



2023

ESG Report

Table of Contents

3	INTRODUCTION FROM CRAIG
4	OUR GUIDING PRINCIPLES
4	BOTTOMLINE AT A GLANCE
5	BETTER ENVIRONMENT
8	BETTER SOCIETY
12	BETTER GOVERNANCE
16	LOOKING AHEAD





Introduction from Craig

I'm delighted to welcome you to our 2023 ESG Report, an evolution of our annual Corporate Social Responsibility and Sustainability Report, and the first since my arrival as Bottomline's CEO.

At Bottomline, we believe that through better business payment solutions, financial institutions and businesses can achieve bigger, more impactful results for their organizations. This belief guides our work and underpins the service we provide to our customers. The same philosophy – of continual improvement and focusing on results – also applies to how we approach our impact on the environment, and society at large.

In this report we highlight the impact we have on the people who work for us and the communities in which they live – representing over 2,300 employees globally – as well as our commitment to strong governance processes. We also share our progress toward benchmarking our environmental footprint globally, and we detail our environmental footprint in the UK and how it has changed since last year. Delivering in all these areas is essential to responsible business.

The past year has been one of exciting change at Bottomline. Under a new leadership team – with a refined operating structure, unifying strategic plan, and updated approach to the market – we've refreshed our mission and the brand identity that supports it. Likewise, we are in the process of updating and strengthening our environmental, social and governance activities. While this report outlines work we can be proud of over the past 12 months, we will be announcing new goals soon, and with them a set of broader and deeper commitments for our business.

Our benchmarking activities across ESG are benefiting from independent expert consultancy, as well as conversations with customers. Some of these customers are among the world's largest financial institutions, whose own standards across ESG are a benchmark of excellence.

We're pleased with our progress to date, but we know there's much more to do. We are excited to continue on this important journey.

Craig Saks
CEO

Our Guiding Principles



DELIGHT CUSTOMERS

Customer delight is at the heart of who we are. It informs all we do, from bringing product innovation to our customers before they ask for it (or think of it), to making sure every interaction exceeds their expectations.



EXCELLENT EXECUTION

We foster an environment that encourages open communication among all levels of our team by encouraging team members to lead from where they stand and be a role model regardless of title or seniority.



WORK WITH AND FOR EACH OTHER

We know we can't do it alone. The best ideas, innovations and solutions come from creative minds joining together in teams that feel supported and celebrated, and that rally around one another to create great work.



CREATE AND GROW SUSTAINED BUSINESS VALUE

Our business model and plan are designed to grow the business and its value for years and decades to come.

Bottomline at a Glance

2,300+

employees

\$10 Trillion

in payments moved annually

Offices across

10 Million

financial messages managed daily

13 Countries

US, UK, Switzerland, France, Kosovo, Lebanon, Israel, India, Malaysia, Singapore, Thailand, China, Australia

3rd Largest

Swift service provider globally



Better Environment

Bottomline's technology plays a systemic role in connecting and enabling our global economy. As a result, we see the effect the climate crisis is having on people, businesses and markets around the world. We're committed to minimizing our impact on the environment, and helping our employees and customers do the same.

This is an inherent outcome of our work, which through software helps customers digitize and automate their payment processes, and thereby cuts their use of natural resources. It also means that most of our climate impact relates to a small number of specific areas, such as data center usage, power consumption, business travel and commuting.

Since the pandemic, we've shifted towards a hybrid working approach that has allowed us to drastically reduce office space. As a result, we've substantially cut our commuting levels and energy consumption, along with their resulting carbon emissions.

We know we have more work to do in strengthening our environmental activities, especially through putting in place more ambitious reduction targets for the business. We hope to be able to update our company, customers and stakeholders on this in 2024.

Our Impact

We've cut the carbon footprint of our UK business significantly over the past four years, while maintaining a similar number of employees. In 2019 our total greenhouse gas emissions amounted to 429 tonnes of CO₂ equivalent.¹ In 2023, we had reduced this to 148 tonnes – a reduction of 65%. Our emissions decreased from 180 tonnes of CO₂e in 2022 – a reduction of 32 tonnes of CO₂e in one year.²

- **UK total Scope 1 GHG emissions:**
4.8 metric tonnes of CO₂e (2023)
- **UK total Scope 2 GHG emissions:**
123.5 metric tonnes of CO₂e (2023)
- **UK total Scope 3 GHG emissions:**
19.6 metric tonnes of CO₂e (2023)
- **UK total energy consumption:**
795 kWh (2023) – a reduction from 886kWh in 2022
- **53.7 mWh was from renewable sources**

1. Initial baseline analysis and report carried out by CLS Energy Ltd in 2019

2. 2023 Analysis and report carried out by CLS Energy Ltd – dated 28th November 2023

More Sustainable Working Practices

Our new Future of Work philosophy established that we are a digital-first company, with offices used for team-building, problem solving and planning. We require every employee within a one-hour commuting time to come into the office a minimum of one day a week. This has cut our overall commuting emissions and environmental impact.



60% reduction in office space between 2020 and 2023 globally



At just one location – 325 Corporate Drive, Portsmouth, NH – this has led to a **36% reduction** in spend on energy, which in turn represents a significant decrease in consumption globally



Single-use plastics removed from all offices



Single-stream recycling bins



Rooftop solar energy generation at our EMEA HQ offset 10.4 tonnes of CO₂e in 2023



We've cut the carbon footprint of our UK business significantly over the past four years, while maintaining a similar number of employees.



Reduction in spend on energy



We partner with some of the world's best data centers providers. They design, build and operate with high energy efficiency standards and with a long-term goal of using 100% clean and renewable energy.

Data Center Footprint

Bottomline currently leverages 10 data centers across the US, UK, Switzerland, Canada, and Singapore, as well as public cloud providers. We have reduced our data center footprint in the last 18 months by removing six locations through service consolidation including a reduction in Switzerland from six to two data centers and closing two data centers in France. In addition, we've exited two Infrastructure-as-a-service provider locations. Our data center partners design, build, and operate with high energy efficiency standards including:

- **Using renewable and low carbon energy**
- **Prioritizing local sources of energy**
- **Choosing new or recently built energy sources**
- **Seeking favorable renewable energy policies when vetting new data centers**

The data centers we use deploy the following green technologies:



Adaptive control systems to reduce power consumption and increase cooling capacity with active airflow management using intelligent, distributed sensors and innovative control policies.



ASHRAE thermal guidelines are referenced in our newest facilities to optimize interior temperatures. This efficiency reduces power consumption for cooling while maintaining a safe operating temperature for computing equipment.



Cold/hot aisle containment uses physical barriers to reduce the mixing of cold air in data center supply aisles with hot air in the exhaust aisles, resulting in lower energy consumption and more efficient cooling.



Energy-efficient lighting systems in our data centers use motion-activated controls to reduce energy consumption and ambient heat from operating lights.



Variable frequency drives in the chillers, pumps and fans of HVAC systems to save energy by automatically reducing a motor's speed and power draw to match lower system loads.

Accreditations

- UK facilities are fully ESOS compliant (government-backed Energy Saving Opportunity Scheme)
- Bottomline Ltd (UK): Bronze medal rating from EcoVadis
- Bottomline Sarl (Switzerland): Silver medal rating from EcoVadis
- SKA Rating of Gold for Bottomline's EMEA HQ in Theale, UK (RICS environmental rating system)

Better Society

Businesses can play an influential role in benefiting society. We know that from our own experience. By helping transform how companies pay and get paid, we enable them to grow, hire, invest and innovate with more confidence. That ultimately benefits us all.

At Bottomline, we want to be an outstanding employer for our people. Our policies and programs are designed to attract and keep the best talent in the industry, and at the heart of our approach is our deeply embedded culture of compassion.

Our guiding principles seek to not only create and grow sustained business value and delight our customers, but also encourage employees to do the right thing, innovate, communicate and grow, and to work with and for each other. Most of all, we want our employees to feel that they are part of a company of which all can be proud.

Investing in Our People

In 2023, we launched our Future of Work philosophy, providing clarity and guidance to our 2,300+ employees globally on what the new era of work means for us. This philosophy states that “we work flexibly from our homes and offices with a digital-first mindset,” enabling people to work in a way that is most productive for them, but without impacting on opportunity or inclusivity. This new approach comes alongside a significant reduction to our office footprint globally, and a reframing of what our physical spaces are designed for – with a focus now on collaboration, culture and creativity.

In the last 12 months we have invested in our people programs to ensure the competitiveness of our compensation and benefits. This has included hiring a global benefits manager and a global compensation manager – both pivotal roles that sit within our newly established **Total Rewards Center of Excellence**.

This is a global center of expertise responsible for driving alignment and reporting globally of our benefits and compensation, but also for benchmarking and evolving the opportunities we create and the benefits we offer. Progress has already been made in the last six months with a global deep-dive of total compensation at every level in the business, the analysis of which in early 2024 will lead to a multi-year action plan.

When Bottomline was acquired by Thoma Bravo in 2022 we launched a co-invest scheme, giving our people the opportunity to benefit from the company’s continued growth. Eighteen percent (18%) of employees globally have participated in this scheme.



Paid Parental Leave:

New as we move into 2024, we have significantly updated our parental leave to provide four weeks’ fully paid leave for employees to bond with a new baby or adopted child. All employees are eligible; there is no waiting period for new hires. And any new parent is eligible including birthgivers, non-birthgivers, adoptive parents, and same-sex parents.



Elevating Each Other:

We know our growth and success are only made possible by our people, and in September 2023 we introduced our Elevate Awards – a global employee recognition program aligned to our guiding principles. When this was launched, we received over 400 individual nominations. In 2024 five winners will be announced each quarter.

Health & Well-being

Our culture supports all the various life moments of our employees and their families through a caring community and supportive leadership, providing flexibility to focus on their health. When it is needed most our compassionate and big-hearted culture comes to the fore. Our employees' wellbeing is a top priority and our One Bottomline team mentality shines through to support each other.

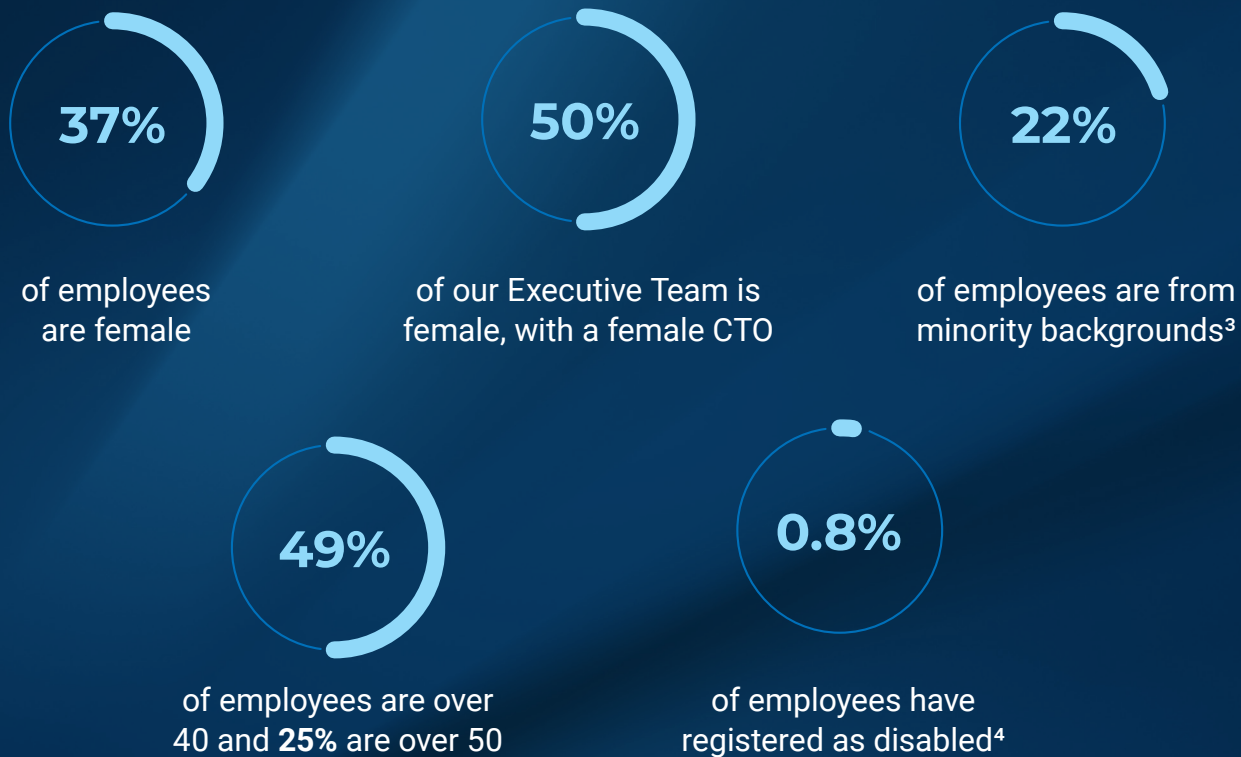
In addition, Bottomline strives to work with and for each other by providing supportive benefit programs, such as medical coverage, mental health support and economic assistance during challenging times, so employees can prioritize their health and their families.



In 2023, we extended our private medical coverage in the UK to include every employee regardless of salary. We also newly offered private medical insurance in Kosovo in 2023. Of the countries where Bottomline has employees, we now provide access to private medical insurance in 11 countries.

A Diverse and Inclusive Environment

We are committed to fostering an inclusive workplace where talented people from all backgrounds work, thrive and develop their careers. Our work in this area is a key focus for 2024. Supporting a diverse, engaged workforce allows us to be successful in building trust, empowering teams, and delighting our customers. Nurturing a diverse supply chain promotes social equity more broadly and represents our commitment to supporting an inclusive economy.



3. Data point applicable to United States where this is currently measured based on employee self-reporting

4. Classification is a voluntary field

Our Causes and Contributions

We're committed to being a good corporate citizen of the countries, cities and communities in which we're based. We encourage our teams to give back and contribute to the causes that matter to them.

In 2023 we kicked off a new global **Community Involvement** initiative. A team of 14 community ambassadors globally are empowered within their regions to determine which causes we support, what we do and what we give back. Key examples from around the world from 2023 include:



In **Portsmouth, NH**, Bottomline employees supported **Adopt a Family** – a gift drive benefiting two low-income families of the Seacoast Community School. In total our employees donated 50 gifts to the two families. We also took part in the **Pease 'n Carrot Food Drive**. Our team donated 386 pounds of food, benefiting the Gather Food Pantry and Crossroads House (transitional shelter).



In the **UK**, Bottomline employees supported **Sebastian's Action Trust** through the 'The Gifting Tree'. The charity provides care to the families of children with life-limiting or life-threatening conditions. The team bought 25 gifts for both the hospices and the children.



Global Race for a Cause:

Between October 30th and November 3rd 2023, Bottomline employees globally took part in their 10th annual global race in aid of World Central Kitchen, a global nonprofit dedicated to providing meals in the wake of humanitarian, climate, and community crises.

Across Bottomline, 394 employees from six countries took part and we raised \$30,000.

Better Governance

As a responsible business, we firmly believe in strong corporate governance standards. That starts from the top of the organization and permeates throughout.

From our code of ethics to our data security policies, we believe that a well-run business has these systems and processes embedded into its DNA. Trillions of dollars in payments flow over our rails every year, and our customers trust us with their mission-critical financial data. We take this responsibility extremely seriously and know our reputation and success depends on it.

Our Corporate Governance Approach

- Our Executive Team, which is 50% female, leads our company day to day.
- Overall corporate governance is based on ownership by Thoma Bravo, one of the largest software investors in the world with a 40+ year history and over \$130bn in assets under management.
- As a global company we are regulated where relevant by local regulators and participant organizations including the FCA, the FFIEC and Swift.

Embedding our Code of Ethics

We issue our code of ethics to all employees annually – a living, breathing document that establishes our legal and ethical standards of behavior, and supports our commitments to human rights, respectful treatment of others and equal opportunity. We investigate all reports of misconduct and ensure there is no retaliation against individuals who report in good faith.

- 100% of employees sign up to our code of ethics annually.



Work With and For Each Other

We are committed to providing a work environment free of discrimination and harassment on the basis of race, color, national origin, sex, gender, gender identity or expression, sexual orientation, marital status, registered domestic partner status, citizenship status, religion, age, physical or mental disability, medical condition, genetic characteristics and information, ancestry, military and veteran status, or any other category. We give equal employment opportunity to all individuals.

Our internal policies relevant here include anti-harassment, anti-discrimination, conflicts of interest, and equal employment opportunity.



Do the Right Thing

We deal honestly, ethically and fairly with our customers, competitors, suppliers and each other. We have an absolute commitment to treating others with dignity, respect and equal opportunity. We conduct our business with honesty and integrity, and we expect our business partners' values and business practices to mirror ours.

To this end we introduced a new **Supplier Code of Conduct** in November 2023 covering: labor and human rights; health and safety; environmental impact and compliance; anti-corruption; intellectual property; privacy and information security; conflicts of interest; import and export regulations; and quality assurance.

Additionally, Bottomline has a global sanctions compliance program, ensuring that we comply with US, UK, EU, Singaporean and Swiss sanctions legislation and are not doing business with or participating in the transfer of payments to sanctioned entities or individuals.

**We have an absolute commitment
to treating others with dignity,
respect and equal opportunity.**



Create and Grow Sustained Business Value

Bottomline is committed to the protection and preservation of human rights around the world. Our commitment to human rights is embedded in the culture and values that define our company and is reflected in our policies and actions toward our employees, partners, suppliers, and the communities and countries where we do business. We require our business partners to exhibit respect for fundamental human rights and human dignity, and respect for the equal rights of men and women, while doing business with us.

We support free and fair competition. We do not engage in any conduct that would unfairly and unlawfully diminish competition in the marketplace and in 2023 we carried out training of key personnel on competition law to supplement our compliance with anti-trust and competition laws.

Our internal policies and commitments relevant here include our anti-slavery and human trafficking statement & policy, compliance with anti-trust and competition laws, anti-money laundering (as applicable) and our global trade compliance policy.



Speak Up

We expect every single employee to be alert to activities going on around them and we empower them to speak up if they suspect illegal or unethical conduct by any employee, contractor, vendor, supplier, director, customer or other person working for or on behalf of Bottomline. And we actively seek to create an environment that is conducive to our teams asking for guidance or voicing concerns. Anonymity is provided to those who feel they need it through our whistleblower hotline.



Our internal procedures and policies relevant here include our whistleblower policy, our non-retaliation policy and our grievance procedure.

Data Protection and Information Security

- Bottomline is ISO 27001, ISO 9001, PCI DSS and SOC 2 certified and holds an OSPAR attestation.
- In total Bottomline's cybersecurity team holds 40 certifications.
- From a risk governance perspective, we carry out eight distinct audits and report the findings to our Audit Committee (Board of Directors), ARC committee (Executive Team) or the Security Committee (CFO, GC & CISO). We are independently audited by EY and BDO.
- Bottomline is part of the US-EU/UK data bridge (which came into effect in 2023). In addition, the Bottomline Group operates an inter-company data transfer framework which utilises the EU, UK and Swiss standard contractual clauses and transfer risk assessments, where required.
- We have data centers in the UK, US, Switzerland and Canada, ensuring data is hosted locally wherever possible.
- We have data processor agreements in place with all our customers where we are processing UK, EU or Swiss personal data.
- Globally Bottomline has three security policies addressing the security of personal data, complying with standards and laws including (but not limited to) the European Union's General Data Protection Regulation (GDPR), the CCPA/CPRA, OSFI-BSIF and HIPAA.
- Bottomline has an EOL (End of Life) Governance team mitigating the risk introduced by running old or out of date software in our data centers from a vulnerability, cost and compliance perspective.

Employee Training

We undertake a regular cadence of employee training on data protection and security policies. No one goes beyond 13 months without data privacy and security training.

- Employees go through our all-hands training annually, which covers security awareness and cyberattack incident response.
- New team members carry out training as part of onboarding.
- Employees governed by EU, UK, Swiss or US data protection obligation are required to undergo specific data protection training programs.



Our data security compliance has surpassed 20 quarters against a 99.99% SLA for threat response for the security team, reported to the executive team monthly and board quarterly.



Bottomline is one of the only fintechs in the world that has received no findings or recommendations for three years when audited by the FFIEC.



Our Red Team tests carried out every 24 months as part of compliance with Swift. In 2022, Bottomline was the only customer of our security vendor that was not breached.

Looking Ahead

As we look ahead to 2024, we are energized about our continued progress to understand and improve our impact on the environment and society.

We have restructured our business to ensure ownership of our ESG impact and progress, and from January 2024 both an ELT-level sponsor and a program manager will drive this activity forward, providing the momentum and focus required.

We are proud of the steps we've taken in the last 12 months, but we know there is so much more to do. While our approach and commitments will keep evolving as we continue our journey, the following four areas will be key focuses for the next 12 months:

1. We will broaden our understanding and measurement of carbon emissions and environmental impact, establishing a baseline from which to report and improve by the end of H1 2024.
2. We will launch a pulse survey and define action plans in H2 2024 to gain feedback from our employee base and develop a strategy to improve diversity and inclusion.
3. We will continue to invest in supplier diversity, with a goal to increase our spend with small disadvantaged businesses (SDBs).
4. We will continue our exercise through our Total Rewards Center of Excellence to benchmark and evolve our benefits and compensation globally and how we report on them.



About Bottomline

Bottomline helps businesses transform the way they pay and get paid. A global leader in business payments and cash management, Bottomline's secure, comprehensive solutions modernize payments for businesses and financial institutions globally. With over 30 years of experience, moving more than \$10 trillion in payments annually, Bottomline is committed to driving impactful results for customers by reimagining business payments and delivering solutions that add to the bottom line. Bottomline is a portfolio company of Thoma Bravo, one of the largest software private equity firms in the world, with more than \$130 billion in assets under management.

For more information, visit www.bottomline.com

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