

The Adyen way of building an ethical business



adyen

A brief history of building an ethical business

Dear reader,

August 19, 2021

When we founded Adyen in 2006, we set out to change the payments landscape. Every step towards building a tech-first payments platform has been guided by the Adyen Formula. The Formula consists of eight principles that help us maintain our culture – one of talking straight and including different people to sharpen our ideas, and of making good choices to build an ethical business and drive sustainable growth for our merchants.

To us, making good choices is inherent to ethical behavior and trust. These have been constant themes in our decision-making over the course of building Adyen. Following recent conversations with a broad set of stakeholders, we see that what we define as good choices — which for us feels so self-evident — can do with additional disclosure.



To us, *making good choices* is inherent to ethical behavior and trust.

Since our IPO, we kept you informed about how we are building Adyen, and the processes and structures that support us in doing so ethically, in our Annual Reports. To ensure that we are painting a clear picture of our vision on making good choices, we have drawn up this document. Inside, you will find the full versions of, or references to, all policies and disclosures on ESG-related matters – of which the majority have been in place since before we became a public company. As we did not want to wait with providing this context until our next Annual Report, we considered it opportune to pair today's publication of results with this intermittent update.

Whether you are reading this document to better understand Adyen before partnering with us, you're considering joining our team, or for research purposes, we hope that it will leave you more informed on what making good choices looks like to us.

Sincerely,

Pieter, Roelant, Ingo, Kamran, Mariëtte, and Alexander

Making good choices in building the Adyen team

The Adyen Formula guides how we recruit, retain and grow talent around the world. When building the team, Formula fit is one of the key criteria we consider. In order to do this properly, senior management continues to spend significant time on the hiring process, and still meets every new hire before joining the team. This approach allows us to maintain our flat organizational structure, in conjunction with the Adyen Formula, as we trust the team's ability to make good choices.



Growing and retaining talent

We don't believe in pre-set career paths. You join, learn, and grow in the way that fits you and the business best. We look for the best learning and growth journeys on an individual level. With the growth of the team in mind, our rule of thumb is to promote internally. A natural result of the pace at which the business evolves, is that the team grows fast – in both size and responsibilities.

Over the course of building the Adyen team, we launched a myriad of learning programs that ensure we set the team up for success, while maintaining the freedom to create their own path. These programs range from company-wide compliance refreshers, to role-specific education programs and career development workshops.



Company-wide training programs



Introduction sessions

We host our introduction sessions to best onboard new team members, which are centered around sharing the foundational knowledge new joiners need to be set up for success at Adyen. Next to our compliance onboarding modules, the program includes workshops on the industry, our tech stack, organizational structure, and board-led Formula talks.



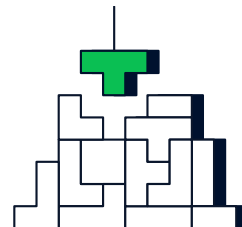
Annual integrity- and security-focused refreshers

To ensure we are operating Adyen in a safe and secure way, we run data privacy, security, insider trading, corporate risk, and compliance trainings for the full team. These trainings keep the team informed on the latest developments in these areas, and are centered around the security awareness and the mitigation of risks.



Unconscious bias

We prioritize fair decision-making and minimize biases throughout all parts of the business, and therefore host a company-wide unconscious bias training.



Function-specific training programs

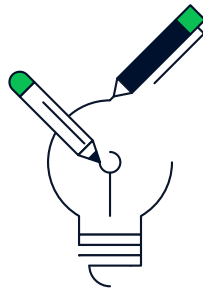
Our function-specific programs are set up to equip every team member with the right set of resources and knowledge to function best in their role. We are currently operating a Sales Academy, Account Management Academy, Operations Academy, and Tech Academy.

Culture and management programs



Team lead training

Our team lead training program teaches new leaders the ins and outs of mentorship and decision-making, and provides them with guidance on other HR-related topics. Our Management Board plays an active part in these programs.



Own Your Career

We create the freedom for every team member to find the right direction in their careers. To guide personal development journeys, we host *Own Your Career* workshops that focus on maximizing every team member's individual potential.



Formula Days

We are especially proud of our Formula Days initiative. On an annual basis, the Management Board invites team members from all areas of the company to join them for a day to discuss company opportunities and growth challenges that are closely related to the Adyen Formula.



“You can’t have diversity and equity without designing for inclusion first. We include others to sharpen thought processes, and intentionally welcome a broad range of voices and encourage speaking up. When challenging each other’s ideas and opinions, we grow as a team.”

Pieter van der Does
Co-founder and CEO

Diversity, Equity and Inclusion

To best help our well-diversified merchant base and build for long-term success, we need a team that comprises different perspectives. We know that inclusion has to be designed for, and we proactively do so. We strive for diversity in all dimensions, including but not limited to race, ethnicity, gender, sexual orientation, age, culture, disabilities, religion, interests, and upbringing.

Ever since we founded Adyen, we built a culture that focuses on including others. To support the Management Board in identifying DEI focus points, we founded a DEI working group in 2020. Ensuring that we create a comprehensive view of the team and our efforts, the working group is comprised of Adyen colleagues from around the world.

We conducted our first DEI survey in January 2021 and will use its insights as a quantitatively validated baseline that informs our improvement efforts, providing valuable input for reflecting on our progress, and run it on an annual basis. Moving forward, we will provide updates on how these efforts advance in our annual reports.

Equal employment and inclusion policies

We treat each other fairly and appreciate differences in individual needs. We disapprove of any form of discrimination or harassment, and treat each other with respect. We offer equal opportunities to the Adyen team, by recruiting, retaining, and promoting colleagues based on the same performance. When we hire, promote, and reward, we question who else was considered, whether we were fair, and why we made this decision. We provide credit where credit is due, and explain the reasoning to others that were considered.

Our approach to creating an inclusive environment is guided by three core principles that center around equity – Equal Chance, Equal Pay, and Normal Course of Life. You can find the full policies in our [2020 Annual Report](#).

Remuneration and benefits

Adyen remuneration principles

We aim to recruit and retain the best talent out there. Our remuneration principles support this by providing guidance in competitive remuneration.

We reward for responsibilities, performance, and extraordinary impact. Remuneration is based on the employee's scope of responsibilities and experience, and may consist of fixed remuneration (base salary and share-based payments) and variable remuneration for certain employees. Our remuneration scheme provides for a variable remuneration component through sales commission and a bonus plan for our account managers.

Compensation adjustments are made to ensure continued fit with the role, the individual, and the external market. At least once a year the Management Board reviews everyone's current pay. Recognition can also be given through growth opportunities — key talent who continuously have shown to contribute to Adyen's long-term sustainable growth could be awarded equity or equity-linked instruments (deposit receipts or ordinary shares). Our full remuneration policy, including detailed information on variable remuneration principles for our employees, can be found on our [Governance webpage](#).



Management Board and Supervisory Board remuneration

Remuneration for the Management Board and Supervisory Board is consistent with our general remuneration principles and long-term view of the business. The remuneration package of a Management Board member consists of fixed remuneration only. The remuneration package of a Supervisory Board member consists of a base fee and a committee fee. Adyen does not award variable remuneration to the members of the Supervisory Board.

We assess our internal remuneration ratios on a yearly basis to ensure that Management Board and Supervisory Board remuneration develops in line with overall compensation. On an annual basis, we track possible changes to the relevant pay ratio when reviewing remuneration levels. In our remuneration report, which is part of our Annual Report, we report on the internal remuneration ratios. Our Internal Audit team performs yearly reviews on Adyen's remuneration framework. The remuneration policy for our Management Board and Supervisory Board can be accessed on our [Governance webpage](#).

Social responsibility

Driving sustainable growth for our merchants has always been central to our strategy, and over the past years we have expanded our definition of sustainable growth towards a wider societal one. In our social responsibility initiatives we address traditional criteria, such as offsetting our emissions and facilitating employee volunteering, while also taking a tech-first approach — by using our technology to contribute positively. Our social responsibility efforts are guided by the United Nations' Sustainable Development Goals (SDGs), as they reflect the key societal and environmental causes that are most at stake today.



Impact technology

We are building our Impact product suite to change the landscape of giving back in the same way we have changed the payments landscape — by solving for complexity and removing barriers. Our current offering consists of our donation feature Giving and carbon compensation tool Restore.

By offering these easy-to-integrate features, we remove friction from the donation process and create additional revenue streams for our merchants' preferred charities and environmental sustainability projects.

By joining forces with our merchants, we can do good at scale. To learn more about these products, please visit our [Impact webpage](#).

Environmental sustainability

We believe that limiting our environmental impact is part of our license to operate in today's society. Therefore, we annually conduct a greenhouse gas (GHG) audit, and compensate for our CO₂ and CO₂ equivalent¹ emissions by investing in environmental sustainability projects. These projects support local communities on topics such as education and economic growth. To read more about our annual GHG emissions, and the projects we invest in, please refer to our Annual Reports.

To further build out and implement our sustainability strategy, we have established a sustainability working group. This working group is instrumental in determining the direction of our future sustainability activities. Similar to our DEI working group, the sustainability working group comprises a diverse set of team members - representing all demographics and functions of our global team.

We believe that sustainability is a topic that should be addressed at all levels. Our Chief Financial Officer oversees the sustainability working group, and upholds the responsibility of its decisions to the chairman of our Supervisory Board.

1 The measure for our greenhouse gas emissions is tonnes of Carbon Dioxide Equivalents (tCO₂e) — covering the six greenhouse gases defined in the Kyoto Protocol by the United Nations Framework Convention on Climate Change. These six gases are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

Local initiatives

Our volunteering program is centered around addressing locally relevant issues through employee-led initiatives in the communities our teams live and work in. We are proud of the grassroots initiatives the team sets up – initiatives that organically emerged over the last years focused on themes such as education on technology and gender equality in tech.

To bring all initiatives to a success, we support the team by providing the required resources (e.g. time and funding) as long as the initiative supports at least one of the United Nations' SDGs.





“Unconventional ideas often turn out to be the best ones. To foster a culture of creativity while growing at speed, we pair the Adyen Formula with supporting policies to make good choices throughout all stages of our growth journey.”

Mariëtte Swart
Chief Legal & Compliance Officer

Safely and securely building Adyen

We view security and privacy as a responsibility of the entire Adyen team, and we ensure every aspect of our business centralizes security awareness and risk mitigation. Our solid and transparent governance model and three-lines-of-defense model allows us to focus on growing our business with the appropriate structures in place.



Information security

Information security is of vital importance to us, as we process our merchants' data and the data of their customers. As we collect, process, store and transmit cardholder data, we are required to comply with the Payment Card Industry Data Security Standards (PCI DSS). PCI DSS is a global set of security guidelines that ensure companies who handle cardholder data maintain a secure environment. Adyen fully complies with the PCI DSS standards applicable to us.

Making sure that the data Adyen processes is appropriately prioritized through the business, Adyen operates an Information Security program. This program helps us to ensure the ongoing confidentiality, integrity and availability of data, systems and processes at Adyen. Upon hiring, every member of our team is required to participate in a security training program, followed by a general security introduction which addresses privacy and confidentiality policies. Our employees participate in annual security refresher trainings, where we address topics such as our password policy, our approach to removable media and cloud services, information classification and handling, and security awareness and incident reporting. Furthermore, access to information and systems at Adyen is on a need-to-know basis only. All employees sign an Information Security Agreement to ensure compliance with such policies is maintained and undesirable behavior with confidential information is avoided.

Our Information Security team supports employees in understanding the responsibility that comes with having access to sensitive information. We are all responsible for the management of the risks of leakage, unauthorized modification or loss of information, systems, applications and processes in use.

Privacy and data protection

We are building Adyen to support our merchants' growth, and understand that the trust we have been given by our merchants to process personal data is key to successfully doing so. Building for the long term means building a platform that has privacy ingrained in its design.

In order to run our business effectively, we need to collect and process certain information, when processing payments, reaching out to prospect merchants, onboarding customers, sending out newsletters, and managing employment. We do this in compliance with applicable laws, safely and securely.

We see data privacy as a responsibility for everyone at Adyen. Therefore, the Privacy team works in close collaboration with the Information Security team, and is closely involved in both strategy setting and day-to-day operations (e.g. launching new products and expanding into new markets).

Every new joiner is comprehensively trained on data privacy and confidentiality principles, and we have annual mandatory refresher trainings in place to remind all team members of the significance of keeping our data and our merchants' data safe. In addition, we host internal awareness campaigns when it comes to data privacy and protection.

The entire Adyen team is responsible for reporting any suspected or identified breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data transmitted, stored or processed by Adyen to the Information Security Team and Data Protection Officer. Find more information on our global privacy approach in our [2020 Annual Report](#).

Risk approach

Culture is a key aspect of risk management. Our team establishes our mission, strategy, and business objectives, and we believe that our company culture guides our team in making the right decisions. Therefore, we convey and safeguard the key elements of our culture through the Adyen Formula and the Adyen Way of Being in Control. For more extensive risk statements, please refer to our [2020 Annual Report](#).

We have adopted the three-lines-of-defense model, which reflects the segregation between our operations teams (first line management), the risk management and compliance functions (second line) which set control standards and carry out monitoring, and the independent internal audit function (third line) that provides assurance on the adequacy of the first two lines.

A tech-first payments platform built on integrity

We believe that building an ethical business is driven by ethical and integrous behavior, and we have consciously built our organizational structure to guarantee such behavior. We see making good choices as a responsibility for the full Adyen team.

As stated throughout this document, the Adyen Formula and our internal compliance handbook promote integrous and ethical conduct. The compliance handbook is a central part of our onboarding process, and we continuously train and educate the team on the topics in the handbook.



Whistleblower reporting

At Adyen, we strive to maintain a culture where everybody is encouraged to ask questions and raise concerns about all aspects of the business. This also promotes internal discussions and sharing of ethical principles and behaviors. We actively promote the team to always test their concerns with our 'no blush' principle and to discuss matters with colleagues or their team lead.

Whenever a social or business interest might be at risk as a result of an actual or threatened breach of any laws, wrongdoings are suspected, or the standards of business conduct appear as having been violated, employees are required to report their concerns internally. This report is made either to managers or, in case of escalation, externally to the Dutch Central Bank (DNB). No type of retaliation, harassment, intimidation, or threats against whistleblowers is tolerated at Adyen. Our full Reporting and Whistleblower policy can be found on our [Governance webpage](#).

Conflict of interest

Adyen has adopted internal controls to prevent, identify, and document all conflicts of interests (as well as situations that create the appearance of conflicts of interest) that may take place whenever someone's private interests interfere with the interests of Adyen or its external parties. This is in line with Adyen's commitment toward its broader stakeholders and its external parties not to compromise the legitimate interests of the company.

Anti-corruption and anti-fraud

We maintain a zero-tolerance policy for corruption and fraud, and expect our team to uphold the highest level of integrity. To protect Adyen's business and reputation from wrongful acts and to prevent violation of any bribery and corruption laws and treaties, we have adopted anti-corruption and anti-fraud practices. For these purposes and in line with our internal policies, our employees are not allowed to make or promise to make, or directly or indirectly accept, any payment of monetary compensation to or from any company or government official, which is for the purpose of inducing or influencing such person to assist in facilitating, obtaining, retaining or securing any unethical business advantage.

Antitrust and competition law

At Adyen, we uphold integrity and promote fairness in all parts of the business. We are committed to ensure that Adyen employees avoid any engagement in anti-competitive practices and are aware of competition law requirements applicable in every jurisdiction wherein we operate.

Conducting our activities in accordance with all applicable regulations and best practices, Adyen is committed to pursuing its commercial activities and goals in complete independence of industry competitors and based on its own strategic decisions and guidance.

AML, CTF and sanctions

As a globally operating financial institution, we are responsible for preventing the misuse of the financial system from money laundering and financing terrorism activities. We have adopted and implemented extensive know-your-customer (KYC), know-your-business (KYB), and customer due diligence (CDD) practices. These procedures also serve to identify, verify, and assess all merchants, relations and affiliated persons, and to avoid the processing of transactions that are not aligned with the laws and regulations in the countries wherein we operate.

Human rights

To build an ethical business, we promote ethical behavior and respect human rights. Our approach to respecting human rights is based on the Universal Declaration of Human Rights, and we are committed to treating all colleagues, partners, and any other stakeholders equally.

Responsible partnerships

We trust our team in making good choices when selecting suppliers, and assess our suppliers' procedures when it comes to integrous operations before engaging in any agreement. We aim to establish relationships with third parties² that actively pursue compliance with social safeguards as mandated by Dutch law (Child Labor Due Diligence Act), EU regulations (European Convention on Human Rights) and the requirements mandated in the jurisdictions where Adyen operates. Our suppliers must comply with all applicable regulations and laws regarding anti-fraud, anti-corruption, anti-money laundering, and anti-competition.

Disclosure and bilateral dialogue

At Adyen, we acknowledge and endorse the importance of fair disclosure and transparency towards shareholders, investors, analysts, press and other parties, as well as dialogues and regular interactions with these stakeholders. Our Disclosure Committee oversees all relevant communications and disclosures and assists the Management Board in ensuring compliance with regulatory disclosure requirements.

We ensure that all shareholders and other market participants have equal and simultaneous access to information by publishing bi-annual shareholder letters and (interim) financial statements, annual reports, and press releases, as well as hosting Capital Markets Days and participating in investor conferences. In this respect, meetings with or presentations to relevant stakeholders will not take place shortly before publications of financial statements. During the 30 calendar days prior, we limit our communications and take caution to not provide any information or guidance on matters that could potentially impact our performance or financial outlook.

To prevent the misuse or inadvertent disclosure of confidential information, we educate our team to follow set procedures and principles with regards to confidentiality. The full Disclosure and Bilateral Dialogue policy can be found on our [Governance webpage](#).

² We define a Third Party as any business, company, or other entity not belonging to the Adyen Group that is undertaking an outsourced function for Adyen.

About Adyen

Adyen (AMS: ADYEN) is the payments platform of choice for many of the world's leading companies, providing a modern end-to-end infrastructure connecting directly to Visa, Mastercard, and consumers' globally preferred payment methods. Adyen delivers frictionless payments across online, mobile, and in-store channels. With offices across the world, Adyen serves customers including Facebook, Uber, Spotify, and L'Oréal.

Adyen was founded in 2006 – as the existing payments technology consisted of a patchwork of systems built on outdated infrastructure. With the aim of helping businesses grow, the Adyen team set out to build a platform capable of meeting the rapidly evolving needs of today's fast-growing global businesses.

Adyen focuses on building a modern infrastructure directly connected to card networks and local payment methods across the world, allowing for unified commerce and providing shopper data insights to merchants. The Adyen platform enables merchants to accept payments in a single system, enabling revenue growth online, on mobile devices and at point of sale.