

2023

ESG Report

Paymentus

PAYMENTUS ESG REPORT

At Paymentus we strive to empower all stakeholders to initiate sustainable policies and practices for the communities we serve. We hold ourselves accountable to being proactive and solution-oriented in the effort to advance sustainable, long-term growth in the world in which we live.

PRINCIPLES AND STRATEGY

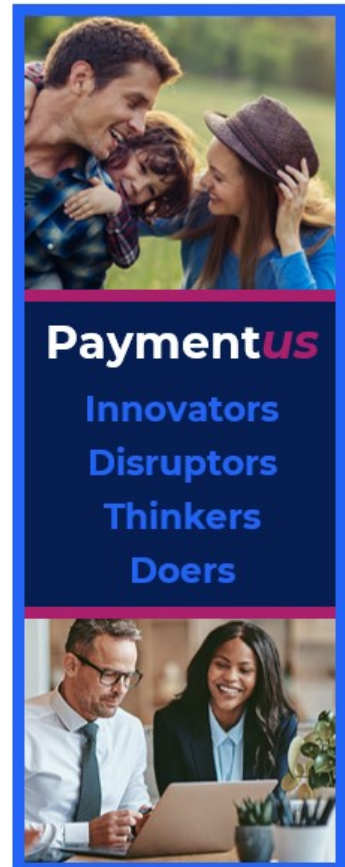
**If there's a way to
do it better –
Find it.**

Thomas A. Edison

Through offerings that reduce environmental and social impact and adhering to the NYSE governance rules, we seek to create value by driving innovation, expanding our value proposition, deepening relationships with our stakeholders, attracting and retaining top talent and reducing our capital costs.

Our goal is to maximize the positive environmental, social and governance (ESG) impact of our actions and the value they deliver for our business by following four guiding principles:

- 1. Business Integration** – Include ESG considerations in our organizational decision-making process, from boardroom discussions regarding the importance of ESG principles to our product innovation and offerings across our operations.
- 2. Client and Consumer-Focused Solutions** – Pursue ESG initiatives that add value for our clients, their customers, Paymentus and society; including our support and furtherance of our clients' ESG efforts.
- 3. Product Innovation and Inclusion** – Unlock new technologies and approaches to solve sustainability challenges and provide our technology and product offerings in an inclusive manner across diverse socio-economic backgrounds.
- 4. Culture and Talent** – Offer an open culture with values of integrity, transparency, professional development and diverse points of view and experiences for our employees.



ENVIRONMENTAL STEWARDSHIP

Paymentus is committed to finding innovative ways to conserve resources and reduce our impact on the planet we share by tooling our clients to reduce paper processes and also by providing usage analysis and other tools to our clients and their customers that enable customers to conserve natural resources. Our entire business model promotes sustainability through digital notifications, bill delivery and payments, which decreases the carbon footprint relative to the traditional delivery of paper bills as well as cash and physical check payments.

While we do not report GHG emissions, we believe our digital billing and payment services support processes and practices that contribute to the sustainability of our planet and its natural resources. We work with clients to help eliminate paper-based processes, which means less impact to forests where paper is produced, resulting in less waste to be recycled and ultimately, less impact on the environment.

In 2022, we processed more than 365 million transactions that otherwise may have been paid with paper checks or cash. Our clients sent millions of eBills, emails and text messages as reminders of bills. These electronic methods reduce paper-based communications.

To the best of our ability, we recycle or compost all office waste and choose digital options over paper whenever possible.

Environmentally Friendly Technology

The promotion of digital engagement of notifications, electronic bill delivery and electronic payments is a staple in decreasing paper bills, the carbon footprint for delivery of mail and acceptance of payments via cash and physical checks.

2022 Statistics

Electronic Payments:

365,000,000

Non-Paper Messages:

147,040,000

Trees Saved:

74,460

Cost Savings:

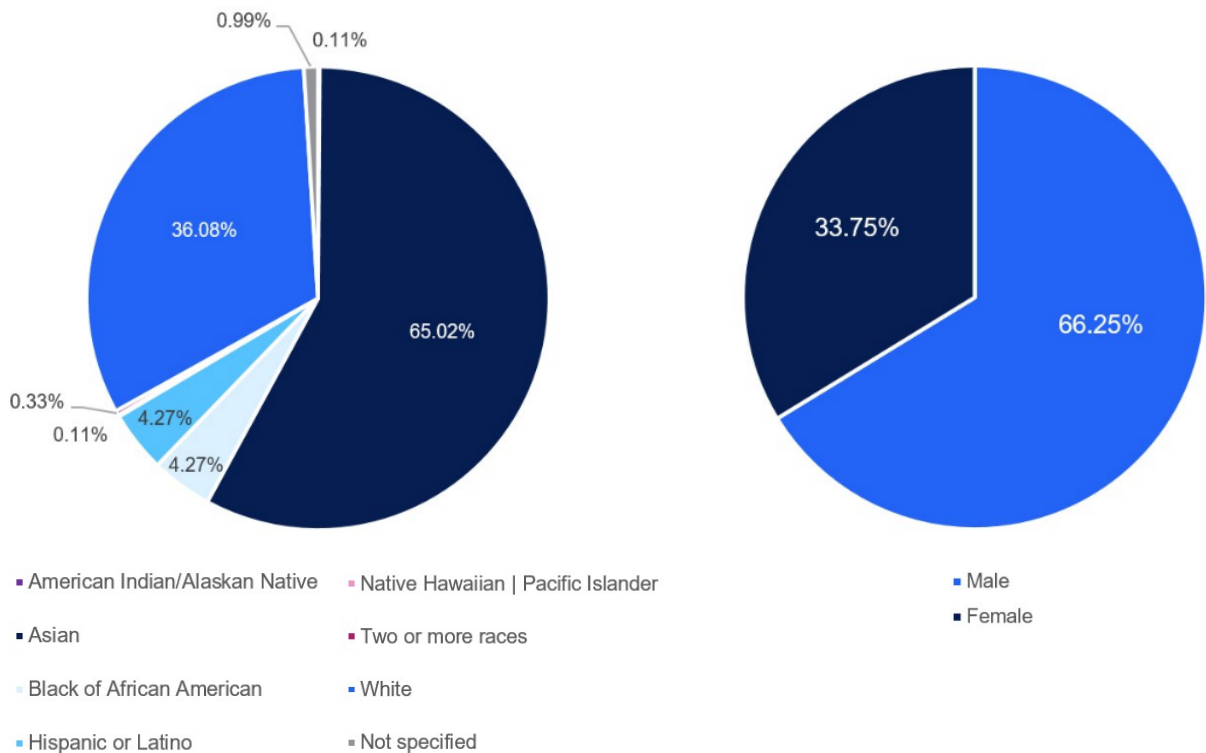
\$293,636,026,008

Clients sent 145M emails, 40M text messages and had over 2M IVR calls using our platform.

SOCIAL RESPONSIBILITY

Valuing diversity is a core value at Paymentus. Our first employees were a diverse group of talented people who immediately recognized the power of a team from diverse backgrounds and strengths, and as we grow, we continue to reach out to a diverse population. Paymentus seeks to serve people across diverse socio-economic backgrounds to enable them to become more financially empowered and stronger stewards of their financial resources.

The charts below illustrate the diversity of our talented employees:



* Statistics as of March 31, 2023.

Diversity, Equity and Inclusion (DEI) and Human Capital Management:

Paymentus is an equal opportunity employer. We enthusiastically accept our responsibility to make employment decisions without regard to actual or perceived race, creed, color, age, sex or gender (including pregnancy, childbirth and related medical conditions), gender identity or gender expression (including transgender status), sexual orientation, national origin, ancestry, citizenship status, religion, marital status, physical or mental disability, military service or veteran status, genetic information, protected medical condition as defined by applicable state or local law,

genetic information, or any other classification protected by applicable federal, state, and local laws and ordinances.

We are dedicated to ensuring the fulfillment of this policy with respect to hiring, placement, promotion, transfer, demotion, layoff, termination, recruitment advertising, pay and other forms of compensation, training, access to facilities and programs and general treatment during employment.

Paymentus recognizes that continuous effort is required to overcome the long-standing pattern of discrimination in the marketplace. We will continue to seek out new sources for qualified applicants. We seek to utilize Disadvantaged Minority/Disadvantaged Women Business Enterprises (DM/DWBE) subcontractors, sub-consultants and vendors wherever applicable and provide equal opportunity in the procurement of goods and services that we purchase.



We are proud of our community of passionate, talented employees committed to creating positive customer value. It is our goal to create the organizational conditions and culture for talented individuals to continue to develop. Our human capital objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and new employees. In addition to competitive base salaries and cash bonuses, we also offer equity incentive plans to attract, retain and reward key personnel.

We aim to advance our unique innovation, business success and stockholder value by motivating such individuals to perform to the best of their abilities, achieve our corporate objectives and drive profitable growth.

In addition to paid time off and comprehensive insurance (i.e., medical, dental, vision, life, disability, accident, critical illness) options, we offer the following:

- A 401(k) company-sponsored retirement plan with an employer-matching component to better support employees' retirement goals.
- Up to four weeks of paid parental leave to employees following the birth of an employee's child or the placement of a child with an employee in connection with adoption or foster care.
- Two "Family Days" annually, each of which includes a paid day off and a stipend to spend on activities that strengthen family relationships.
- We support the physical and mental health of our employees by offering wellness resources, including a stipend for gym expenses and counseling resources and referrals.
- We invest in employee learning and development. Employees take advantage of online training, product training, sales training, technical training, team building events, seminars, conferences, lectures, peer-to-peer and manager-led training and other learning opportunities across our company.
- As part of our workforce strategy, we strive to support our employees by promoting work-life balance by empowering our employees to adopt flexible working arrangements and providing tools for remote collaboration. We also provide opportunities for in-person collaboration at our office locations.
- We actively seek opportunities for engagement and communication by our chief executive officer and other senior executive leaders with our broader employee population.

Volunteer Efforts: Paymentus places a strong emphasis on the importance of volunteerism, encouraging employees to support local charities and nonprofit organizations by volunteering to work on specific projects.



Charitable Giving: Paymentus donates to various causes. We have also made our platform available at no cost in situations such as large scale emergencies and catastrophic weather events, allowing our clients to offer support to their customers when they need help the most. We have also donated and encouraged employees to donate to humanitarian relief efforts, such as the Ukraine humanitarian relief efforts.

GOVERNANCE

We view good governance as essential to creating and preserving value for our shareholders and other stakeholders. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations and policies as well as unwavering adherence to our values.

Corporate Governance: We have an effective and highly skilled Board of Directors with three committees: Audit, Compensation and Nominating and Corporate Governance. We promote board independence and embrace board diversity in all its facets, including skills, experience, gender, ethnicity and race. Currently, of our eight Board members, six are considered independent directors under NYSE listing standards. Our [Corporate Governance Guidelines](#) outline key principles and rules to help our Board of Directors exercise its responsibilities and serve the interests of the company and its stockholders.



Ethics and Compliance: Our culture of integrity starts with our Code of Ethics and our compliance program, which includes risk assessment, development of policies and procedures, training, auditing and monitoring, and investigations and remediation of potential compliance matters.

We are focused on maintaining appropriate data governance and systems so we can sustain the trust of our customers and other stakeholders, which is fundamental to our business success.

- The Code of Ethics applies to directors and all employees, including our executive officers. The Code of Ethics is reviewed on an annual basis for any changes to law or policy and updated as appropriate. Changes to the Code of Ethics are reviewed and approved by the audit committee.
- New employees are required to complete training on the Code of Ethics, and all employees complete supplemental Code of Ethics training and a compliance certification each year.
- In addition, regular online trainings address the compliance risks of specific roles and business functions, while various additional guidance helps ensure awareness of our policies and our expectations for ethical behavior and a safe work environment where we treat others with respect and do not tolerate harassment or discrimination.
- Our management team is focused on fostering a culture of trust so that employees at every level feel comfortable speaking up about concerns. All complaints and concerns regarding possible violations of, or non-compliance with, our Code of Ethics, a corporate policy or a law or regulation, or retaliatory acts against anyone who makes such a complaint or assists in the investigation of such a complaint, may be reported by phone or web through our whistleblower program. Reports may be made anonymously.

Supplier Management: Paymentus strives to conduct our business in accordance with the highest ethical and social standards and recognizes that our suppliers play an important role in our success. To the extent possible, if there is any data to be exchanged with any supplier, we require that suppliers follow all security and privacy principles. We also review our suppliers' annual SOC1 and SOC2 reports where applicable.

Although not mandated, we pursue women and minority owned businesses to the extent possible. For example, two of our three recent acquisitions were minority owned businesses.

Data Security and Privacy: We are focused on maintaining appropriate data governance and systems so we can sustain the trust of our clients and other stakeholders, which is fundamental to our business success.

- We have a dedicated Chief Information Security Officer within our information technology department who is responsible for overseeing our information security practices. Our information security and privacy teams continually refine our practices to address emerging security risks and changes in privacy regulations.
- We post our privacy policy on our website, which describes the data collection, use, sharing and retention practices and internal data protection principles we abide by globally to standardize our data collection practices.
- We provide annual data protection and security training to all employees, supplemented with periodic, targeted data protection and security training as needed.
- We offer contractual commitments that allow our customers to meet the privacy protections required by the European Union's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA).
- We maintain payment industry standard certifications and are assessed annually by third party auditors to verify our compliance.

“After an extensive review of potential vendors, we selected Paymentus due to their security efforts, top PCI certifications, and rigorous system audits to ensure customers' security. Paymentus is an industry leader when it comes to handling customer payment information.”
– Chairman of the Board of Commissioners