BASWARE DATA USAGE NOTICE

Purpose

This data usage notice explains why and how Basware collects, analyses and utilizes data related to its customers' use of Basware services for purposes of monitoring, improving and delivering the services. This notice is provided for informational purposes only and we reserve the right to modify it at any time without notice. Most recent version of this notice is available on Basware Business Data webpage at www.basware.com/business-data.

Background

Basware provides standardized cloud-based Purchase-to-Pay (invoice automation, procurement, travel and expense management etc.), Network (e-invoice receiving and sending, archiving etc.), and variety of Financing services. When using Basware services, customers transmit orders, invoices and other business documents to Basware systems for further processing.

Why do we analyse the data?

Basware collects and analyses data included in customers' business documents and data derived from customers' use of Basware services (collectively "service data") to monitor, improve and deliver the services. Such data collection and analysis is a standard market practice in the cloud services business, an integral part of the business model and also an important factor affecting the service pricing. There are several key drivers for the service development process such as customer requirements, company strategy or market and competitor analysis. In addition to these, data driven decision making is in the core of Basware's product development strategy.

What data do we analyse?

Currently service data is collected primarily from Basware Network and Purchase-to-Pay services. Primary data sources are user generated data (customers' business documents) and system generated data (metadata and data related to customers' usage of the services). Basware may also use 3rd party data sources (such as trade registries, company databases, local tax authorities) to validate or enrich service data.

Basware Network provides information about the general transaction information and business document transfer process. Basware Purchase-to-Pay provides event based insight to business documents and processes supporting the information collected from the Basware Network. Service data is collected daily from Network and Purchase-to-Pay data sources such as:

- invoice and purchase order header and row data (e.g. transaction date, amount or row count);
- system generated service information (e.g. transaction arrival or approval date);
- master data (e.g. vendor and buyer entity information).

How do we process the data?

All service data Basware collects is analysed in an aggregated format, meaning that the identity of the customer, its business partners or any individuals is not disclosed to any third party at any point. In practice, aggregation means that when Basware analyses service data, data records are consolidated providing information such as total number of companies and total volume or monetary value of invoices in a specific market. The data collection process does not apply to any fields on business documents dedicated for personal data, such as names, email addresses or telephone numbers. Additionally, all data collection processes follow Basware's strict data security and data protection policies and requirements.

How do we utilize the data?

All collected service data is stored centrally to a so-called data warehouse which is housed in production environment of Basware services. Service data stored in data warehouse may be used and analysed by Basware for purposes of optimizing service performance, research and development, as well as for data products and supporting value added services, including:

- rapid identification and response to service malfunction;
- new feature development (e.g. Basware Analytics, Banking and Financing Services or Vendor Master Management features);
- running big data analysis without impacting the performance of production environment such as average invoice total value in each time and market;
- detecting fraudulent transactions;
- validation of general company information;
- peer and market benchmarking;
- supplier discovery for sourcing.