk Group which will be utilised when performing due diligence assessments.

- ✓ Risk of violation privacy rights.
- ✓ Risk of violation the right to fair trial.
- ✓ Risk of violation the right to education and culture.
- ✓ Risk of violation the right to freedom from torture or cruel, inhuman, or degrading treatment.
- ✓ Risk of violation the right to life.

#### 1.9.4 RISK GROUP WORKERS RIGHTS

In the Quality system we have established this Risk Group which will be utilised when performing due diligence assessments.

- ✓ Risk of discrimination and harassment.
- ✓ Risk of inadequate compensation and benefits.
- ✓ Risk of inadequate workplace policies and procedures.
- ✓ Risk of lack of effective communication and employee involvement.
- ✓ Risk of lack of job security.
- ✓ Risk of lack of work-life balance.
- ✓ Risk of limited opportunities for professional development.
- ✓ Risk of occupational hazards and safety risks.
- ✓ Risk of unfair treatment and exploitation.
- ✓ Risk of violation of privacy rights [related risk from Human Rights]

#### 1.10 DUE DILLIGENCE ASSESSMENTS PERFORMED

Based on Banqsoft risk-based approach and the principle of proportionality we have started our additional assessment of Suppliers, by a due diligence assessment of our Supplier in Malaysia.

##### 1.10.1 SUPPLIER IN MALAYSIA

Malaysia is a country which according to Amnesty International has issues with fulfilling fundamental Human Rights. Banqsoft's counterpart in the Agreement is the mother company of the Malaysian Supplier. Banqsoft utilize 5 named consultant's full time, these consultants are all employed in the Malaysian company. The consultants are working mostly remote from Kuala Lumpur. However, they are sometimes traveling to Copenhagen to work with Banqsoft resources, in go-live activities such as migration on behalf of Banqsoft customers.

Banqsoft has made an initial due diligence assessment of Supplier in Malaysia. This assessment demonstrates that we are in control of the risks involved relating to Human Rights and Employment/Workers Rights.

- ✓ The Supplier Group is an international and serious Supplier which work actively with these topics.

- ✓ The Agreement place requirements on Supplier to fulfil all local legal obligations and workers' rights.
- ✓ Banqsoft has close cooperation with Supplier on these topics. This is handled by the Banqsoft manager responsible for the operation the Supplier consultants contribute to.
- ✓ The Banqsoft manager has weekly meetings with Team lead for the consultants and direct contact with all consultants. She is actively encouraging them to speak up whenever needed.
- ✓ The Consultants are part of Banqsoft Employee Engagement Survey, which is sent out 3-4 times a year.
- ✓ The Consultants are part of Winningtemp a weekly survey sent out to all employees.
- ✓ Both surveys are anonymous, cover well-being, working environment, work-life balance and workers' rights etc. and have free text fields.
- ✓ The Consultants are a stabile workforce for Banqsoft and most of them have been working with Banqsoft between 5-12 years.

Based on the initial due diligence assessment Banqsoft has created some actions.

- ✓ Banqsoft has required more detailed information and documentation from Supplier.
- ✓ Banqsoft will include our own Supplier Code of Conduct in the Agreement instead of relying on Suppliers' own Code of Conduct.

Banqsoft will revisit the initial due diligence assessment once all actions have been closed.

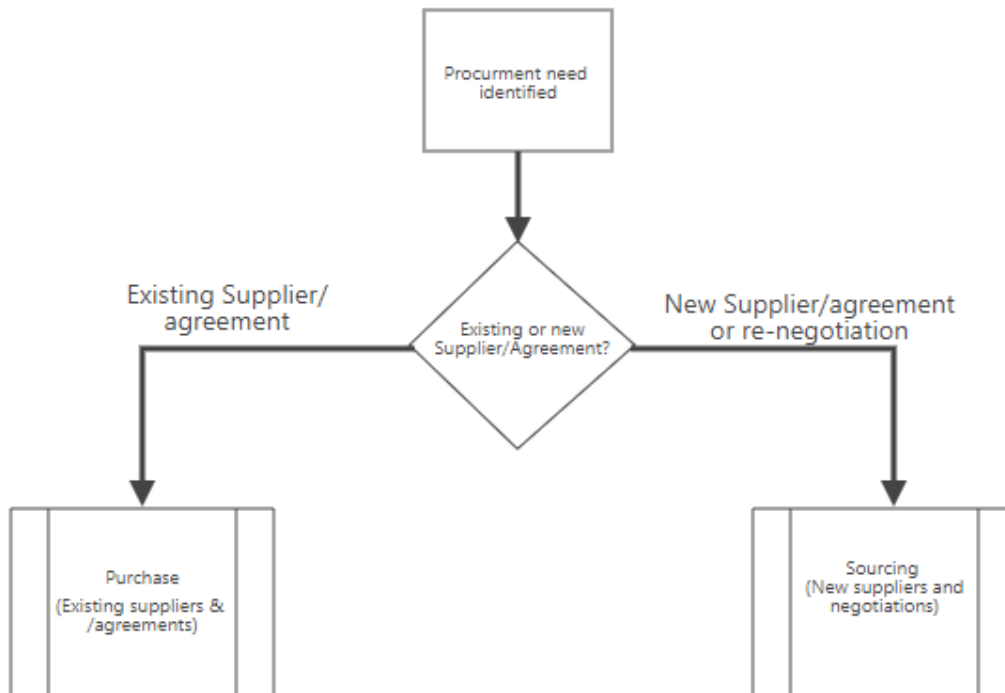
## 1.11 COMPLIANCE WITH REQUIREMENTS

In Banqsoft we have several policies, processes, procedures, and guidelines in place to secure ethical business conduct in Banqsoft. We have also implemented control measures to follow up compliance with the same. In connection with Banqsoft's work with the Transparency Act, we have developed a Guideline on access to information about Banqsoft compliance with the requirements.

### 1.11.1 PROCUREMENT PROCESS

Banqsoft Procurement Process can be illustrated like this:

## Procurement



### Procurement Process ✕

Banqsoft Sourcing Process gives detailed information to Banqsoft employees of the needed internal involvement, such as resources from the Legal & Compliance team, and needed steps and actions to be taken to include a new Supplier in Banqsoft.

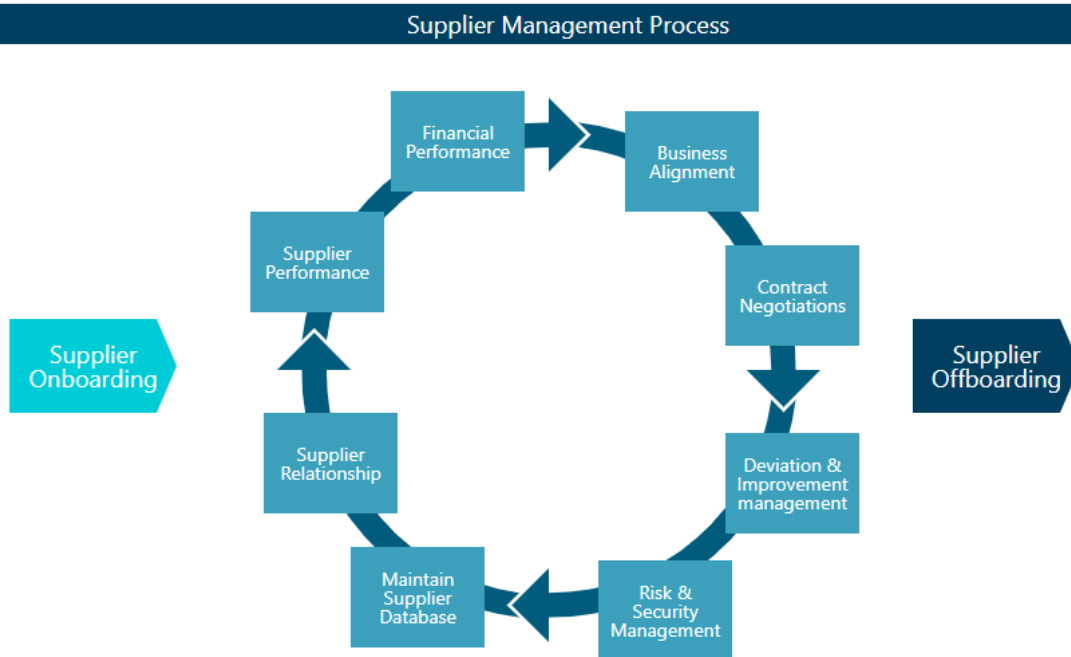
Banqsoft Procurement Guideline gives Banqsoft employees support to perform supplier evaluations.

All our suppliers and partners must commit to Banqsoft Supplier Code of Conduct or demonstrate adherence to similar Code of Conduct.

### 1.11.2 SUPPLIER MANAGEMENT

During the term of the Supplier relationship Banqsoft Supplier Management Process applies. This Process can be illustrated like this:

## Supplier Management Process



### 1.11.3 SUPPLIER AUDIT

In Banqsoft Supplier Code of Conduct we have right to perform audit and we place an obligation to report on breach of the Code.

Text included below from Banqsoft Supplier Code of Conduct;

#### *“COMPLIANCE WITH THIS CODE*

*The supplier must ensure fulfilment of its obligations under the terms of this Code and be able to document its processes for fulfilment of the individual obligations at Banqsoft’s request. Subject to prior notice thereof, we additionally reserve the right to conduct an audit to verify that the supplier complies with this Code.*

*Banqsoft believes that dialogue is paramount to achieving the standards set out in the Code. If the supplier acts in non-compliance with one or more of the principles of this Code, Banqsoft will cooperate with the supplier to draw up a remedial plan. Only when we assess that a supplier is not capable nor showing any intention of remedying the issue, or when repeated violations of the Code are made by the supplier, will we consider it a material breach, and the result may be a termination of the cooperation.*

*When found necessary or appropriate, please contact the Head of Legal and Compliance in Banqsoft via mail: [compliance@banqsoft.com](mailto:compliance@banqsoft.com) or by phone: +47 95256292*

*It is also possible to report via Banqsoft’s whistleblowing channel: [whistleblowing@banqsoft.com](mailto:whistleblowing@banqsoft.com) or by phone: +47 95256292*

*An alternative is to report to the independent Whistle-blower attorney of KMD Group: Anders Etgen Reitz, by phone: +45 5374 2710.*

#### **REPORTING NON-COMPLIANCE**

*The supplier is encouraged to report possible violations of laws, regulations or this Code to its primary contact in Banqsoft.*

*If it is not possible or appropriate to use the ordinary reporting channels, potential violations made by Banqsoft employees or consultants acting on behalf of Banqsoft may be reported via the KMD Group Whistle-blower Program.*

Any contact via the Whistle-blower Program will be treated and stored confidentially. Banqsoft guarantees that reporting made in good faith about potential violations conducted by Banqsoft will not have negative effects on the cooperation with the supplier.

Visit <https://www.banqsoft.com> to download the latest version of the Code.

## 1.11.4 BANQSOFT CODE OF CONDUCT

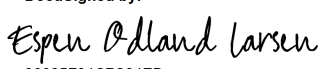
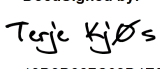
All Banqsoft employees and external consultants working for Banqsoft on regular basis receives Banqsoft Code of Conduct, and they need to confirm both to have read and understood the Code and that they will adhere to the code.

## 1.11.5 WHISTLE-BLOWER ARRANGEMENTS

Banqsoft has published our Whistle-blower arrangements both on Banqsoft- intranet and website. Banqsoft has our own reporting channel, however, through our owner KMD employees and other stakeholders have the option to report through KMDs internal or external channel instead.

## 1.11.6 TRAININGS

All Banqsoft employees and external consultants working for Banqsoft on regular basis receives trainings about these subject areas.

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<small>30025F34C7C34EB...</small> Name: Espen Odland Larsen	<small>19D3D867C03D4E8...</small> Name: Terje Kjøs
Title: CFO	Title: CEO