2022

Moneris ®/MD

Environmental, Social and Governance report (ESG)

Table of contents

Message from our CEO

As Canada's largest payments provider, we are excited to present our inaugural Environmental, Social, and Governance (ESG) report, which provides a comprehensive overview of Moneris' performance and commitment to sustainability and responsible and inclusive business practices.

Moneris has been a Canadian leader in payments and fintech for over 20 years. We work with hundreds of thousands of Canadian businesses and facilitate approximately one third of all credit and debit transactions from coast to coast to coast. One of our core values, which has guided us for these two decades, is to *do the right thing*. Historically, we have held ourselves to this standard, and this report will provide insights into our efforts to operate in a responsible, inclusive and sustainable manner.

The past few years have seen a dramatic shift in the payments landscape. New technologies, new competitors, entirely new channels, and verticals. What hasn't changed is our commitment to our values and the immense pride we feel in supporting Canadian businesses.

In this report, we have included detailed information on our efforts to reduce Moneris' environmental footprint, support our stakeholders, and ensure good governance. For example, we have included data and metrics on our GHG emissions, as well as our community engagement, and our approach to ethical decision-making.

As a leader, we believe we have an obligation to be transparent about our impact on society and the environment.

We recognize that sustainability is an ongoing journey. While this is our first ESG report, we are committed to continuous improvement and open to feedback and suggestions on how we can further enhance our ESG performance.

Moneris will continue to serve Canadian businesses as they adapt to the changing landscape and evolve post-pandemic. My hope is that by not only doing the right thing, but also by sharing what we are doing right, Moneris can inspire others to share more about their good work and commitments.

On behalf of our more than 2,000 team members, I look forward to continuing our journey as a responsible Canadian leader.

Sincerely,

Angela Brown
President & CEO of Moneris

Executive summary

At a glance

About Moneris

Moneris is a proudly Canadian company created in 2000 as a joint venture between Royal Bank of Canada (RBC) and Bank of Montreal (BMO). We provide businesses of all sizes and industries with payments hardware, software and solutions. We support businesses as they adapt and evolve in a rapidly changing environment.

Recently, the world has seen an increasing number of social, health and environmental challenges. Moneris is fully aware of the accelerating frequency and severity. Through our operations and services—primarily payments—we want to contribute to solutions for a more sustainable world.

Moneris' first Environmental, Social and Governance (ESG) report is an opportunity to share our vision on how we address and respond to these various issues. This report summarizes our achievements over the 2022 calendar year.

The report follows our ESG framework which is divided into four pillars, presented on the next page.

Team members

"Building a hybrid culture, strongly rooted in our values and our commitment to equity, and inclusion."

At Moneris, we are building a culture where people can thrive and accomplish meaningful work. To support this ambition, we are focused on advancing equity and inclusion, supporting mental health, welcoming all ideas, and creating opportunities for people to share their knowledge, grow their skills or learn something new.

Community

"Contributing to communities and enabling better business."

Our company is committed to supporting Canadian businesses and the communities in which they serve. In addition to assisting charities aligned with our values and mission, our actions strive to promote equity and inclusion, support the economic ecosystem and contribute to knowledge sharing.

Environment

"Minimizing our impact on the environment and driving change in industry practices."

Our environmental goals are to reduce our energy consumption, to work with our stakeholders to create systemic change, to reduce our greenhouse gas emissions and to reduce the overall amount of residual materials generated.

Governance

"Ensuring good governance through best practices."

At Moneris, we exercise effective governance over our operations to deliver on our vision for a better future. We believe in full transparency and work hard to ensure our ethical beliefs are reflected in all that we do. From working with our suppliers to increase accountability in our value chain to guaranteeing the security and privacy of the data we manage. In support of the governance processes, we have developed an enterprise-wide risk management program that helps us maintain and manage our business risk appetite.

To go further

For this first report, we are aligned with the Sustainability Accounting Standards Board (SASB), as well as the United Nations Sustainable Development Goals (SDG). For all the details, reference tables are available in the appendix.

At the end of this report is a glossary of terms relevant to issues related to our mission.

About Moneris

Moneris is building better businesses -- for Canadian entrepreneurs and the community

Payment processing that works for Canadians

Moneris is Canada's largest provider of innovative solutions for mobile, online and in-store payments, processing more than one in three transactions. Serving businesses of every size and across every industry, Moneris offers hardware, software and solutions to help transform the way businesses grow and operate, in payments and beyond.

20+ years as a proud partner of Canadian business

As a proudly Canadian joint venture created by RBC and BMO, Moneris has been partnering with business owners since 2000. We are the Canadian leader in payments.

Our position comes with responsibility -- we're up to the challenge

As a company with over 2000 employees and servicing business owners in every province and territory. Moneris bears responsibility to its team members, business owners, and the communities we serve.

That is why we strive to create positive change and support individuals and Canadian businesses for the better.

Our four guiding principles

Integrating ESG principles into our business is a priority for Moneris.

To do this, we have developed an ESG framework comprised of the following four principles.

These principles will serve to present our 2022 achievements, as well as our goals for a brighter future, within this report.

Acting according to our values

The 17 United Nations Sustainable Development Goals (SDGs)[1]

ESG Principles

Team members	Building a hybrid culture, strongly rooted in our values and our commitment to diversity, equity and inclusion.
Community	Contributing to communities and enabling better business.
Environment	Minimizing our impact on the environment and driving change in industry practices.
Governance	Ensuring good governance through best practices.

International standards

The United Nations Sustainable Development Goals (SDGs) are the international framework for development and aim to reduce environmental degradation, as well as improve the quality of life for people globally.

Moneris is committed to supporting the SDGs and encouraging its stakeholders to do the same. We believe these goals are essential to creating a sustainable and prosperous future for all.

Through this report, we present the SDGs to which we contribute in a significant way.

[1] More information about the SDGs are available here.

Team members

Cultivating a sense of belonging

We owe our success to our team members.

One of Moneris' core value is to *do the right thing*. We want to activate purpose and unleash potential so our people and Moneris can grow, thrive and belong. Given that our strength as a company depends on our ability to come together, innovate and support one another, we have developed a strategy focused on equity, inclusion and well-being.

Our approach will continue to be adaptive, to meet the challenges ahead. For example, in response to the labour shortage in the market, we have reviewed our ways of working to allow for more flexibility and to adjust to the new realities of the workplace.

And to retain talent, we strive to offer skills development opportunities that enable the growth and success of our people.

What we did in 2022:

DEI strategy

Implementation of a 3-year Diversity, Equity and Inclusion (DEI) strategy following an extensive listening tour across the enterprise.

Recruitment

Launch of a new graduate program: Start@Moneris.

Compensation & advancement

Out-of-cycle compensation adjustments for many team members including 364 promotional and career advancement opportunities.

SDGs alignment:

Investing deeply in equity and inclusion

In late 2021, our DEI Director undertook a listening tour in which 75% of Moneris' team members provided input on DEI through a company-wide survey, 100 one-on-one interviews and 17 focus groups. The outcomes of the listening tour led to the development of Moneris' first DEI strategy, unveiled in early 2022, which is based on the following 4 pillars:

1. Grow awareness of equity and inclusion

2. Redesign systems to advance equity and inclusion

3. Prioritize Indigenous Reconciliation

4. Engage all stakeholders in Moneris' DEI strategy

In 2022, DEI became one of Moneris' top 10 corporate priorities. To hold ourselves accountable, our DEI team developed a quantifiable algorithm measuring different factors of equity and inclusion. In 2022, Moneris exceeded its DEI target goal by 104%. Moneris' entire executive team also added advancing DEI to their executive scorecard.

Grow awareness of equity and inclusion

Equity and inclusion are the foundation of Moneris' DEI strategy. In 2022, to emphasize the importance of these two principles, our organization launched the following initiatives:

- An intensive 6-month training program for senior leaders. Over a series of facilitated workshops, the following topics were addressed: inclusive leadership, foundations of DEI, interrupting bias, building psychological safety and the realities faced by Indigenous and Black communities in Canada. 90% of all senior leaders at Moneris completed this intensive program. In addition, we launched a comprehensive and foundational DEI e-learning program, which was required for all managers to complete and available to all team members.

- A company-wide Self Identification (Self-ID) tool was built and launched to enable a robust understanding of diverse representation at Moneris. Protection of privacy and transparency around how information will be accessed and used has been a primary goal. By the end of 2022, 50% of all Moneris team members had voluntarily participated in the Self-ID campaign.

- Four Employee Inclusion Groups (EIGs) were launched or enhanced for Black team members, 2SLGBTQIA+ communities, women and newcomers to Canada. In partnership with our Black Employee Network, our DEI team launched a 9-month mentorship program for Black team members.

Redesign systems to advance equity and inclusion

Moneris recognizes that mitigating systemic bias is key to driving meaningful long-term impact, especially for marginalized groups.

To that end, our organization is reviewing and evolving HR processes and systems to advance equity and inclusion. This important work will be carried out over several years. Since 2022, we have already:

- Implemented an inclusive hiring training program for managers who hire the highest volume of candidates as well as for all of our recruiters and HR business partners.
- Integrated bias interruption training and language in talent review and succession planning processes.
- Revisited and updated Moneris' job template and Hiring Policy from a DEI lens and integrated an official DEI commitment statement for equity-deserving candidates as well as an inclusive language tool on all Moneris job postings.

Prioritize Indigenous Reconciliation

As a Canadian company, we believe it is our duty to actively participate in reconciliation with Indigenous Peoples by listening to them and understanding what this means from their perspective. We are currently working to develop a Reconciliation Action Plan, focused on three objectives:

- Indigenize our hiring processes
- Indigenize support for our customers
- Indigenize our community investments

Engage all stakeholders in Moneris' DEI strategy

In 2022, we created a DEI intranet site where all team members can learn about the progress of our DEI strategy, get details on our various initiatives, submit DEI questions and feedback anonymously and register for events or training. In addition, our DEI team hosted 10 enterprise-wide events and built various strategic partnerships to help educate, connect, and engage internal, as well as external, stakeholders in Moneris' DEI journey.

104%
Exceeded DEI goals by 104%

Launched a mentorship program for Black team members with senior leaders

90%
of senior leaders completed comprehensive DEI training

Supporting the well-being of our teams

Since its inception, Moneris has wanted to provide good working conditions for our workforce, including a group benefits program and pension savings plan. These various wellness initiatives are designed to support the financial, physical and mental health of our team members.

In 2022, we began a comprehensive review of our benefits program with the aim of making it more flexible and better tailored to individual situations. We conducted a focus group with the help of an external partner and our staff to identify what they liked about the current program and what should be changed. Moneris' revised benefits program will be rolled out in 2023.

Finally, we continued to encourage the well-being of our team members, through team fitness challenges such as the "Get Out and Be Active" challenge and through mental health discussions.

"In 2022, we began a comprehensive review of our benefits program with the aim of making it more flexible and better tailored to individual situations."

Team members asked to identify areas of improvement for our benefits program

Engagement survey results: four points above industry benchmark

Wellness initiatives - team fitness challenges and mental health discussions
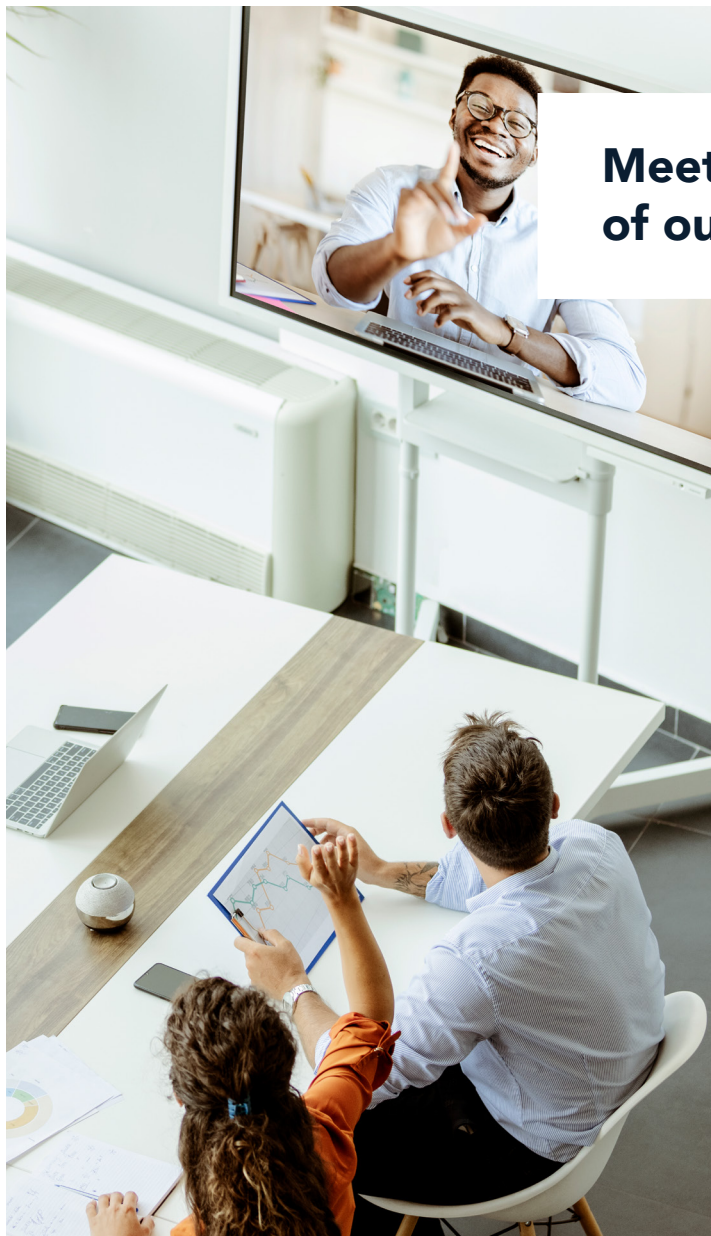
Meeting the needs of our teams

In 2022, Moneris unveiled its new Hybrid Work Environment Model, which allows business leaders the flexibility to choose the most appropriate structure for their team among the following:

- 100% remote

- 100% onsite

- Hybrid

In parallel with this policy, a new, cross-Canada recruitment program has been put into place. Thanks to this, in 2022, we had the opportunity to hire 193 new, exclusively remote team members from various provinces.

In the same year, Moneris launched a new graduate program targeting technology skills, called Start@Moneris that provides recent graduates with permanent positions within the company. Candidates hired not only receive permanent employment but also participate in a one-year mentorship and coaching program. Out of nearly 800 applicants, 19 people were selected to join the first cohort, which was launched in September 2022.

193
new hires exclusively remote

Implementation of a new Hybrid Work Environment Model

Start@Moneris new graduate program launch

Continuous development

18.5

hours of training completed on average per team member in 2022

95%

of the workforce has completed at least one training via our HR tool

Transformative project launched to help our team members grow

We have a growth mindset, which is why we feel it is key to encourage the development of our team members. This is also why we believe it is essential to foster a safe environment that allows us to rapidly test and learn new behaviours. One of our values is to *challenge the status quo*, by setting smart development goals that push us to contribute to our personal and business growth.

In 2022, Moneris created an online HR platform, consisting of a virtual training space for all team members. It connects to 3rd party platforms such as, LinkedIn Learning, Udemy and Coursera, making learning easy and accessible to everyone.

Our in-house training programs include, self-directed modules, virtual classroom sessions, on-the-job coaching, and various activities such as, roleplaying and knowledge quizzes. These are designed to assist each new hire with quickly learning and adjusting to their new role —ultimately, setting them up for success.

The development of our team members is facilitated through a training budget allocated to leaders, as well as a tuition reimbursement program.

We believe social learning is also important, which is why we offer informal/formal mentoring and coaching programs.

Informal mentoring - team members set goals that are usually not measurable and the mentor relationship is typically unstructured.

Formal mentoring - team members set and define actionable and measurable goals with determined requirements.

Coaching - leaders select the coach of their choice and set goals that are reviewed at different points throughout the session. Moneris created the BetterUp coaching program specifically for managers and directors.

In 2022, we committed to becoming an agile organization and deployed a pilot program called the Moneris Agile Academy. The major goal of this academy will be to help us expand our agile capabilities.

Team members pillar:
Our vision for 2023

- Formalize revised benefits program to make it more inclusive and personalized for team members.

- Accelerate agile transformation, build our agile capabilities, and adopt a growth mindset.

- Continue to develop managers through new training programs.

- Scale engagement and accountability for DEI across Moneris.

Community

Supporting strong communities

Moneris strives to create a positive impact in every community we serve.

Today, this support is expressed both through financial involvement – donations, event sponsorships, product support – and through a strong commitment to volunteerism.

Moneris' community engagement strategy is built on the following three pillars - innovation, entrepreneurship and community support. These pillars guide how we select our partners and measure our performance.

What we did in 2022:

40+

Supported over 40 charity initiatives.

Bears' Lair Camp

First partner in Canada to support Bears' Lair Indigenous Youth Entrepreneur Dream Camp.

125

companies supported through the eCommerce North program in partnership with Elevate.

SDGs alignment:

Serving the community

Moneris' community involvement includes donations to Canadian charities that align with our corporate values and whose mission is to support healthy and sustainable communities.

To date, our national charity partners include:

• Canadian Red Cross

• CNIB

• Ronald McDonald House Charities Canada

• Second Harvest Canada

"Every Moneris team member can dedicate one workday a year to volunteer at the charity of their choice."

1

Every Moneris team member can dedicate one workday a year to volunteer at the charity of their choice

1,500+

In 2022, our team members volunteered over 1,500 hours supporting local charitable initiatives

40+

Moneris supported over 40 charity initiatives

Transforming Canadian startups

Shop Talk: A series focused on the payments industry.

Yes, We Are Open: A series featuring small business owners, sharing their stories, the challenges they faced and what kept them going. The second season of the podcast won the Best Commercial Series award at the Canadian Podcast Awards.

Moneris believes in empowering business owners with the tools, knowledge and expertise to run their business smoothly and efficiently. We are committed to supporting Canadian startups and entrepreneurs in growing their business. That mindset drove Moneris in partnership with Elevate, to launch eCommerce North a specialized program that helps ecommerce startups through one-on-one mentorship and investment opportunities. In 2022, 125 companies participated in this program and 10 workshops were facilitated by the Moneris team.

In addition to eCommerce North, Moneris informs and promotes small business owners through two exclusive podcasts:

72% & 75%

Representation across the 125 eCommerce North companies included 72% female/non-binary founders and 75% founders from underrepresented communities

125

companies supported through 2 eCommerce North accelerator cohorts and 3 innovator challenges

2

exclusive podcasts produced

Supporting Canadian businesses and charities

The COVID-19 pandemic has hit small and medium-sized businesses hard and Moneris has been responsive in supporting them through this challenging time. For example, we created a Revenue Analysis[2] tool to make it easier for business owners to determine if they met the Government requirements for the Canada Emergency Wage subsidy which was available from March 2020 to May 2022.

In addition to developing programs to support Canadian businesses, Moneris partners with tiptap to support Canadian charities by offering contactless donation technology adapted to the post-pandemic world. Thanks to the partnership between tiptap and Moneris, organizations of all sizes can benefit from a digital solution for small dollar transactions.

During Small Business Month Moneris launched our Call for Small Grant Program, aimed at supporting the Canadian small business community. Through this program, anyone can nominate their favourite Canadian business on Instagram to give their local business a chance to win one of five $1,000 grants.

"Moneris partners with tiptap to support Canadian charities by offering contactless donation technology adapted to the post-pandemic world."

Supported Canadian businesses during the pandemic

tiptap partnership to support Canadian charities

Launched the Call for Small Grant Program

---

[2] More information is available about this program here.

Supporting equity and inclusion

Established partnership with Bears' Lair

First partner in Canada to support Bears' Lair Indigenous Youth Entrepreneur Dream Camp

Supported 17 Indigenous youth in their entrepreneurial journey

Moneris believes in creating opportunities to engage with Indigenous Peoples and communities in meaningful ways. This type of proactive engagement is one step towards economic and social reconciliation.

"In 2022, more than $100,000 was shared by the winners."

As such, Moneris is a proud sponsor of Bears' Lair, an Indigenous-owned and operated TV series where Indigenous entrepreneurs pitch their business plans to a panel of some of Canada's most successful Indigenous business experts to gain support and to compete for a monetary prize. In 2022, more than $100,000 was shared by the winners.

Moneris is also the first company to support the Bears' Lair Indigenous Youth Entrepreneur Dream Camp. During the week-long day camp, Indigenous youth from Six Nations of the Grand River Territory learned about the basics of starting a business and built their first business plan and sales pitch.

Bears' Lair, sponsored by Moneris

Community pillar: Our vision for 2023

- Expand our employee volunteer program to help reach our goal of tracking 3,000 volunteer hours.

- Commitment to have equal representation across eCommerce North companies with 50% female/non-binary founders and 50% founders from underrepresented communities.

- Support Canadian entrepreneur community through partnerships with Elevate, Startup Canada, and Bears' Lair.

- Support charity initiatives that align with community engagement pillars of Innovation, Entrepreneurship, and Community Support.

Environment

Ethical and environmentally responsible business practices

We are committed to reducing our environmental footprint through identifying and implementing eco-friendly operations and payment solutions. We are delivering on this commitment with actions that have already produced results on various ways, such as reducing our waste, our greenhouse gas emissions, and the overall impact of our services.

All these results could not have been achieved without the significant involvement of our stakeholders, and more specifically, our team members and environmental committees across the country.

What we did in 2022:

Modernization

Acquisition of equipment used to measure the energy consumption of our new terminals.

99.95%

of Moneris devices received by our centres in Montreal and Calgary were repaired and repurposed.

6%

A 6% decrease of calculated GHG emissions between 2019 and 2022 compared with an 9.3% increase in the number of deployed devices.

SDGs alignment:

Responsibly managing our energy consumption

The International Energy Agency's World Energy[3] Outlook shows that Canada's per capita energy consumption is three times the global average. This is one of the highest rates in the world. Thus, the reduction of energy consumption is critical to Canada's green transition.

In this regard, Moneris has undertaken various projects, including the conversion from standard to LED lighting in our Montreal, Calgary, and Sackville facilities. The Burnaby office will soon be equipped with such equipment. In our Montreal facilities, initiatives such as converting standard lights to LED, turning off lights at night in the office and warehouse areas, as well as switching heating, ventilation, and air conditioning components from gas to electricity, are already delivering savings. These projects have resulted in a 25% reduction in electricity consumption and a 9% reduction in gas consumption between 2019 and 2022.

To maintain this momentum, energy efficiency projects, including the installation of a solar wall as well as a more energy-efficient heating, ventilation, and air conditioning system are

planned for our largest facility based in Montreal. Expenditures of approximately $200,000 were made in 2022, and close to $230,000 is budgeted to continue the progress in 2023.

Also, since the energy consumption of the products sold represents a significant part of our carbon footprint, these products must be as electricity efficient as possible. To this end, Moneris has acquired equipment that allows us to accurately measure the power consumption of our new payment terminals. This new technology will improve the accuracy of the company's GHG footprint and will allow us to work with our manufacturers to offer a more energy-efficient line of terminals. To further reduce the energy consumption of our payment terminals, we are working on a technology solution to put our devices on "hibernation" mode at night. In addition, a dynamic dashboard will provide real-time information on consumption by type of device and by province.

25%

Reduced electricity consumption in our Montreal facilities by 25% between 2019 and 2022

9%

Reduced natural gas consumption by 9% in our Montreal facilities between 2019 and 2022

Acquisition of equipment used to measure the energy consumption of our new terminals

---

[3] Source Radio-Canada, available here.

Raising the bar collectively

Moneris requires its suppliers to take concrete actions to reduce the environmental footprint of its products. For example, in collaboration with our suppliers, we have modified a terminal repair process to avoid replacing functional components but rather repair the motherboard instead. In 2023, priority will be given to reducing the packaging and discontinuing certain unnecessary materials.

Moneris is working to align with others in the industry to develop common requirements for suppliers in the industry on topics such as the eco-design of payment terminals, as well as finding the best possible recycling channel.

Moneris partners with reputable organizations that are aligned with our ESG values and position. We are pleased to say that approximately 63% of our terminals are purchased from EcoVadis-certified manufacturers and by the end of 2025, we plan to reach a 90% target.

Finally, it is important to recognize our environmental committees across the country, who are committed to taking local actions for the environment. For example, in Montreal the team planted a vegetable garden and several trees in Vancouver team members have taken part in park and shoreline cleanups, in Toronto the team has initiated a company-wide initiative that helped fund the Friends of Algonquin Park's Monarch Butterfly Tag and Release Program.

We work with our suppliers to reduce their environmental impact

63%
of our terminals are purchased from EcoVadis-certified manufacturers

Our environmental committees are engaged across the country

Reducing our greenhouse gas emissions

In response to the urgent need to act on climate change, since 2021, Moneris has undertaken annually an effort to quantify the GHG emissions related to its activities according to the internationally recognized GHG Protocol's methodology[4]. It should be noted that accounting of greenhouse gas emissions is a relatively new exercise for companies that requires year over year adjustments to refine the calculation and may complicate the comparability of emissions. Nevertheless, this exercise has enabled us to identify our emission hot spots and to start thinking about the measures required to reduce them effectively.

In 2022, our largest GHG emission item was the purchase of payment terminals. Due to the cyclical nature of our operations, we purchase many more devices in some years than in others, which skews our emissions results. However, we are working with our suppliers to provide us with Product Environmental Profiles (PEPs) to help us refine our carbon footprint and encourage them to reduce their impact. The reduction in our business travel since 2019, as well as the measures we have taken to reduce our energy consumption, are helping to reduce our carbon footprint.

The measures required to reduce our GHG emissions require significant investments, such as those mentioned in the section on our energy consumption, as well as some important changes in our value chain as discussed in the section "Raising the Bar Collectively". These changes are the result of long-term work, the results of which may take several years to materialize.

"Moneris has undertaken annually an effort to quantify the GHG emissions related to its activities."

1.6 kg CO2 eq per deployed device in 2022 vs 1.8 kg in 2019

2.9 tCO2 eq per million of transactions in 2022 vs 2.7 tCO2 eq per million transactions in 2019 (rise mostly due to high purchase of devices in 2022)

433 t CO2eq in 2022 vs 538 t CO2 eq in 2019 related to electricity purchase (19.5 % decrease)

---

[4] More information related to the GHG protocol available here.

Waste not, want not

1.5T

plastic waste circumvented annually by the Good Enough vs Good As New policy

99.95%

of the devices received by our repair centres have been put back in service

A pilot program of reusable boxes between the Montreal warehouse and its drop-off locations has been implemented

Canada must reduce its per capita solid waste production by 30% by 2030 compared to 2014 to reach its target[5]. It is in this context that, in 2021, Moneris conducted an initial assessment of residual materials across some of its buildings to establish a waste-reduction plan. Since then, several actions have been deployed throughout the organization.

To extend the lifespan of our payment terminals, Moneris has developed expertise to repair in house our payment terminals and all other electronic equipment. Our organization strives to repair and clean any device returned from merchants, regardless of condition. As a result, in 2022, our Montreal and Calgary centres were able to maintain 99.95% of our devices in working order.

Additionally, to reduce the amount of plastic waste generated, we introduced the GEGAN (Good Enough vs Good as New) Policy in 2016. Under the GEGAN Policy, we follow a decision matrix that allows us to ensure our merchants that devices deployed are in good working order with an acceptable "cosmetic" level. Since its implementation, our GEGAN policy has enabled us to avoid creating more than 10 tons of plastic waste.

In addition to these accomplishments, Moneris has implemented a pilot project to replace single-use cardboard boxes with reusable boxes between our warehouses and drop-off locations. This project will be rolled out on a larger scale in 2023.

Similarly, our organization actively seeks to reduce discarded materials, which is why we have built a device allowing us to test all cables we receive to avoid throwing them away. We also test all lithium batteries, which allows us to accurately identify those that are below a certain performance threshold.

Finally, to properly manage the waste we cannot avoid, we are working to improve the sorting of our residual materials throughout our facilities. To date, sorting is carried out in all our buildings, including most recently at the head office in Toronto. Furthermore, since 2021 we do business with a Canada-based company, specialized in electronic products and which has environmental certifications, that shreds, sorts, and recycles material from used devices. As of now, 100% of our electronic waste goes through this contractor.

[5] Source La Presse, available here.

Environment pillar:
Our vision for 2023

- Implement training and awareness-raising initiatives on environmental issues and solutions for our teams (such as the Fresque du Climat).

- Start a process to become EcoVadis-certified in 2024.

- Focus our efforts on reducing our greenhouse gas emissions rather than offsetting our emissions.

- Start monitoring our water consumption so that we can implement water waste-reducing measures.

Governance

Structured and effective governance

For many years, Moneris has been committed to maintaining high standards of good governance that allow us to deliver quality products and services that meet our merchants' needs.

We are guided by our strong values, such as *doing the right thing, owning our commitments* and *challenging the status quo*. These values prompt us to challenge ourselves everyday in order to keep responsible practices and decision-making.

What we did in 2022:

ISO certification

Achieved ISO 22301 certification.

100%

of team members signed the Code of Conduct in 2022.

Compliance

We are compliant with the Payment Card Industry Data Security Standard.

SDGs alignment:

Managing risk appetite

Our Enterprise Risk Management program allows us to maintain the trust of our merchants, partners, team members, and communities by proactively and effectively manage our business risk appetite.

To manage our risks effectively, we have established and integrated, structured, comprehensive, and proactive risk management program on lines of ISO 31000: Risk Management[6], that includes:

- A comprehensive set of policies and standards, including compliance monitoring and exception review, approval and management processes

- Decision quality and decision management frameworks

- A detailed Enterprise Risk Management Program which includes risk identification, assessment, treatment, reporting and monitoring processes

  - The program covers management of reputational, operational, business interruption, employee misconduct, merchant fraud, regulatory and legal, data breach risks, along with a number of other significant enterprise-level business-specific and strategic risks

- Assigned ownership of enterprise risks, related risk appetite and key risk indicators with functional executives

- Defined key risk indicators over all enterprise level risks

- A "Foundational Elements of Risk" training program for team members and "Risk Aware Decision Making" for managers and above

- Regular reporting of risks to executive management and the audit and risk review committee of our board

- Assessment of risks for material products, projects, partners and suppliers

- Monitoring operational risk events, identification of root causes, and appropriate, time-bound mitigation actions

- Independent assurance through internal audit of organization processes, and tracking of action items to ensure time bound mitigation actions

Our commitment to effective risk management is exemplified by our business continuity management systems being ISO 22301– certified. As of August 2022, our enterprise business continuity management system has been certified as compliant with the requirements of the ISO standard, ensuring an appropriate response and effective coordination of recovery efforts in the event of a business interruption.

Oversight from Executive Leadership Team and our Board of Directors over our strategy, business priorities, financial plans, enterprise level risks and general business performance

Moneris has adopted the three lines of defense framework that distributes responsibility for effectively managing risks across the frontline business, governance and oversight and internal audit functions

We have a strong Enterprise Risk Management Program in place

---

[6] More information is available about ISO 31000 on their website available here and here.

Our work ethic

The success of our organization depends on the trust we have built with all our stakeholders. To ensure our business is conducted properly, we have developed various tools and mechanisms related to ethics over the past few years.

In addition to complying with the Financial Consumer Agency of Canada's Code of Conduct for the Credit and Debit Card Industry in Canada, Moneris has its own Code of Conduct that governs how it conducts its business. This code, reviewed annually, is intended to be a living document and must be read and signed by all team members each year.

1. Act with integrity

2. Speak up and report misconduct

3. Follow the letter and spirit of the law

4. Be vigilant about information security

5. Manage conflicts of interest

In addition to a Code of Conduct, Moneris also has a number of ethics-related policies, such as a Whistleblower Policy to protect company team members who would report any problematic situations in the organization. Through this process, our team members can report a situation directly to their manager, or report it anonymously.

Finally, our Taking Care of Business program allows our team members to complete online ethics-related training, review corporate policies, and obtain their certifications when necessary. In 2022, 99.57% of our team members were trained on ethics-related topics through this program.
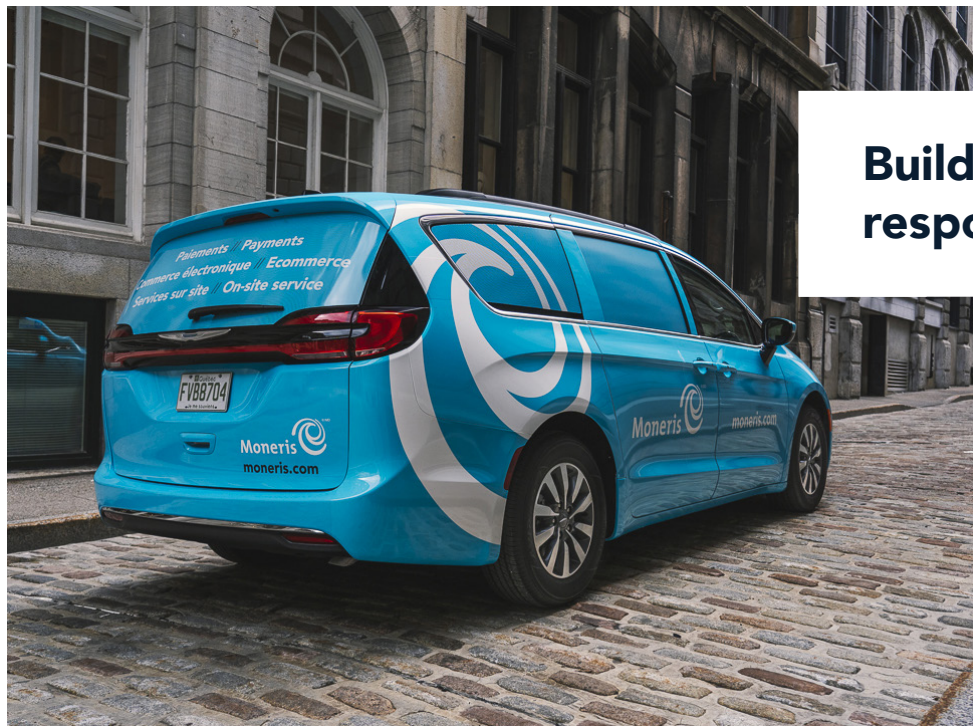
100%
of team members signed our
Code of Conduct in 2022

99.57%
of team members were trained on
ethics-related topics through our
Taking Care of Business program

Ethics policies and trainings have
been reviewed and updated

Building a more responsible supply chain

14%

of plug-in hybrid vehicles in our fleet

99.5 %

Draft of key documents to be rolled out in 2023

Adoption of a responsible procurement roadmap

An organization's supply chain is often its main factor of social and environmental impacts. That's why, over the past few months, Moneris has committed to taking concrete action on this front to encourage suppliers to be more responsible in their practices and activities.

To date, our Code of Conduct and our Supplier Management Policy provide a framework for the behaviours expected of our team members in their dealings with suppliers. These two documents define the principles and ethical standards of our organization in terms of procurement.

Accompanied by an external firm, our procurement team has reviewed its policies and practices from a responsibility perspective in recent months. As a result, we have developed a

Responsible Procurement Roadmap and have begun to draft the following key documents:

- Supplier code of conduct

- Supplier survey

These various documents will be deployed in the year 2023.

Moneris has also been reviewing some of its purchases to improve its impact in recent months. For example, since 2021, our organization has set a goal to purchase only plug-in hybrid vans for our technicians on the road. In 2 years, the percentage of hybrid vehicles has increased from 0% to 14%. By the end of 2023, we expect to reach 23% if the supply of this type of vehicle is no longer impacted by component shortages.

Data privacy and security

We are compliant with the Payment Card Industry Data Security Standard

We have put in place an effective structure that allows us to manage data privacy and security

We have continued to mature our cyber capabilities

With the goal of providing reliable and efficient payment platforms to our merchants and their customers, it is crucial for Moneris to demonstrate its responsibility with regard to the personal information in our possession and control, as well as managing security risks related to such data.

To achieve this, our organization has formalized key positions described below, which are supported by various roles, as well as by all team members of the organization.

Chief Privacy Officer (CPO): Ensures that Moneris fulfills its commitment to handle personal information in accordance with applicable laws and our Privacy Management Policy and related standards.

Chief Information Officer (CIO): Designs, implements and maintains efficient and effective safeguards that address information security requirements within technology assets.

Chief Information Security Officer (CISO): Designs, implements and maintains an effective Information Security Program to mitigate information security risks and to meet the expectations of the business, clients, regulators and stakeholders.

Our policies, standards and procedures for data privacy and security specify our obligations to all our team members and therefore govern the way we do business. Our team members are also trained on the subject on a regular basis.

Governance pillar: Our vision for 2023

- Deploy and implement a supplier code of conduct.

- Implement a supplier survey.

- Continue to mature our cyber capabilities to enable continuous business and technology transformation. Investments will be made in automations and bolstering multiple defenses against evolving cyber threats.

Appendix

Glossary

Diversity

The presence and celebration of difference in all its forms, including diversity of thought, and this requires appreciating how diverse identities intersect i.e. intersectionality.

Equity

Equity is about bringing more fairness and justice to how some communities have been and continue to be, treated because of unconscious and conscious systemic barriers (e.g., sexism, racism, homophobia). An equity approach includes intentional differential treatment and redistribution of resources to address systemic barriers, so that marginalized groups can thrive in similar ways to others.

ESG (Environmental, social, and governance)

ESG is a framework that aims to enable stakeholders to understand how an organization manages risks and opportunities related to sustainability topics on environmental, social and governance themes.

GHG (Greenhouse Gases)

GHG, in this report, refers to greenhouse gases that are naturally occurring gases in the atmosphere such as CO_2 and CH_4. They participate, as their name implies, in the greenhouse effect that helps retain heat close to the Earth's surface. Without them, the average surface temperature would be -18 degrees Celsius, making life as we know it impossible. Nevertheless, the use of fossil energy since the Industrial Revolution has led to an increase in greenhouse gases and hence observed temperatures, leading to what is called climate change.

GHG Protocol (Greenhouse Gas Protocol)

This international standard is used to measure and manage greenhouse gas (GHG) emissions from the operations of private and public sector organizations and their value chain.

Inclusion

Individuals and groups feel respected, heard, valued, and encouraged to fully participate and live their highest potential.

ISO 22301

This management system standard published by the International Organization for Standardization (ISO) specifies the requirements necessary in an enterprise to protect itself against disruptive incidents, to reduce the likelihood of their occurrence, to respond and to ensure business recovery in the event of a disruption.

Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development was adopted by the United Nations in 2015. At the heart of this agenda, the 17 Sustainable Development Goals (SDGs) represent an urgent call for action from all developed and developing countries.

Scope 1, 2, and 3

According to the GHG Protocol standards, a company's carbon footprint is divided as follows:

- Scope 1: Direct emissions from operations (fuel consumption from company vehicles, natural gas consumption, fuel oil, and refrigerant gas leak from air conditioning systems)

- Scope 2: Indirect emissions from the purchase of electricity, heat and steam

- Scope 3: Indirect emissions linked to the upstream and downstream of operations (purchases of goods and services)

Sustainability Accounting Standards Board (SASB)

The SASB helps companies disclose relevant information to their investors to assess their sustainability. In 2022, the standard was available for 77 industries and best identified environmental, social and governance issues relevant to their industry.

2022 SASB index   *Table 1. Sustainability Disclosure Topics & Accounting Metrics*

Topic	Accounting Metric	Category	SASB Code	Disclosure
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	TC-SI-130a.1	(1) 46 548 GJ (2) 100 % (3) Moneris currently prefers to focus on energy consumption reduction rather than buying renewable energy credits. Close to 35 % of our electricity consumption occurs in provinces (BC and QC) where renewable energy (hydroelectricity for the most part) makes up the majority of the electricity provided through the provincial's electricity grid.
	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	TC-SI-130a.2	Moneris does not currently monitor water withdrawal or consumption information. In 2023, the organization commits to begin measuring its water consumption.
	Discussion of the integration of environmental considerations into strategic planning for data centre needs	Discussion and Analysis	TC-SI-130a.3	The data centres we use are located in Ontario at external providers. Moneris does not have this information on data centres, but commits to work with external providers.
Data Privacy & Freedom of Expression	Discussion of the integration of environmental considerations into strategic planning for data centre needs	Discussion and Analysis	TC-SI-220a.1	Moneris complies with all applicable privacy laws, including with any applicable requirements, related to the consent of the user for the tracking of any personal information and has a Privacy Management Policy and Privacy Notice, which states the following: • Moneris only collects the minimal amount and type of personal information that is necessary to fulfill the identified purposes; • Moneris only collects personal information with the meaningful consent of the individual that the information relates to. To ensure consent is meaningful and informed, Moneris provides transparency about uses of information at the point where it is collected. Moneris does not require consent as a condition of the supply of a product or service (beyond what is necessary to provide the product or service); • Moneris uses appropriate operational, technical, and procedural safeguards to protect personal information against unauthorized use, access, modification, destruction, disclosure, loss or theft under the custody or control of Moneris.

2022 SASB index *Table 1. Sustainability Disclosure Topics & Accounting Metrics*

Topic	Accounting Metric	Category	SASB Code	Disclosure
Data Privacy & Freedom of Expression	Number of users whose information is used for secondary purposes	Quantitative	TC-SI-220a.2	Moneris complies with all applicable privacy laws, including with respect to the use of personal information for marketing or other secondary purposes.
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Quantitative	TC-SI-220a.3	Moneris has not experienced any material financial losses of this nature.
	(1) Number of law enforcement requests for user information (2) Number of users whose information was requested (3) Percentage resulting in disclosure	Quantitative	TC-SI-220a.4	Moneris, like all companies, is required by law in some cases to provide personal information to governmental agencies by complying with valid judicial requests, subpoenas or other legal requirements. Every request Moneris receives is carefully reviewed to ensure the governmental agency is entitled to the data they seek.
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Discussion and Analysis	TC-SI-220a.5	Moneris only operates in Canada.
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of users affected	Quantitative	TC-SI-230a.1	Moneris complies with all applicable privacy laws, including with any applicable requirements, related to the consent of the user for the tracking of any personal information and has a Privacy Management Policy and Privacy Notice, which states the following:
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	TC-SI-230a.2	Moneris follows industry standards such as: • PCI-DSS • NIST CSD Auditors verify that Moneris uses the COBIT standard. Moneris has implemented a series of best practices in this regard.

2022 SASB index
Table 1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Category	SASB Code	Disclosure
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	TC-SI-330a.1	(1) 23% were born outside of Canada (2) Moneris does not have any permanent employees located outside of Canada. However, Moneris does have third party team members based in Manila.
	Employee engagement rating against benchmark	Quantitative	TC-SI-330a.2	Scored 4 points above industry benchmark.
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	TC-SI-330a.3	Gender (1) Management (Director, Vice President and Senior Vice President) - 32% Female, 68% Male Executive leadership team (C-suite, including CEO) - 44% Female, 56% Male (2) We are not able to provide this data for this report (3) All company – 43% Female, 57% Male We are not able to provide the data on gender required by level, nor on the ethnic composition of our workforce or leadership yet. As mentioned in this report, in recent months we have implemented a DEI self-identification tool that will allow us to provide this data in our 2023 report.
Intellectual Property Protection & Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Quantitative	TC-SI-520a.1	Moneris has never experienced any financial losses of this nature.

2022 SASB index

Table 1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Category	SASB Code	Disclosure
Managing Systemic Risks from Technology Disruptions	Number of: (1) Performance issues (2) Service disruptions (3) Total customer downtime	Quantitative	TC-SI-550a.1	In 2022, Moneris did not experience a performance incident or downtime issue that had a material impact on the business that required regulatory reporting to authorities or incurred financial penalties.
	Description of business continuity risks related to disruptions of operations	Discussion and Analysis	TC-SI-550a.2	Moneris is certified ISO 22301. The company has a policy, programs, and governance on business continuity.

2022 SASB index *Table 2. Activity Metrics*

Activity Metrics	Category	SASB Code	Disclosure
(1) Number of licenses or subscriptions (2) percentage cloud based	Quantitative	TC-SI-000.A	Moneris cannot provide this information in its first report but is working toward being able to disclose it in the future.
(1) Data processing capacity (2) percentage outsourced	Quantitative	TC-SI-000.B	Moneris cannot provide this information in its first report but is working toward being able to disclose it in the future.
(1) Amount of data storage (2) percentage outsourced	Quantitative	TC-SI-000.C	Moneris cannot provide this information in its first report but is working toward being able to disclose it in the future.

Supporting the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are the international framework for development and aim to reduce environmental degradation and improve the quality of life of people around the world.

Moneris is committed to supporting the SDGs and encouraging its stakeholders to do the same. We believe these goals are essential to creating a sustainable and prosperous future for all. Here are the eight goals we believe we have the most impact on.

SDGs	SDG targets	Our impact
4 QUALITY EDUCATION	4.4	In addition to our training programs for our team members, we support students through internships as well as new graduates through our Start@Moneris program. We also support Indigenous youth learn about the basics of entrepreneurship.
5 GENDER EQUALITY	5.4; 5.5	Equity and inclusion have become intrinsic values of our organization. In the past year, we have developed our first DEI strategy that aims to support gender equality in our company. Examples of our accomplishments in this area are our exhaustive DEI training program and our Employee Inclusion Groups, notably for women.
8 DECENT WORK AND ECONOMIC GROWTH	8.3; 8.5; 8.6	In addition to supporting the Canadian business community, we are dedicated to creating fair and inclusive employment opportunities for our team members. Our Code of Ethics guides how we conduct our business and we are in the process of finalizing our first Supplier Code of Conduct that will encourage suppliers to conduct their business more responsibly.
10 REDUCED INEQUALITIES	10.2; 10.3; 10.4	We aim to foster equity and inclusion in our organization, as well as in our communities. Our DEI strategy aims to reduce inequalities at Moneris, as well as particularly supporting Indigenous peoples across the country. We also support Canadian charities through donations and volunteer hours.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5; 12.6	We have put in place various measures to make our operations more responsible, such as the proper management of our residual materials. We are also working with our suppliers to encourage them to reduce the environmental impact of their products, and are in the process of finalizing responsible procurement documents that will be deployed in the coming months.

SDGs	SDG targets	Our impact
13 CLIMATE ACTION	13.2	We work hard to fight climate change. In addition to having a GHG reduction plan, we have implemented measures that have brought concrete results such as modifications to our buildings, analysis of the energy consumption of our terminals and the change of a portion of our vehicles to plug-in hybrid vehicles.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5	Our core value of *doing the right thing* drives the way we do business. We have high ethical standards for ourselves and our partners.
17 PARTNERSHIPS FOR THE GOALS	17.16; 17.17	We work with many partners to create a more global impact on our society and the environment and to accelerate the implementation of the Sustainable Development Goals.

Moneris ®/MD

A journey towards more equity, inclusion and sustainability.

Learn more about our ESG journey here.