

Sustainability Report 2024

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1. Introduction and how we work with sustainability

Highlights of the year

The EU's regulatory reporting requirement (Corporate Sustainability Reporting Directive, CSRD) played a key role in shaping Entercard's sustainability efforts throughout the year and will continue to be a driving force in the years ahead. Entercard is obliged to report based on the new requirements for the financial year 2026.

In preparation for the upcoming requirements, a high-level materiality assessment was conducted in 2023. In 2024, a more detailed assessment was conducted, following the principle of double materiality in preparation of the CSRD. This approach considers both impact materiality and financial materiality, i.e. how Entercard impacts people and the environment as well as how Entercard is impacted financially by external sustainability related factors. These factors are analysed in terms of business risk and opportunities within sustainability. Given the extended deadline for small and non-complex institutions, Entercard will further refine and update the double materiality assessment in accordance with EFRAG's upcoming standards for such institutions.

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 several 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 actions we can take regarding sustainability are 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, 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 follow 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](#)

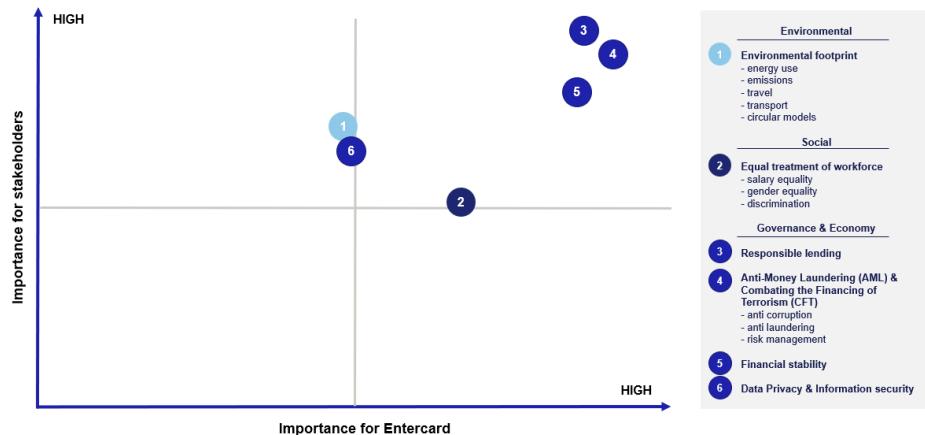
In preparation for the upcoming CSRD requirements, a materiality assessment was conducted on an overarching level in 2023, where the below issues were identified as material for our business.

- 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 is 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. Steps to ensure responsible lending include offering easily available and transparent information through our websites and providing accessible and helpful customer service. Climate change is a critical societal issue, and while our impact is modest, we are committed to contributing to the UN goals and reducing our environmental footprint.

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

Materiality matrix



In 2024, an assessment was conducted with a focus on the principle of double materiality, considering both how Entercard impacts people and the environment, as well as how external sustainability related factors affect Entercard financially. These factors were analysed through business risks and opportunities related to sustainability. An issue is deemed material if it meets the criteria for one or both dimensions. The result of the double materiality assessment will be reviewed and refined in line with the new standards for small and non-complex institutions, to be published by the EFRAG.

Entercard and sustainability: responding to the UN Sustainable Development Goals

We recognize that our business has an impact on society. As an employer, lender, and active participant in the society, we believe we can do our small part to supporting the UN Sustainable Development Goals.

Our efforts are primarily focused on the following three goals:

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

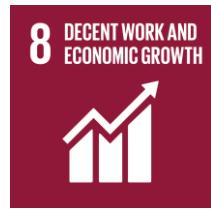
We try to integrate these goals in our business processes and sustainability activities.

UN Sustainable Development Goals and how we address human rights

The UN 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 47% 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 by maintaining 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 facilities 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 regarding the Code of Conduct on an annual basis. The purpose is to create awareness and minimise the risk of corruption in our business activities and the way we work together. Entercard has established 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 each individual. We do not grant credit to people with payment remarks, or to those under age. 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.

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 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.

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 appetite 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 powerful 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.

Anti-Money Laundering and Countering the Financing of Terrorism

Entercard aims to prevent its business from being exploited for money laundering and terrorist financing. This is achieved through a comprehensive policy and group-wide processes, adopted by the Board of Directors, which outline the necessary measures to manage these risks.

Key Measures:

- **Customer Knowledge and Monitoring:** Establishing a thorough understanding of customers and their businesses, coupled with active transaction monitoring, to mitigate risks.
- **Central Oversight:** A central function manager ensures compliance with procedures and guidelines, supported by systems for deviation reporting.
- **Annual Risk Assessment:** Conducting yearly analyses to assess risks, which inform a general risk assessment guiding preventive measures.
- **Ongoing Monitoring:** Assessing customer risk profiles and monitoring transactions to detect abnormal activities. Suspicious activities are reported to the Financial Intelligence Unit, and customer engagements may be terminated if necessary.
- **Policy and Regulation Updates:** Regularly reviewing and updating policies and guidelines to enhance the effectiveness of AML and CFT efforts.
- **Employee Training:** Mandatory annual training for all employees and contractors, with additional role-specific training to strengthen competencies in financial crime prevention.
- **Industry Collaboration:** Active participation in industry groups like the Association of Swedish Finance Houses to enhance AML and CFT capabilities.
- **Commitment to Excellence:** Entercard is dedicated to fully comply to regulatory requirements and continuously improving its AML and CFT framework. This includes:
 - **Risk-Based Approach:** Utilizing risk assessments to focus efforts on customer protection, product design, risk monitoring, and control execution.
 - **Continuous Education:** Keeping management and employees informed about new threats and maintaining high awareness levels across all departments.

By implementing these measures, Entercard strives to contribute to protect the financial system from illicit activities and thereby contribute to a safer society.

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.

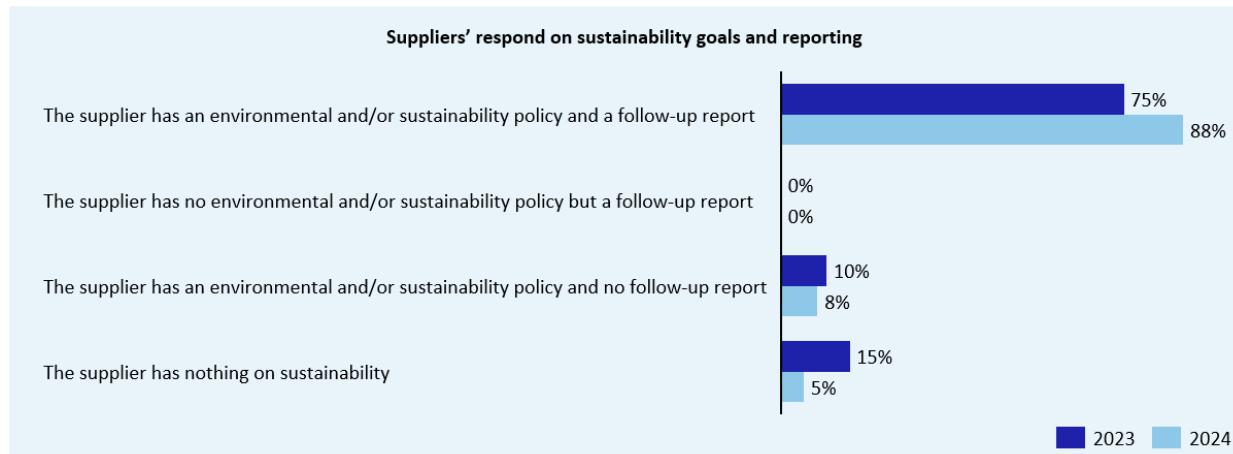
The Procurement processes are divided into different procedures, that are intended to cover the entire lifecycle of a purchase, and which clearly state which roles are involved and responsible. When we perform bigger Procurement projects, we issue Request for Proposals that are sent to potential suppliers, where supplier adherence to sustainability and 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 account 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 2024, 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 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

Our commitment: We provide annual mandatory Information security training to ensure that the company's employees are aware of the various threats that exist and way to avoid security incidents. We also administer new requirements by legislators that our employees must adhere to. Our employees are our greatest asset for protecting our customers' information.

Entercard tracks 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 Entercard's Personnel have a good awareness of the threats and risks from phishing or social engineering attacks. Also, our yearly mandatory training courses teach Entercard's staff more about the forms of fraud attempts, evolving cyber security attacks and best practices for information security in daily operations.

During 2024, we have been working with increasing resilience, 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. Identity and access management tools and processes are enhanced to support hybrid work culture. Further improved how to follow up and assess third party services making assurances that also our externally managed services are managed in a sustainable, secure and compliant manner.

We adapt various best practices to secure our existing and growing infrastructure. We have implemented security controls recommended by the 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 various 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 deeply committed to fostering diversity and equality throughout our organization. We understand that our strength as a business is built on recognizing and respecting individual differences, and we actively embrace these values. With over 40 nationalities represented within our workforce, equality and mutual respect are fundamental to our identity. We believe that a diverse workforce brings a variety of perspectives, fuelling innovation and driving business success.

Our employees and all those involved in our business operations are selected and treated fairly, without discrimination based on gender, gender identity or expression, ethnicity, religion or belief, disability, sexual orientation, or age. We are dedicated to maintaining a workplace free from harassment, discrimination, and bullying. When credible allegations of harassment arise, we act swiftly and appropriately, following our established whistleblower process.

We are particularly focused on promoting gender equality and diversity across all aspects of the people lifecycle, including attraction, recruitment, development, and rewards. To achieve this, we monitor gender distribution at all organizational levels and aim for balanced representation throughout the recruitment process.

As part of our annual salary review, we conduct an Equal Pay Analysis to ensure that employees are compensated equitably for comparable roles and responsibilities. Equal pay is one of four key criteria used to guide salary adjustments. We also comply with legal requirements to disclose gender pay disparities under the 2008 Discrimination Act in Sweden, the 2017 Equality and Anti-Discrimination Act in Norway, and the Equality Act 2010 in Denmark.

Employee engagement

Employee engagement is a cornerstone of a successful and thriving organization, and our ambition is to remain an attractive employer. By fostering an environment where employees feel valued, motivated, and connected to the company's mission, vision and values, we have created a trust-based culture of collaboration and innovation.

Through regular feedback, as part of our Continuous Performance Plan structure, and transparent leadership, as well as an increased focus upon development, we aim to cultivate a workplace where every individual feels engaged and is inspired to bring their best selves to work each day.

Employee sustainability

We are continuously monitoring employee sustainability through Pulse surveys and through our annual employee engagement survey, the Voice of Employee, with scores consistently above the threshold of 75.

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. This we are promoting by encouraging our employees to participate in the team activities organized by Entercard's Health Team, as well as offering individual health subsidies.

Besides, we are through the Hybrid Office model, offering our employees the opportunity to work from home for two days during a working week.

3. Risk and compliance management

Our three lines of defence

Board	CEO	Risk ownership 1st line of defence	Risk & Compliance Management 2nd line of defence	Risk Assurance 3rd 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	Managing and facilitating effective risk and compliance management practices	Review and assess efficiency of risk management processes and corporate activities		
<p>Owns the risks, controls, incident management and business continuity</p> <p>Makes management decisions in line with risk appetite- and tolerance levels</p> <p>Implements and embeds needed controls and mitigates any deficiencies</p>	<p>Facilitate framework for risk management-, control- and compliance processes</p> <p>Support, educate, advise</p> <p>Independently monitor risks and compliance with laws and regulations and the effectiveness of framework and processes</p> <p>Independently report on risk and compliance breaches and other compliance topics</p>	<p>Provide assurance to the company's board of directors and senior management.</p> <p>Assessment whether risk- and capital management and governance framework are sound and effective</p> <p>Assessment of routines according to internal and external requirements</p>		

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 has overall responsibility for ensuring that our operations are conducted in accordance with current laws and regulations. The board directs the business through a number of steering documents, including a Compliance Policy to ensure compliance with external regulations.

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 to not 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 risks 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 regard 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 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 is overall responsible for ensuring that our operations are conducted in accordance with current laws and regulations. The Board sets the 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 organization 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 the 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 the 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 organization 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, authorizations, 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 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 the 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 2024, 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 short notice and at 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 currency 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 to cover potential unexpected losses.• The total capital held is appropriate for our needs and is above the regulatory capital requirement.• We forecast the capitalization at least three years ahead, in both normal and stressed conditions.
EQUAL TREATMENT OF WORKFORCE	Diversity and gender equality and engaged workforce related risks, which have relevance to over 440 employees across Scandinavia, are governed by respective steering documents. Operational risk categories that are mitigated are Process Risk, People Risk, Information Security Risk and External events. People risk in general is managed in the Chief of Staff area and in particular within HR and Corporate Communication and Sustainability.	<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.	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.

		Since 2022 our Collection department has worked actively to support customers with all their questions arising from high inflation and rise of interest rates.
AML AND CFT	AML and CFT risk	AML/CFT is a focus area at Entercard. As being part of the financial services industry, we are inherently exposed to the risk of money laundering and terrorist financing. We actively work with minimizing the risk that our products are 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.
TRANSPARENCY, GOVERNANCE AND COMPLIANCE	The risk of regulatory sanctions, financial loss, or damage to reputation that we may suffer as a result of failure to comply with laws, regulations, and our policies and instructions.	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.
FRAUD	Fraud risk	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.
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 incidents 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 selected 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.</p> <p>Damage our reputation and license to operate.</p>	<p>Digital work processes: All our offices have the necessary digital equipment to cooperate across teams, offices and boarders without travel.</p> <p>Reduction of use of paper: we are continuously encouraging customers to move over to e-invoices. We mainly communicate through SMS, e-mail and our own, or our partners' netbanks. Our strategy includes becoming fully digital in all customer touch points, further decreasing the environmental footprint.</p>

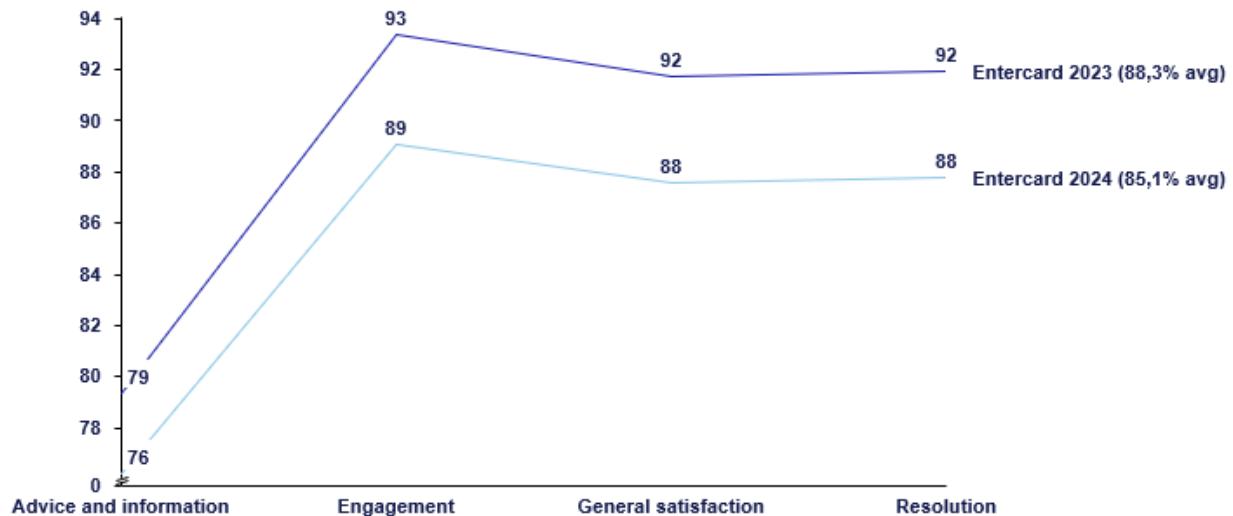
4. Central performance indicators

Customer feedback

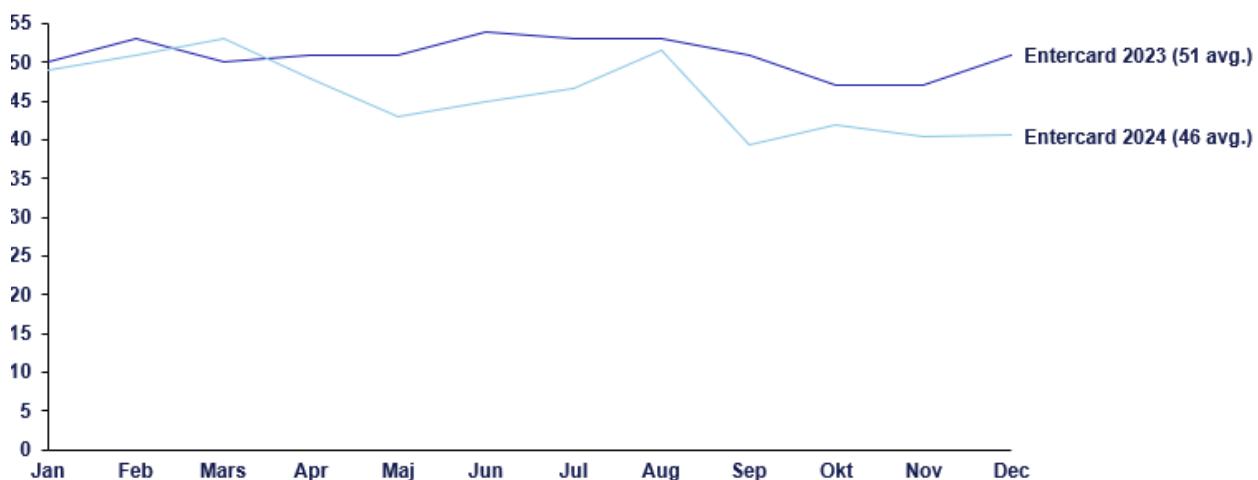
Providing great service to our customers is vital for our business and important to us. We always aim to optimise the value from every customer relationship through delivering an efficient, informed and satisfying customer experience in every interaction with us. Our employees within customer operations are focused on first contact resolution and providing a great customer experience by giving 'that little extra' to our customers. Customer operations also provide 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.

Customer satisfaction 2023-2024



Transactional NPS 2023-2024



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.

	Score 2024	Score 2023	Score 2022
Entercard.com	84/100	85/100	82/100
Entercard.se	84/100	84/100	81/100
Entercard.no	83/100	86/100	82/100
Entercard.dk	84/100	85/100	82/100

Our employees

Our workforce is made up of 53% women, and of all leaders, 47% 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)

	2024	2023
Male	47%	48%
Female	53%	52%

Turnover (permanent employees)

	2024	2023
Sweden	7,3%	9,0%
Norway	2,7%	10,0%
Denmark	0,0%	0,0%

Voice of the Employee (VoE)

	2024	2023
Leadership	84	85
Sustainable Employee	83	78
Engagement	78	77

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 in Sweden, we have implemented QR code for e-invoice enrolment, and customer service offers to enrol the customer to e-invoice as a part of the customer call. We have also reduced the use of paper by using the Entercard App and Netbank, and digital mailboxes like Kivra, Digipost and eBoks for customer communication in all countries. The fact that all paper invoices have an invoice fee, also drives digitization.

We distributed 11 381 142 invoices in 2024, which is approximately the same volume as 2023, but the share of digital invoices has increased from 58% in 2023 to 61% in 2024. In 2024, we distributed 703 528 annual tax reports, of which 57% 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.

82% of the cards issued in 2024 were made with recycled plastic.

Another initiative to reduce the amount of plastic, is that we have changed the renewal period for cards issued in Norway and Denmark. Previously, the cards in Norway and Denmark have been renewed every three years, unlike the Swedish cards that are renewed every four years. This year we have changed the renewal period for the cards issued in Norway and Denmark to be the same as in Sweden.