

Sustainability Report 2023

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Approved by Entercard's board of directors March 2024.

The board is responsible for the Sustainability Report.

1. Introduction and how we work with sustainability

Highlights of the year

2023 was the year when we performed a new materiality assessment on sustainability in order to update and review the analysis of the sustainability topics that are of greatest importance to our business. Following the assessment of how our business affect the environment, people and society, six areas were deemed to be most material for sustainability. These areas are covered in the report.

EU's latest and most comprehensive sustainability reporting directive, the Corporate Sustainability Reporting Directive, will apply to us from the reporting of financial year 2025. We have started to prepare for implementing the directive by familiarizing ourselves with the mandatory reporting standards, the European Sustainability Reporting Standards, including the double materiality assessment.

About Entercard

We are a consumer financing company that offers credit cards and consumer loans to the Nordic market.

Our mission is to finance the big and small moments of everyday life. Today we have over 1.7 million customers across Sweden, Norway, Denmark and Finland. We work with a number of strong partners and offer a range of products tailored to their customers' needs.



We hold over 15 percent of the Scandinavian consumer credit card market. Based on our business model, the most important things we can do when it comes to sustainability is to offer financial flexibility to our customers, contribute to a well-functioning and transparent financial system, and be a responsible lender and employer.

For our owners Barclays Principal Investment Limited ("Barclays") and Swedbank, sustainability is important, and at Entercard we follow high standards for sustainability across all our business operations.

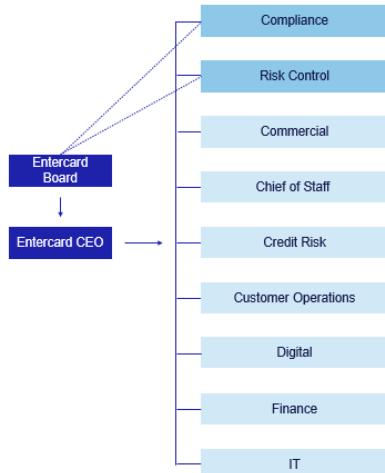
Our business model

Our business is to provide customers and partners with financial flexibility in a responsible manner. We take care of the complete financing solution, from risk and money management, to customer communication and digital development. We create value through a robust consumer focus and tailored solutions. Our financially strong value network provides synergies and economies of scale.



Our most important stakeholders

We have over 50 partners: banks, retailers and membership organizations. We tailor financial solutions that strengthen the relationship between our partners and their customers, and secure profitability and long-term sustainability. We value regular contact and open dialogue with our many different stakeholders, whether it is employees and unions, partners and customers or regulators and suppliers. The foundation for how we take care of our stakeholders is enshrined in our company values: We keep our promises, we always improve, we make a difference, and we win together.



Our organisation

We are organised in nine functions across the Nordics. All functions have a responsibility to deliver upon our company's targets that generate value for our stakeholders. Our board consists of representatives from our owners Swedbank and Barclays Principal Investments Limited, and two employee representatives. Our board has the overall responsibility for the Sustainability Report. We collaborate as one company across borders, which enables us to apply capabilities efficiently while catering to our customers' and partners' needs in their respective markets.

Financial stability

As a financial institution, we have a responsibility to be transparent and trustworthy, provide financial stability and to promote a sustainable financial situation for our customers. The way we do business has an impact on people and the environment through our lending, our payments systems and our investments.

Our board has endorsed governing documents that contribute to the management and control of risks linked to financial stability. These include:

- Credit Policy
- Capital Policy
- Liquidity and Funding Strategy
- Enterprise Risk Management Policy

There are several components to our business model to ensure financial stability. The main component is to be a responsible lender. This ensures that our customers maintain manageable credit amounts, that our customers' needs are met with financing solutions and that our customers maintain manageable personal finances.

Our capital and liquidity management and control ensures that we act as a responsible lender. Our approach to capital planning and management is conservative and robust. Risk and capital planning follows as an extension of the medium- and short-term plan processes and is reviewed regularly. We systematically evaluate capital and liquidity needs. Our assessments are based on financial goals, risk profile and business strategy. Stress scenarios help us to define future needs. We continually monitor and report capital and liquidity coverage as part of our regulatory requirements and undertake a detailed annual review.

Preventing and managing risks is a central part of the company's operations. Identification of risks associated with sustainability is integrated with the company's ongoing risk management. The purpose of risk management is to ensure that the risks taken in the business do not threaten our solvency or liquidity and are balanced in regard to the possible return. This is managed through securing that the risk levels do not exceed the risk appetite level set by the board.

The predominant risk facing us is credit risk. Our lending strives towards ambitious objectives in terms of ethics, quality, and control. We conduct active monitoring and optimising of our portfolios' credit risk. The decision to grant credit requires that there are sound grounds to expect that the borrower can fulfil his or her commitment to EnterCard.

We manage liquidity risk through funding for a longer duration and a considerable buffer of liquid assets. We have a limited investment risk through a portfolio of high-quality liquidity assets, held to mitigate our liquidity risk. The credit quality of the assets is very high and consists of exposure to municipalities, governments, and covered bonds.

Regarding capital risks, we have a solid capital situation and a low risk profile. We strictly adhere to the capital adequacy regulation and minimum requirement for regulatory capital. We have an overall satisfactory risk management within all risk appetite levels.

Assessing materiality

In 2023, we updated our materiality assessment on sustainability in order to reflect our entire value chain and the activities we conduct in our business.

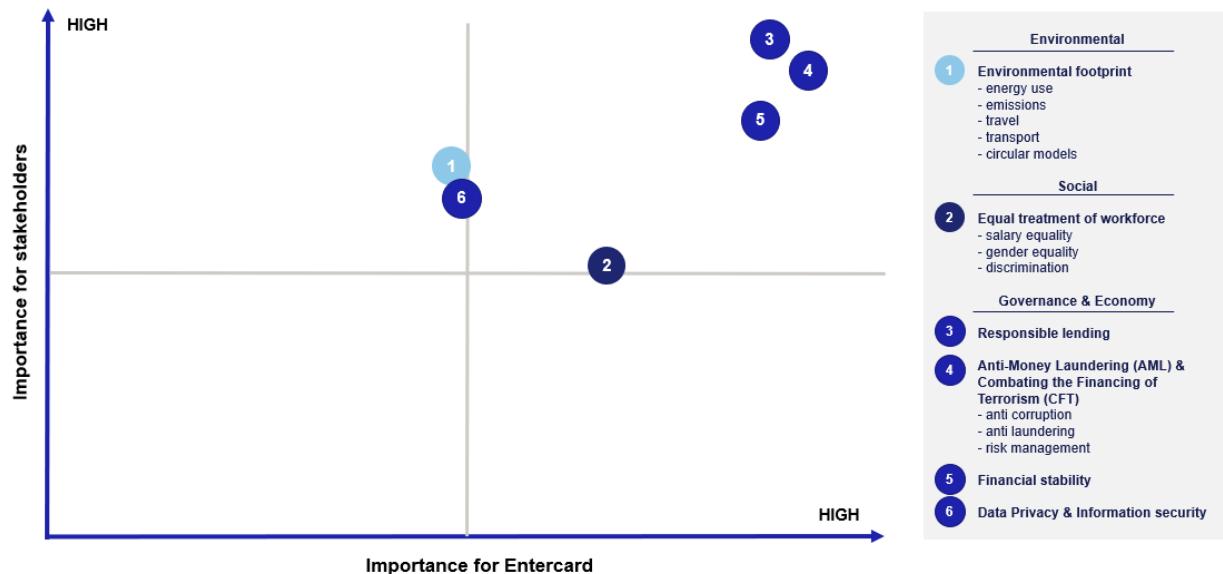
Based on our business model, our most material issues for sustainability are:

- Data privacy and information security
- Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)
- Equal treatment of workforce
- Responsible lending
- Financial stability
- Environmental footprint

When assessing our responsibilities towards society, we have considered issues directly relevant to our business model. Security for our customers and partners are of the highest importance. This includes data privacy and information security, AML and CFT. We influence society as an employer, with over 450 employees. We are committed to having a diverse and engaged workforce, ensuring equal treatment of our employees, and providing quality services to our partners and customers. As a lending company, we are committed to being a responsible lender and contribute to financial stability to our customers. Some of the steps we take to ensure we are a responsible lender include providing easily available and transparent information through our websites and delivering accessible and helpful customer service. Climate change stands as the paramount societal issue in our era, and even if our impact is modest, we are committed to contribute to the UN goals and reduce our environmental footprint.

The materiality figure below illustrates what topics we deem to be most material, when it comes to how our business affects society.

2023 Materiality Assessment



Entercard and sustainability: responding to the UN goals

We acknowledge that our business affects society. We strive to measure this impact through the non-financial targets we present in this chapter using central performance indicators. These indicators relate to four of the United Nation's (UN) universal goals, which are a call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

Visualising how our business contributes to this huge global effort might be difficult to grasp, but we believe that through our role as an employer, lender and actor in society, we can do our small part in helping reach the sustainability goals that UN has set.

We have chosen to focus our efforts on the following three goals:

- SDG5: Gender equality
- SDG8: Decent work and economic growth
- SDG11: Sustainable cities and communities.

We try to integrate these goals in our business processes and sustainability activities.

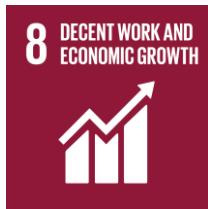
UN sustainable development goals and how we address human rights

The UN's Sustainable Development Goals, and how we address human rights, serve as a basis for our sustainability work. As a Scandinavian company, trust between employees and management is important, and the official collaboration between the unions and the management play a significant role in how we run our business. At Entercard, it is easy to join a collective union, and our employees have representatives in our board.



Gender equality is of high importance to us. We are proud to be a company where women hold around 44 percent of the leadership positions. We make sure all employees can maintain a healthy balance between career and family life. In addition to gender equality, we believe that

diversity is a strength. With employees from more than 40 different nationalities, respect for different religious and cultural backgrounds is important to us.



Decent work and economic growth are a core part of our business model. We strive to ensure that our employees are satisfied, have equal opportunities and the ability to grow professionally. Our business contributes to society's economic growth through stability. We continue to develop our services and products to ensure that we can offer economic growth and employment. We view responsible lending as a crucial part of ensuring sustainable growth and financial stability, and our employees respect the impact our products have on our customers' everyday lives. Additionally, the legal requirements in the Norwegian Transparency Act contributes to our work to meet and comply with decent work and economic growth as the primary objective of the Transparency Act is to encourage sustainable business practices and ensure that businesses proactively address any negative consequences associated with human rights and working conditions.



Entercard acts responsibly in our local communities. Part of this is to make it easier for our employees to reduce their environmental footprint. The offices are centrally located close to buses, trains, subways, and trams. In addition, we provide a bicycle parking in our office's basement. The bicycle parking provides electrical outlets for chargers for electrical bicycles

2. Our policies and how we act upon them

Our Ethics policy and Code of Conduct are the basis for our reputation

We are dependent upon a good reputation and confidence from the public. High ethical standards are the basis for the confidence our stakeholders have in us. We invest time and resources to ensure that all employees understand and respect our Code of Conduct. All employees go through a mandatory training in the EnterCode on an annual basis. EnterCode is our own Code of Conduct. It creates awareness and minimises the risk of corruption in our business activities and the way we work together. We provide our employees with a process for whistleblowing, which employees can use to raise confirmed or suspected violations, irregularity, or internal fraud anonymously and in a safe manner.

Responsible lending and consumer information

Responsible lending is the backbone of our business, and it is closely linked with our credit risk policy. Based on learnings from focus groups with customers, Entercard works continuously to improve the consumer advice and information given through our corporate websites. These include a separate section called 'consumer information' with simple animated films, word lists and explanations about how our business works.

We use proven methods and customer data, which enable us to offer a personalised credit limit to everyone. We do not grant credit to people with payment remarks, or to those underage. Our customers are individually assessed for affordability before they are granted a card or a loan.

As a responsible lender we undertake the following:

- Offer correct credit limits to the right customer.
- Transparency around the communication of our products, terms, interests and fees.
- Perform a collated credit check on all applicants.
- Offer payment plans where applicable.

A responsible Credit Risk strategy balances our growth ambitions

Our Credit Risk Strategy is based on well defined

- Risk Appetite Framework.
- Concentration limits.
- Early warning indicators.
- Sound and fair lending practices.
- Use of internal and external data to forecast customer affordability, credit worthiness and profitability.

Manage reputational risk

- Establish credit policies and foster a company-wide culture that prioritizes maintaining our reputation and the trust of our stakeholders as responsible lenders.

Be compliant and act as a responsible lender

- Respect all relevant laws and regulations.
- Provide empathetic solutions for customers who have entered financial difficulties.

Manage concentration risk

- Secure a spread of credit exposure over different countries, products and customer segments.
- Limit growth in certain areas if concentration is rising to an unacceptable level.

Secure resilience of assets

- Conduct routine stress tests to model the effects of different macroeconomic scenarios.
- Modify credit criteria as needed to adapt to changing macroeconomic conditions.

Manage risk appetite

- The risk appetite thresholds are set by the board in accordance with the credit policy.
- Implement Early warning indicators, KRIs and remediating actions to always operate within the set risk appetites thresholds.
- Always operate within the risk appetites.

Combating fraud

We have the ambition to deliver our industry's most secure solutions, to protect our customers and our company from fraud. Our fraud team is strongly focused on the fight against fraud, intelligence sharing and innovative approaches to modern technology, whilst maintaining a data driven approach to all aspects of fraud management.

Over the years, we have invested significantly in advanced security systems and solutions from our partner FICO, to identify and prevent card transactional fraud as well as application fraud.

To stop card fraud effectively in real time, we use Falcon Fraud Manager. It is the most accurate and comprehensive solution for detecting payment fraud, using a comprehensive set of analytic techniques, including predictive analytics.

The proliferation of data breaches, digital channels, and payments innovations has driven a surge in new account fraud. Criminals exploit technology and legacy controls to perpetrate identity theft, synthetic identity fraud and first party fraud. We have implemented Application Fraud Manager, a system that uses analytics, models, and rules, to screen incoming applications for cards and consumer loans across all products and channels.

Major efforts to combat money laundering and counter terrorist financing

Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) are the measures used to combat financial crimes that pose a serious threat to the world's financial system and, in extension, to our society.

Money laundering constitutes the integration of income from criminal activities, fraud, or tax evasion into the financial system. Terrorist financing is the provision or collection of funds whereby terrorists fund operation to perform terrorist activities.

The external regulatory requirements covering AML and CFT are extensive, detailed, and ambitious. The regulators' high degree of requirements is a necessity to protect the financial system from illicit access and abuse. We are committed to going beyond minimum requirements and continuously strive to become best in class in the field of AML and CFT.

Our robust framework is based on an extensive risk assessment in which we gather intelligence on the criminal threats we face and identify potential vulnerabilities in the business we conduct. The outcome of the risk assessment aids us in a risk-based focus of our efforts in product design, risk monitoring and control execution.

Our management teams and employees are continuously updated on new ways in which our products can be used for money laundering and terrorist financing. In this way, we ensure that we are up-to-date and maintain an elevated level of awareness across all departments within Entercard.

In 2022, we launched a project that focuses on improvements within the AML and CFT area. The project strives to continue our digitalization journey and to improve our framework. In 2023, the project has continued to progress.

Responsible sourcing

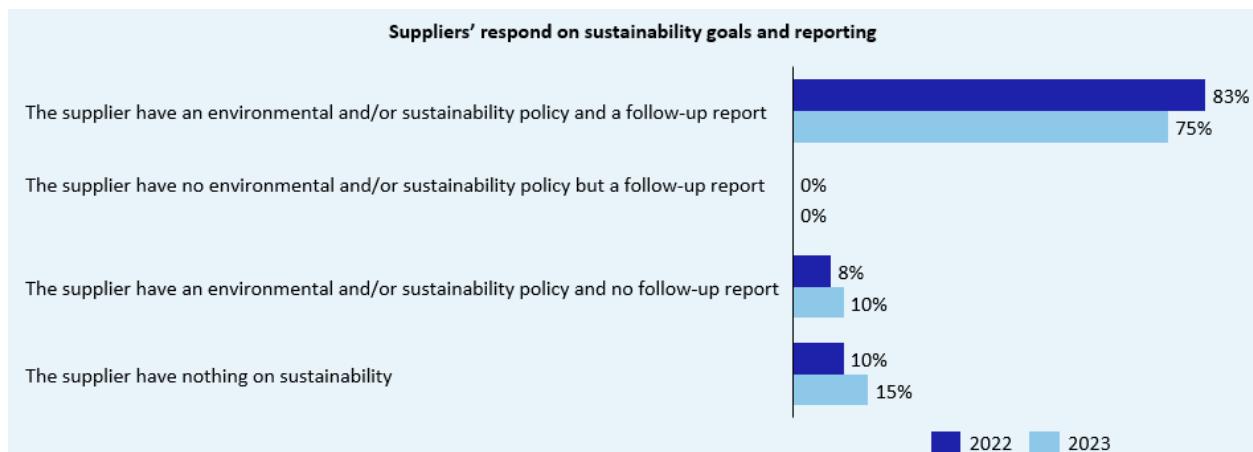
In order to ensure that all regulations, requirements, and business needs are taken care of when we purchase services, we have a clear Procurement framework to govern such activities.

The Procurement processes are divided into different procedures, that are intended to cover the entire lifecycle of a purchase, and which clearly state which roles are involved and responsible. When we perform bigger Procurement projects, we issue Request for Proposals that are sent to potential suppliers, where supplier adherence to Sustainability & Social awareness, as well as ethical standards, will be one evaluation criteria among others when choosing suppliers.

During the Supplier Performance Follow-up activity, we assess our 40 biggest existing suppliers, which accounts for 80% of the purchasing volume, to find out if they:

- a. have an environmental and/or sustainability policy where the supplier declares the important issues/questions for their operations, and
- b. have an environmental and/or Sustainability Report where the supplier lists the status/results on the prominent issues/questions for their operations.

In 2023, our Supplier Performance Follow-up activity resulted in the following answers from its 40 biggest suppliers:



The Transparency Act

The Transparency Act is a new Norwegian law that became effective on 1st of July 2022. The purpose is to promote companies respect for fundamental human rights and decent working conditions with business partners and in supply chains. In accordance with the Transparency Act, we have conducted a human rights due diligence process which has enabled us to transparently assess if our operations, supply chain or business relationships have any actual or potential negative impact on fundamental human rights and decent working conditions. Our assessment of our human rights responsibilities is published in the Transparency Act Report on our [Norwegian website](#).

Highest level of importance: Data privacy and Information security

We provide annual mandatory Information security awareness training to ensure that the company's employees are aware about the various threats that exist and way to avoid security incidents. We also administer new requirements by legislators, which our employees need to consider. Our employees are our greatest asset for protecting our customers' information.

We track developments within information security and ensures that we have a focus on security when developing applications and web-based solutions, such as our online banking. We perform security tests that simulate attacks against our applications and infrastructure. These simulation attacks are performed by professionals in consultation with us here at Entercard and correspond to what a hacker can do to such environment.

Along with testing our applications, infrastructure and websites, we also carry out phishing campaigns as part of user awareness program. These phishing tests are designed to ascertain in a controlled manner whether our personnel have a good awareness of the threats and risks from phishing or social engineering attacks. Also, our yearly mandatory training courses teach our staff more about the forms of fraud attempts, evolving cyber security attacks and best practices for data privacy and information security in daily operations.

During 2023, we have been working with increasing stability and performance within our IT landscape, improving governance structures and responsibilities and moving some critical services to cloud technology. We have implemented data loss prevention for mail communication and local storage. Also, identity and access management tools and processes are enhanced to support hybrid work culture. We adapt various best practices to secure our existing and growing infrastructure. We have implemented security controls recommended by ISF standard of good practice on our cloud infrastructure.

We are aligning our Information Security Management System with IT operations responsibilities to foster maturity in these domains. The domains cover 17 different areas, which include governance, security management, access management, risk assessments, business continuity and emerging technologies further within the information security domain. In addition, we also perform security health checks on both infrastructures as well as on applications and websites, in order to improve resilience against risks, threats and vulnerabilities that may materialise.

Equal treatment of workforce

We are firmly committed to diversity and equality across the company. We recognize that the strength of the business is built on the understanding of individual strengths and differences and seek to respect these. As a truly diverse organization of more than 40 nationalities represented, equality and mutual respect form an integral part of who we are. We believe that the wide array of perspectives that results from a diverse workforce promotes innovation and business success.

Employees and others involved in our business are selected and treated in a manner that does not discriminate based on sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, and age. We are dedicated to providing a workplace that is free

from any form of harassment, discrimination, and bullying. When we determine that an allegation of harassment is credible, prompt, and appropriate action is taken, in accordance with our whistleblower process.

We focus on fostering gender equality and diversity in the way we attract, recruit, reward, develop, engage with employees and managers on all levels. This is done by thoroughly following up gender distribution per corporate grade among managers and employees, as well as striving for more equal gender representation in the recruitment process.

As part of the annual salary review process, we perform an Equal pay analysis to ensure that our employees are equally paid within the same range of job responsibilities. Equal pay is one out of four of our criteria that form the basis for a salary adjustment. We publish information on gender pay differences, as required according to the 2008 Discrimination Act's in Sweden, and the 2017 Equality and Anti-Discrimination Act in Norway, and Equality Act 2010 in Denmark.

Employee engagement

Our ambition is to be an "Employer of Choice", where employees can manage work, private life, and parenthood with a healthy balance. That is reflected in the award "Newcomer 2023" we received from Universum in the Social Science category from 'Career Company' in Sweden. We also ranked within the top 10 (no. 8) amongst the most attractive employers within the category "Young Professionals/Students" within the engineering field.

This year we have introduced a recognition program with different initiatives to reinforce engagement and ensuring a continuous performance-oriented culture. One of the initiatives "Values Recognition Program" will be driven by employees, focusing on recognizing colleagues that role model Entercard's values.

Employee sustainability

We are conscious of our impact as an employer. A vital part of our work is empowering employees to live a sustainable life through remaining an optimal work-life balance, maintaining a healthy work environment, and enhancing healthy habits. One of the ways of achieving that is through a hybrid way of working, allowing employees to work from home for two days during a working week. Besides that, we are currently reviewing the benefits to ensure that the investments are relevant, appreciated and foster employee sustainability, while continuously supporting performance-oriented culture. Healthy and active lifestyle is promoted and encouraged by Entercard Health Team, organizing healthy team activities. Recently Norway's Authorities' have updated regulations on systematic health, environment, and safety of work. In accordance with the updated regulations, we have mapped the physical/ergonomic, as well as the psychosocial working environment. The work has resulted in an action plan that will be followed up and evaluated on an annual basis.

3. Risk and compliance management

Our three lines of defence

Board	CEO	Risk & Compliance Management 2nd line of defence	Risk Assurance 3rd line of defence
Risk ownership 1st line of defence	Business-, Operations- and Support Functions	Risk Control- and Compliance Functions	Internal Audit
Owning risk and risk management activities including identifying, assessing, controlling and mitigating risks	Owning the risks, controls, incident management and business continuity	Facilitate framework for risk management-, control- and compliance processes	Provide assurance to the company's board of directors and senior management.
Makes management decisions in line with risk appetite- and tolerance levels	Makes management decisions in line with risk appetite- and tolerance levels	Support, educate, advise	Assessment whether risk- and capital management and governance framework are sound and effective
Implements and embeds needed controls and mitigates any deficiencies	Implements and embeds needed controls and mitigates any deficiencies	Independently monitor risks and compliance with laws and regulations and the effectiveness of framework and processes	Assessment of routines according to internal and external requirements
		Independently report on risk and compliance breaches and other compliance topics	

Compliance management

We are subject to a vast number of regulatory requirements, which derive from both different national and supranational sources. We are obliged to conduct our business activities in compliance with regulatory requirements at all times.

Our board of Directors have overall responsibility for ensuring that our operations are conducted in accordance with current laws and regulations. The board sets compliance requirements through a number of steering documents, including a Compliance Policy.

The Compliance Policy outlines that the Chief Executive Officer (CEO) is responsible for establishing a Compliance Function. The Compliance Function shall be headed by a Chief Compliance Officer, who reports to the CEO and the board. Further, the Compliance Function shall be independent and organisationally separated from the business organisation and the Risk Control Function.

The Compliance Function supports the organisation, the CEO and the board by providing advice and independent assurance.

The Compliance Function scans upcoming regulatory changes and implements processes and procedures to ensure that operations are conducted in accordance with laws and regulations. The Compliance Function seeks to design and implement proportional actions to address potential changes in order not to have unknown or unwanted compliance risks in our business. It should be noted that the Compliance Function is not responsible of regulatory requirements in itself, as it is the responsibility of management, staff and ultimately the CEO.

Further, the Compliance Function is the primary interface between Entercard and Regulatory Financial Supervisory Authorities.

The Compliance function's key processes are:

- Regulatory Watch to identify new or amended regulatory requirements
- Risk Assessment to identify compliance issues from a risk-based approach
- Yearly activities documented in the Compliance Plan • Advice, Support and Train
- Monitor
- Report

At Entercard, the Chief Compliance Officer is appointed Central Functional Responsible (CFR), a mandatory role required by Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) laws and regulations. The CFR has similar accountabilities and responsibilities as described above. In addition the CFR is accountable for ensuring reporting of suspicious money laundering or terrorist financing transactions and activities to the Financial Intelligence Unit (the Police), and providing the authorities with information in regards to reported money laundering or terrorist financing.

The Data Protection Officer (DPO) is placed within the Compliance Function, however with direct reporting lines to the CEO and the board. The DPO is involved in all of the Compliance Function's key processes as mentioned above with focus on data privacy laws and regulations, such as

the General Data Protection Regulation (GDPR). Further, the DPO is supporting the organisation with GDPR specific processes such as data breach management, impact assessments and responding to data subject's requests.

The DPO is the primary interface between Entercard and the Data Protection Authorities.

Risk management

Our board of Directors are overall responsible for ensuring that our operations are conducted in accordance with current laws and regulations. The board sets basic risk management requirements through the Enterprise Risk Management Policy.

The CEO is, in line with the Enterprise Risk Management Policy, accountable for establishing procedures to ensure that operations are conducted in accordance with laws and regulations and good risk management practices. In addition, each person in the organisation is responsible for effectively managing risks in the day-to-day operations.

As a consumer finance company, we are inherently exposed to risk as part of its business model. As such, Entercard does not attempt to eliminate risk, but rather to understand and where appropriate manage and mitigate it. This is to ensure we deliver value to its shareholders while ensuring that risk of insolvency is at all times kept low and all risks are within set risk appetite levels. Our risk taking is both controlled and directed towards being a business that provides attractive risk-adjusted returns.

We are committed to responsible lending, a commitment which begins at the point at which credit is promoted and continues through to helping those who have encountered financial difficulties. Credit is only granted to customers with repayment ability on the basis of sound creditworthiness and affordability assessments. Entercard evaluates credit applicants' ability to repay debt, and will not approve credit where assessments indicate that applicants are not in a position to manage their requested borrowing. These principles are designed to create conditions that promote sound lending practice.

A disciplined approach to dealing with risk is required to ensure that all material risks are identified and appropriately managed. All risks identified are assessed and monitored as part of the overall risk management.

We limit our risk exposures through the use of a risk appetite framework, which is set by the board. Limits and targets embedded in the risk appetite framework may be adjusted by the board in order to establish the risk strategy within the operations of Entercard.

The Risk Control function at Entercard is responsible for coordination and reporting on matters of risk management. Further, the Risk Control function is organizationally separated from both the business organisation and the Compliance function.

Internal control system

Our internal control system consists of five components that pervade our business: control environment, risk identification and assessment, control activities, information and communication and monitoring activities.

Control environment

Our control system is an integral part of all our processes. This is the foundation for all other components of internal control within Entercard, providing discipline and structure. As an example, the control environment factors include the integrity, ethical values and competence of the employees and management.

Risk identification and risk assessment

Our internal control system identifies, continually assesses and analyses risks that the business encounters. Our risk assessment forms a basis for determining how the risks should be managed.

Control activities

Control activities are an integral part of the daily activities at every business level within the Entercard Group. Control activities include a range of activities as diverse as approvals, authorisations, verifications, reviews of operating performance and segregation of duties.

Communication and monitoring activities

We perform oversight of the control environment, follow-up on the status of control activities as well as review of the risk exposure on a regular basis. The status and findings are presented to relevant stakeholders, committees and forums. In addition, the Risk Control function regularly prepares an aggregated analysis and report, which is presented to the Executive Management Committee and to the board. Monitoring activities are carried out by the Risk Control function and Compliance function using a risk-based approach. Results from monitoring activities, mitigation actions and status are also part of the regular risk reporting.

Overview of risks in sustainability

The risks related to the sustainability work that have been identified in 2023, are primarily:

Most material risks	Risk	Mitigating actions
FINANCIAL STABILITY	Credit Risk	<ul style="list-style-type: none"> • We apply restrictive underwriting criteria through scoring models and policy rules. • We lend money only when there are sound grounds to expect that the borrower can fulfil their commitment to Entercard.
	Liquidity Risk	<ul style="list-style-type: none"> • Funding is long-term and is obtained from parent companies. • We hold an adequately sized portfolio of liquid assets, with high credit quality and good market liquidity, to secure that they can be sold with a short notice and a predictable price, in a stressed liquidity environment.
	Market Risk	<ul style="list-style-type: none"> • We match the interest rate duration of the funding with the contractual interest rate duration of the lending. • We do not take any active trading positions. • We do not take any currency risk besides the FX risk that arises in the consolidation, because the branches' own funds are in local currency.
	Capital	<ul style="list-style-type: none"> • We hold a buffer of own funds for capital needs. • The total capital held is appropriate for our needs and is above the regulatory capital requirement. • We forecast the capitalisation at least three years ahead, in both normal and stressed conditions.
EQUAL TREATMENT OF WORKFORCE	<p>Diversity and gender equality and engaged workforce related risks, which have relevance to over 450 employees across Scandinavia, are governed by respective steering documents.</p> <p>Operational risk categories that are mitigated are Process Risk, People Risk, Information Security Risk and External events. The risks are managed in the Chief of Staff area and in particular within HR and Corporate Communication and Sustainability.</p>	<p>Our Operational Risk Framework has been implemented to identify, assess and mitigate the risks. In order for us to be compliant and to stimulate the effectiveness of the mitigating actions appropriate steering documents are in place.</p> <p>Additionally, Diversity and Gender Equality, Remuneration, and Ethics are governed via separate steering documents.</p> <p>Staff training both mandatory and self-paced, are part of the control portfolio to mitigate risks and to equip staff with adequate competency to enhance work-life balance.</p> <p>As part of our business continuity management framework, dependencies are identified within all critical processes and continuity plans are tested annually.</p>
RESPONSIBLE LENDING	Risk of not acting and being seen as a responsible lender, leading to customers potentially ending up in financial difficulties.	<p>Credit is granted to customers with repayment ability on the basis of sound creditworthiness and affordability assessments. We are committed to responsible lending, a commitment which begins at the point at which credit is promoted and continues through to helping those who have encountered financial difficulties.</p> <p>During 2022 and 2023, our Collection department worked actively to support customers with all their questions that arose as a result of high inflation and rise of interest rates.</p>
AML AND CFT	AML and CFT risk	<p>As being part of the financial services industry, we are inherently exposed to the risk of money laundering and terrorist financing. AML/CFT is a focus area. We actively work with securing that our products are not used for this purpose. The focus on the department has increased over the years and efforts have been made in regards of digitalization as well as collecting and aggregating relevant data for better decision-making.</p>
TRANSPARENCY, GOVERNANCE AND COMPLIANCE	The risk of regulatory sanctions, financial loss, or damage to reputation that we may suffer as a result of its failure to comply with laws, regulations, and our policies and instructions	<p>We make financial reports publicly available for all quarters throughout the year, including an annual report. The reports are available in both Swedish and English on our websites. We also publish company information on our websites such as new partners and major company changes and discloses our suppliers as well as all necessary information on our products and services to our customers. This includes information on responsible lending, privacy, interest rates, our owners and contact information.</p>
FRAUD	Fraud risk	<p>As a financial institution, we are exposed to fraud risk. We are committed to increase control and reduce the negative consequences of fraud on our customers, our brands, the schemes and the company through our fraud platforms and solutions.</p>

DATA PRIVACY AND INFORMATION SHARING	<p>Risk of not being in adequate control of our IT assets and services and their respective lifecycle.</p> <p>Risk of being insufficiently capable of responding to emerging threats and timely identification and resolution of vulnerabilities</p>	<p>We have implemented a concept for performing security testing on both external and internal systems, as well as phishing and social engineering attacks.</p> <p>In addition, we have a strong focus on third party management by ensuring that relevant requirements are reflected in the contracts and regular supplier assessments are conducted to verify compliance.</p> <p>We follow a service-/process-oriented way of working, supporting the capabilities of logging and monitoring incident or breaches and to fulfil regulatory compliance.</p>
RESPONSIBLE SOURCING	<p>The risk of indirectly operating without adhering to regulations, such as data security and privacy.</p> <p>Reputational damage related to materializing third party risks.</p>	<p>To ensure that our most important suppliers have sufficient stability and control of their risks, all contracts follow a comprehensive procurement process starting with requirement setting and supplier screening, agreement phase, follow-up ongoing contracts and termination or amendments of contracts.</p> <p>Supplier risk reviews are performed for select suppliers throughout the lifecycle of the relationship including among others, validation of adherence to KPI's, adherence of data privacy, data quality and maintenance of contingency and business continuity plans.</p>
ENVIRONMENTAL FOOTPRINT	<p>The risk of serious negative impact on the environment due to internal work at Entercard, or by our Suppliers when contracted by us.</p> <p>Damage our reputation and license to operate.</p>	<p>Digital work processes: All of our offices have the necessary digital equipment to cooperate across teams, offices and boarders without travel.</p> <p>Measuring office supply and waste: The Oslo office is measuring waste, to monitor if it is possible for this to be reduced in the coming years.</p> <p>Reduction of use of paper: we are continuously working to get customers over to e-invoices. We mainly communicate through SMS, e-mail and our own, or our partners' netbanks. Our strategy include becoming fully digital in all customer touch points, further decreasing the environmental footprint.</p>

4. Central performance indicators

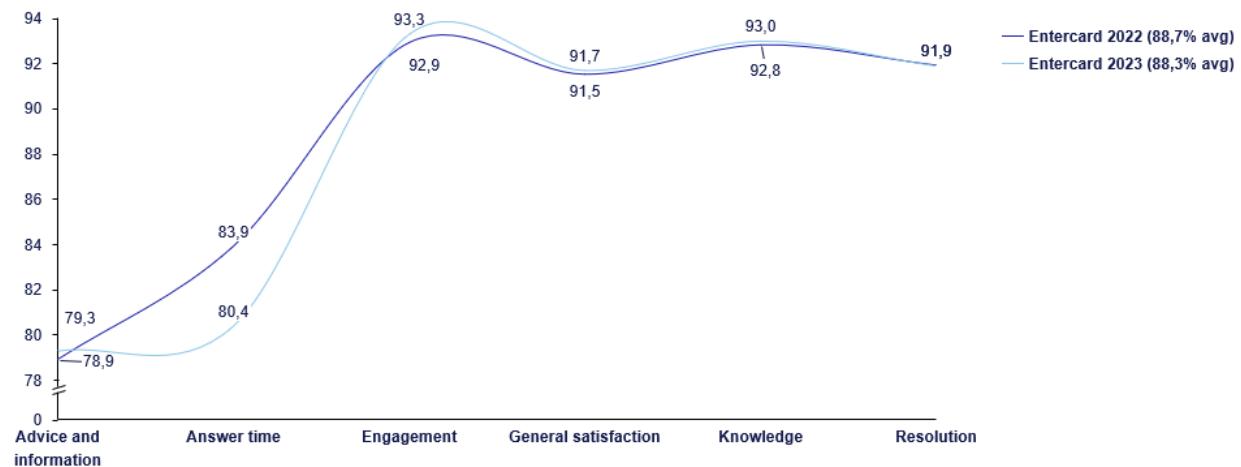
Customer feedback

Providing great service to our customers is vital for our business and important to us. We always aim to optimise the value from every customer relationship through delivering an efficient, informed and satisfying customer experience in every interaction with us. Our employees within

customer operations are focused on first contact resolution and providing a great customer experience by giving 'that little extra' to our customers. Customer operations also provides support to our partners. It is important for us to monitor how our customers experience our services.

We measure customer satisfaction and Transactional Net Promoter Score (NPS). Transactional NPS is the process of surveying our customers after an interaction, or transaction, with us. We receive the feedback real time which allows us to have a good overview of our customer experience. The customer satisfaction scores as well as the NPS continues to show strong results.

Customer satisfaction



Transactional Net Promoter Score



Web accessibility

Entercard has acted on our ambition to improve on-site accessibility. Siteimprove Accessibility is a product that has been implemented with a set of web accessibility checks. The guidelines aim to make websites accessible to people with a broad range of disabilities, including sensory, intellectual, learning, impaired hearing/ eyesight and physical disabilities.



*Top score is 100

Our employees

Our workforce is made up of 52% women, and of all leaders, 44% are women. Diversity at all levels is essential, and our executive leadership team represents five nationalities, and women hold 3/10 of the positions.

Diversity (Permanent employees)

	2023	2022
Male	48%	48%
Female	52%	52%

Turnover (Permanent employees)

	2023	2022
Sweden	9,1%	9,7%
Norway	9,6%	10,6%
Denmark	0%	4,2%
Total	8,8%	9,3%

Voice of Employee 2023

In 2023, we have revamped the yearly employee survey, "Voice of the Employee". The new tool will give us a better platform to work with the results, to develop our ourselves as an employer through our organization and managers – working in line with the mindset "we win together".

	Thresholds	Actuals 2023
Leadership	75	85
Sustainable employees	75	78

Environmental footprint

Paper use at Entercard

We are continuously working to reduce the use of paper, by promoting digital invoicing to customers in all portfolios in Sweden, Norway, Denmark and Finland. Currently, Norway and Denmark are the most mature markets for digital invoices. To stimulate further digitization, we have implemented QR code for e-invoice enrolment, customer service offers to enroll the customer to e-invoice as a part of the customer call, and all paper invoices have an invoice fee. We have also reduced the use of paper by using the Entercard App and Netbank, and digital mailboxes like Kivra, Digipost and eBoks for distribution.

In 2023, we distributed 11.4 M invoices, of which 58% were digital invoices. This is a slight decrease from 2022, where the total number of invoices were 11.9 M, and the share of digital invoices was 61%. In 2023, we distributed 756 458 annual tax reports, of which 60% were digital.

Cards made with recycled plastic

Entercard is in the process of transitioning all credit card portfolios to recycled plastic (rPVC). The rPVC cards are made with at least 85.5% recycled plastic, obtained from local plastic waste, close to Entercard's card producer Idemia's production sites. There will be no long-distance transport of the plastic before it ends up in production.

The rPVC cards will save 7g of CO2 per card, as well as reduce 3.18g of plastic per card compared to a standard card. To save cost and unnecessary shredding of cards already in stock, the transitioning period will take place over the next years.

69% of the cards issued in 2023 were made with recycled plastic.