

Modern Slavery Statement

FY 2022 -Human Rights and Anti-Trafficking Statement

Introduction

The following document outlines the actions that W.A.G payment solutions plc and its subsidiaries (the EUROWAG Group) have taken to prevent modern slavery and human trafficking in our operations and supply chain for the FY 2022. This statement is being made pursuant to section 54(1) of the U.K. Modern Slavery Act 2015.

This statement covers all our wholly owned and controlled subsidiaries which are covered under the Modern Slavery Act. For more information about our subsidiaries, please refer to pages 201-205 in our FY 2022 Annual Report.

The Board of Directors has approved this statement on 11 May 2023.

This statement is signed by the Chief Executive Officer and member of the Board of Directors, Martin Vohanka.



Martin Vohanka

Chief Executive Officer, W.A.G payments plc

About us

About the Eurowag Group, its operations and supply chain:

The Eurowag Group is a leading pan-European integrated payments and mobility platform focused on the commercial road transport (“CRT”) industry.

Founded in 1995, the Group became a publicly listed company on the London Stock Exchange in October 2021. The company has origins in central and eastern Europe, an area that represents a significant proportion of the European CRT supply and an under-served and rapidly growing part of the European market. As of FY 2022, the company employs over 1,000 employees and operates in 30 countries.

Our main focus is international and domestic, small and medium-sized enterprises (“SMEs”) fleets.

The Group’s business is divided into payment solutions and mobility solutions.

- Payment solutions represent the majority part of our business and include a secure means of energy payments through pre- or post-paid fuel cards and toll payments. (See Annual Report page 11)
- Mobility solutions offer our customers tax refund services, fleet management products, location-based products and services, and other adjacent services. (See Annual Report page 12)

Our Supply Chain:

The Group’s business is dependent on strategic relationships with third parties globally, which mainly fall into the following categories:

- Fuel and alternative fuel suppliers – these entities also include partners in our acceptance network.
- Toll chargers and toll providers - these partners include third parties offering services where the Eurowag Group is not currently providing its own services.
- Authorisation centres - entities that support the Group’s payments business.
- Technology service providers - entities that support the Group’s overall business operations, including those providing key infrastructure and software services and support.
- Technology hardware – suppliers that provide hardware and components for the Group’s telematics units.
- Adjacent services – these partners support the wellbeing and safety of our truck drivers, including parking, washing, repairs, freight ferry booking and roadside assistance.

Our Governance Structure and Policies:

Our governance structure:

The Group is committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply or customer chains.

The Board of Directors of the EUROWAG Group has overall accountability for ensuring the company complies with its legal, ethical commitments to uphold and respect human rights and prevent incidents of modern slavery and human trafficking.

The ESG Executive Committee has delegated responsibility from the Board for directing and overseeing the sustainability strategy and related policies, including human rights and modern slavery.

The Sustainability function has primary and day-to-day responsibility for overseeing the implementation of the company's modern slavery and anti-trafficking policy as well as monitoring its use and effectiveness and auditing internal control systems and procedures to ensure they are effective in countering modern slavery and respecting human rights.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy. In 2022, the company started to deploy specific training on human rights and modern slavery which will continue to be rolled out through the business in 2023.

In 2022 following extensive materiality assessment and discussion with our stakeholders we launched our sustainability Action plan based around four focus areas:

- Climate action
- Customer success and well-being
- Company governance and culture
- Community impact

Our policies

We maintain a comprehensive compliance framework aligned with globally recognised standards and consistent with international sanctions regimes.

We have adopted a number of key policies that help address issues relating to human rights and modern slavery, including:

- Anti-harassment, Anti-Bullying
- Modern Slavery and Human Trafficking
- Personal data Protection
- Gifts and Anti-bribery
- Anti-money laundering
- Relationship Management Guidelines for Third Parties
- Whistleblowing policy
- Grievance policy
- Conflicts of Interest

Our code of ethics outlines our standards and guides to the way we do business across our operations.

In 2023, the Group is in the process of transforming its operational model and will be refreshing its policies and code of conduct to reflect the new lines of accountabilities.

Our Due Diligence and Onboarding Processes

As part of both the customer and supplier onboarding processes, third parties are subject to due diligence and screening which includes sanctions checks, sensitive countries and other financial crime blacklists, which can also be indicators of risk related to human trafficking and modern slavery red flags.

In 2022, the Group reviewed and strengthened both its onboarding and due diligence processes with human rights specific questions and indicators.

This will continue in 2023 following recent acquisitions to review, test and enhance our processes of both our legacy and newly acquired business operations and relationships.

Risk Assessment and Management

In 2022, we undertook a human rights risk assessment across our operations and our supply chain. We identified five key business areas where human rights and labour risks issues are the most relevant. These relate to employment, procurement of goods and services, the use (or misuse) of technology such as telematics, some of our operations e.g., truck parks, and the ethical and fair treatment of drivers by our customers.

We carried out a deep dive into these five areas, including interviews with key stakeholders within the business to review the policies and systems that are currently in place. The risk assessment is designed to further strengthen our internal processes and procedures to ensure that we are fulfilling our duty to mitigate and/or remediate any human rights issues. As a result of this, we are in the process of reviewing the Code of Conduct to reflect our new operating model. We have also cascaded our current whistleblowing process down into our supply chains, so that in future it can be used by our suppliers and/or customers.

We have established a risk assessment tool to map our suppliers, based on both sectoral and geographical human rights and labour risks. Using a risk matrix, we then prioritised our engagement with suppliers flagged with a potentially higher likelihood of human rights risks.

We have reviewed 11 sectoral categories and identified seven priority categories: “Fuel”, “Transport”, “Telematics hardware”, “Toll hardware”, “Construction”, “IT hardware”, and “Logistics”. The suppliers in these sectoral categories were then prioritised based on their geographical location.

The geographical risk assessment is based on robust international external indicators that measure country risks for modern slavery and human rights incidents, including UN Human Development Index, Freedom House’s Freedom in the World Index (Civil Liberties), UNICEF Child Rights Atlas, ITUC Global Rights Index, the US State Department Trafficking in Persons Report, the Global Slavery Vulnerability Index, and the World Bank Worldwide Governance Indicators – Regulatory Quality.

In addition to human rights and modern slavery specific risk assessments, human rights and modern slavery is identified as part of the Group wide risk process.

This is reviewed and monitored by the ESG Executive Committee, which includes the company’s head of legal and compliance.

Training on modern slavery and human trafficking:

In 2022, the Group started to roll out specific human rights and modern slavery training for leadership and employees involved in key functions, notably procurement (including fuel procurement), operations management, customer onboarding and sales.

This will continue in 2023 to be rolled out across the organisation, including our subsidiaries, aligning with the new operating model, and will be incorporated into all new joiners training.

We are also looking at extending this to others in our supply chain to help promote the awareness of the issue and need to respect human rights and prevent modern slavery.

Key Performance Metrics, Tracking Progress, and Remediation

Speaking Up and Whistleblowing

The EUROWAG Group aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

If an employee believes or suspects a breach of the company's modern slavery and anti-trafficking policy has occurred or that it may occur, the Staff Member has an obligation to report this to his/her manager and/or to the company's whistleblowing line at compliance@Eurowag.com.

If the Staff Member is unsure about whether a particular act, the treatment of workers more generally, or working conditions within any tier of supply chains constitutes any of the various forms of modern slavery or any disrespect to human rights, the Staff Member should raise it with the direct manager or Compliance representative.

The EUROWAG Group is committed to ensuring no one suffers any detrimental treatment as a result of reporting, in good faith, their suspicion that modern slavery of whatever form is or may be taking place in any part of its own business or in any of its supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If the Staff Member believes that the Staff Member have suffered any such treatment, the Staff Member should inform the Compliance representative immediately. If the matter is not remedied, the Staff Member should raise it formally using Grievance Procedure Policy, which can be found on the intranet.

Implications for Non-Compliance

Any Staff Member who breaches the company's policies, including modern slavery and anti-trafficking policy, is subject to disciplinary action, which could result in dismissal for misconduct or gross misconduct. In addition, the respective EUROWAG Group company may terminate relationship with other individuals and organisations working on our behalf if they breach this policy.

Measurement and KPIs:

Eurowag currently tracks incidents of non-compliance with our policies as well as legal and regulatory requirements through the legal, compliance and risk functions as well as our whistleblowing channels.

The scope of topics tracked cover any incidents relating to any event with an adverse impact, being either a financial loss, reputational damage, or regulatory attention, due to inadequate or failed internal processes or systems, mistakes by or (mis) conduct of people, or external events – including human rights and modern slavery.

In addition to the Whistleblowing line, employees are asked to report incidents through our internal reporting system where they can choose the type of and category of incident with details. Legal, compliance and risk teams then review the reported incident and investigate these cases.

The Group publicly reports on whistleblowing cases as well as participation in compliance training. This can be found in the sustainability section of the FY 2022 annual report, (see Annual Report page 97-98).

Summary of our future plans

In terms of next steps and priorities for 2023:

- We will roll out the human rights training across our organisation, with targeted training for the people leader population and mandatory training for all of our employees.
- We will also share our human rights training with key associates, who are not directly hired, to help improve the understanding of human rights risks beyond our direct operations.
- We will be enhancing the risk and compliance process and managing the number of interrelated policies and establishing a single, secure “Speak up” whistleblowing and reporting platform.

- In addition, we will develop a plan to strengthen our human rights due diligence processes and liaise with suppliers identified as being potentially risky to confirm that they will continue to uphold the same standards as the Company.
- We will share our updated Code of Conduct with both our customers and suppliers, as well as looking at implementing a third-party independent grievance mechanism and whistleblowing hotline, which will be available to all our employees, our suppliers, and our customers, going above and beyond our existing mechanism.
- We will be working to centralise our procurement systems to make future due diligence standardised and easier.