

Transparency Act 2024



Executive Summary

Purpose

This year's statement is issued by Entercard Group AB (Hereafter Entercard) in response to its obligations under the Transparency Act (The Norwegian Åpenhetsloven) relating to enterprises' work on fundamental human rights and decent working conditions.

This report presents the findings of the due diligence process that examined actual and potential adverse effects on human rights and working conditions within Entercard's value chain.

The following statement in accordance with the law covers the reporting period from 1st of January until 31st of December 2024. The statement has been prepared in accordance with the requirements of the Transparency Act. Entercard is committed to continuing to develop and improve the response to the Transparency Act in accordance with evolving best market practice.

Highlights

Entercard has identified the following four areas in the duty of care in relation to the Transparency Act requirements:

- Employment
- Supply Chain
- Business Partners
- Products and Services

The biggest change from last year's report is that the risk framework is updated. But no major changes to the actual findings when compared to last year. No direct potential negative impacts have been identified. However, Entercard acknowledges the existence of potential risks further down the supply chain. Clear contractual agreements are expected to be adhered to, and evaluation processes for suppliers, employees, business partners, products, and services are designed to identify and address any related disputes when it comes to our direct suppliers.

Entercard's purpose, business activities and organization

Entercard is a joint venture between Swedbank and Barclays Principal Investments Limited.

Entercard benefits from the experience and expertise of our owners, who are leaders in the financial sector. Barclays is a successful and global actor in the card market, and among the largest card issuers in Europe. Swedbank possesses solid knowledge and local presence in the Scandinavian card market.

Entercard is one of Scandinavia's leading credit market companies with over 1.5 million customers in four markets. Entercard specializes in credit cards and loans, and tailors our products and services to our customers' needs.

Through the two owners, Barclays Principal Investments Limited and Swedbank, we get access to a global and unique expertise within lending.

Entercard is present in Norway, Sweden, Denmark, and in Finland through cross-boarder operations. See below an overview of Entercard's markets, products, and channels (Figure 1).

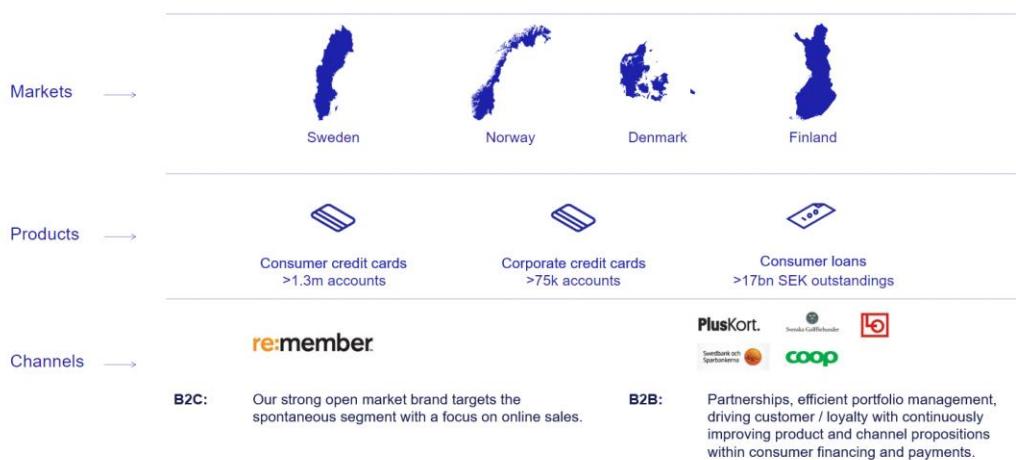


Figure 1. Overview of markets, products, and channels.

As a credit granting company Entercard is 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 risk, to ensure Entercard is sufficiently funded and covers all risks taken. As required, Entercard is structured to continuously identify, measure, manage, control and internal report on risks so that the board, management, and other decision makers in the organization are informed of the risk exposure and development.

For Entercard to achieve their mission in a successful and sustainable way and to meet the operating model requirements, Entercard have an integrated and effective system of internal control and management in our business.

Entercard operates its business under a functional matrix organization model. Entercard has over 450 people working across 9 functions: Commercial, Compliance, Credit Risk, Customer Operations, Digital, Finance, Chief of Staff, IT and Risk Control.

All Entercard functions (excluding Risk Control and Compliance) drive our income and Key Value Drivers (KVDs). All functions including Risk Control and Compliance drive the non-financial initiatives that enable the implementation of the corporate strategy. Cross-functional teams are working together on achieving either income/KVD or non-financial targets.

The Groups organization staffing is illustrated in Figure 2 below. For any additional details regarding the Group's business activities, organization, and corporate governance arrangement, please refer to the 2023 Annual Report, which is available on Entercard's website.

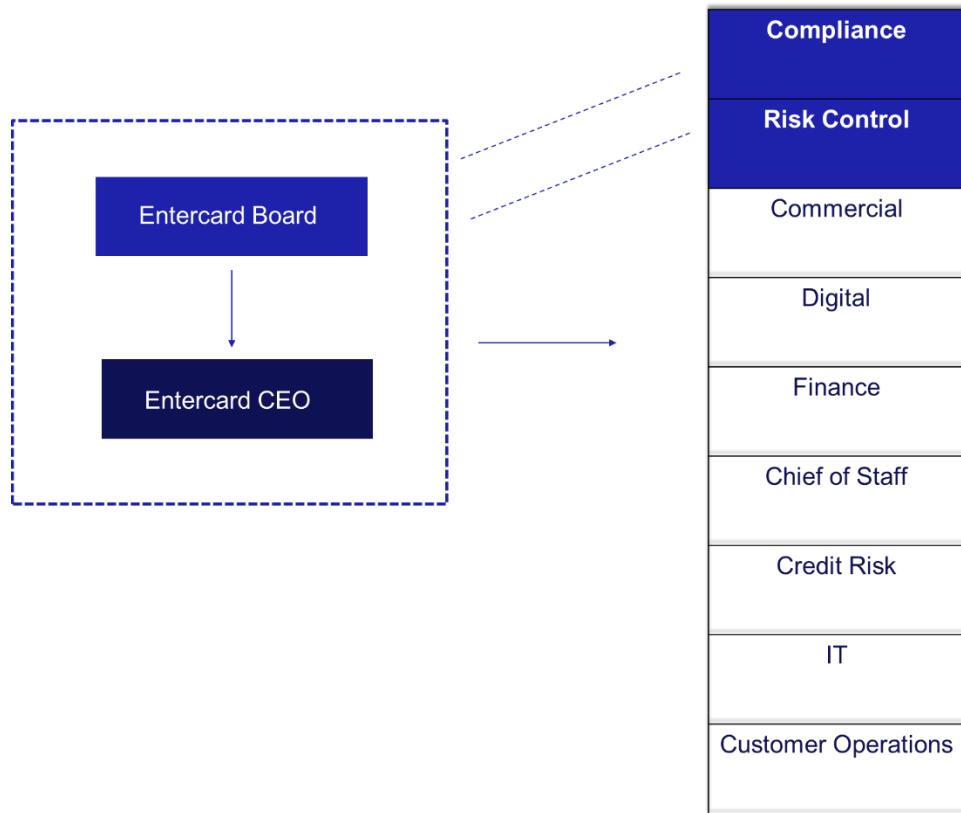


Figure 2. Entercard organization overview.

Due diligence approach to identify actual or potential negative impacts

In compliance with the Transparency Act, Entercard has conducted due diligence aligned with the OECD Guidelines for Multinational Enterprises, as outlined in Figure 3. These guidelines aim to support enterprises in fostering more sustainable and responsible business practices. The due diligence process enables Entercard to transparently identify actual or potential negative impacts. The process is conducted collaboratively with stakeholders to assess, evaluate, manage, and mitigate challenges effectively.

To fulfill the requirements of the Transparency Act, Entercard evaluates risks in its operations using established risk criteria. This includes the internal risk framework, Country Scores from

the 2022 Transparency International Corruption Perceptions Index, and NACE code classifications for industries and activities related to vendors¹.

The risk assessment also considers regulatory obligations for vendors and partners required to comply with the Transparency Act. Enterprises subject to the Act are mandated to conduct due diligence in their own operations and value chains, which inherently reduces the risk of potential adverse impacts on fundamental human rights and decent working conditions.

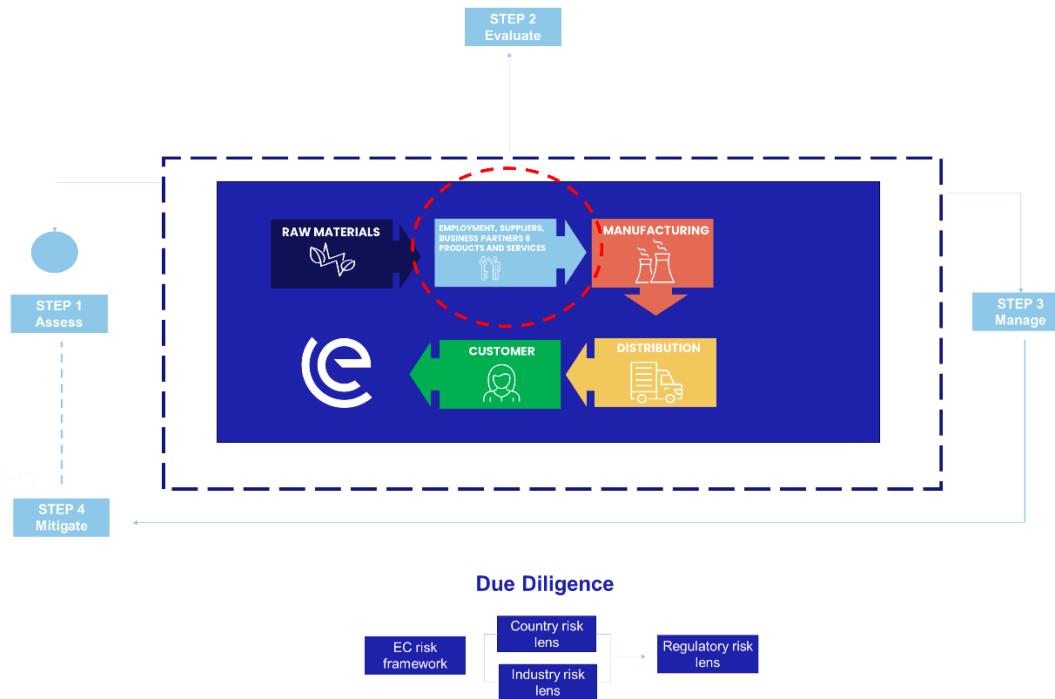


Figure 3 Due Diligence Process

Working conditions

Employment

Entercard is responsible for securing fundamental human rights and decent working conditions for its permanent and temporary employees. This is maintained throughout the entire duration of employment. Entercard has implemented a clear governance structure which consists of a code of conduct, policies, guidelines, steering documents, relevant committees, and other frameworks.

All relevant documents are shared with employees during the onboarding process and are available on the internal Intranet. All documents are regularly reviewed and updated. Local labor

¹ <https://www.transparency.org/en/cpi/2022>

<https://www.ebrd.com/downloads/about/sustainability/ebrd-risk-english.pdf>

laws, union agreements and regulations related to working conditions are defined in country specific handbooks. Human Resources is responsible for Personnel handbooks, employment contracts and related documents. Annual assessments of internal working conditions with relevant stakeholders are conducted in order to map the psychosocial and ergonomic work environment. Diversity, equality and inclusion secure fair treatment and equal opportunities for all employees. Any suspected misconduct believed to violate external laws and regulations, Code of Conduct or other internal policies can be reported through the Whistleblowing channel. This secure and digital platform ensures a safe and efficient process for submitting reports. Clear guidelines on the proper use of the Whistleblowing channel are provided on the internal Intranet.

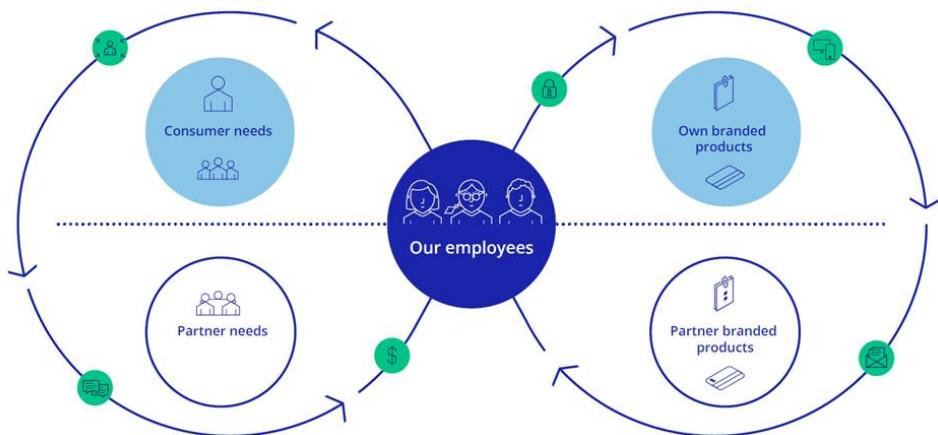


Figure 4. Entercard's stakeholders.

Supply Chain

Entercard will always set the expectations of fundamental human rights and decent working conditions within their own operations but also throughout the supply chain with direct vendors. Due to the nature of the business, the biggest direct vendors are software, consultancy, facility management and IT. In general, the risk of potential negative impacts is assessed as low. Even if the vendors are located within a country that potentially is at higher residual risk, they are assessed as low.

Following the enforcement of the Transparency Act, Entercard will perform an annual due diligence on its vendors to evaluate any potential negative impacts.

The risk assessment is conducted using a proportionality approach. Entercard has several vendors in their supply chain which fall under the obligations of the Transparency Act. Due to the nature of the business and the extent to which Entercard can influence any adverse impact on huge enterprises, the vendors have been listed into risk categories. Entercard has used other criteria for suppliers in scope, such as *not a one-off supplier* and a *minimum spending of 100 000 NOK*.

This year the risk framework is updated to simplify the due diligence. Low, medium and high risk with scores of 1-3 are established.

In 2024, Entercard engaged with 17 new vendors compared to the previous year. All suppliers are being assessed to be overall low risk. They are all under various categories, everything from HR services to marketing and insurance.

Entercard acknowledges the potential negative impacts further down the supply chain, especially when it comes to the production of office supplies (IT), waste collection and facility management to mention a few. Potential negative impacts are health concerns, forced and child labor, low wages and forced overtime and it is important for Entercard that all suppliers are aligned with the company's value and industry standards and that they uphold any clear agreements on how to mitigate this.

Entercard will continuously monitor the need for sending a supplier declaration. However, it has not yet found sufficient ground to justify its necessity. If subject to change, Entercard will of course reevaluate this need.

The assessment of any new vendors during a procurement process is considered to be robust and any potential negative impacts on human rights and decent working conditions are to be uncovered before an agreement is signed. The procurement process will continuously be monitored and developed.

Business Partners

Entercard maintains numerous strategic relationships with Business Partners, recognizing these partnerships as key drivers of strategic value. Clear expectations are set for all Business Partners to uphold fundamental human rights and ensure decent working conditions.

Currently, Entercard collaborates with over 50 partners across Sweden, Norway, Denmark, and Finland, encompassing a variety of companies, organizations, and banks.

The risk of potential adverse impacts on human rights and working conditions among Business Partners is assessed as low, consistent with the findings of the 2023 assessment. Entercard has established clear and robust partner agreements, which are expected to be strictly upheld.

Products and Services

Entercard's cards are produced with local plastic waste collected near the producer (Idemia). Their production sites are located in Stockholm and Oslo. This means there is no long-distance transport of plastic before it ends up in production. At least 85,5% of Entercard credit cards are produced using recycled plastic, with the aim of reaching 100%

The cards produced with recycled plastic save 7g of CO2 per card, as well as reduce 3.18g of plastic per card compared to a standard plastic card. This amounts to approximately 3,5 tons of CO2 and 1,5 tons waste saved per year. In addition to the focus on sustainable business, Entercard requires that the production and life cycle are performed in accordance with

maintaining and upholding fundamental human rights and decent working conditions. Entercard has continuous dialogue with their partners and visits their facilities regularly. The due diligence performed for products and services also includes the use of chemicals, Entercard considers this to be at minimal risk and no major changes from previous report conducted in 2023.

Communication and request for information

The Transparency Act gives the public the right to request written information. To manage these inquiries related to the Transparency Act, a dedicated email address has been established.

Entercard is obliged to respond to any inquiries within a reasonable time, i.e., 3 weeks from received request.

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