

Entercard Group AB 556673-0585



# Transparency Act (Åpenhetsloven) 2023



# 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 Transparency Act became effective in Norwegian law on 1<sup>st</sup> of July 2022. The following statement in accordance with the new law covers the reporting period from 1<sup>st</sup> of January until 31<sup>st</sup> of December 2023. 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.

No incidents nor weaknesses were identified in these areas.

## 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 1.7 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 Finland. See below an overview of Entercard's markets, products, and channels (Figure 1).

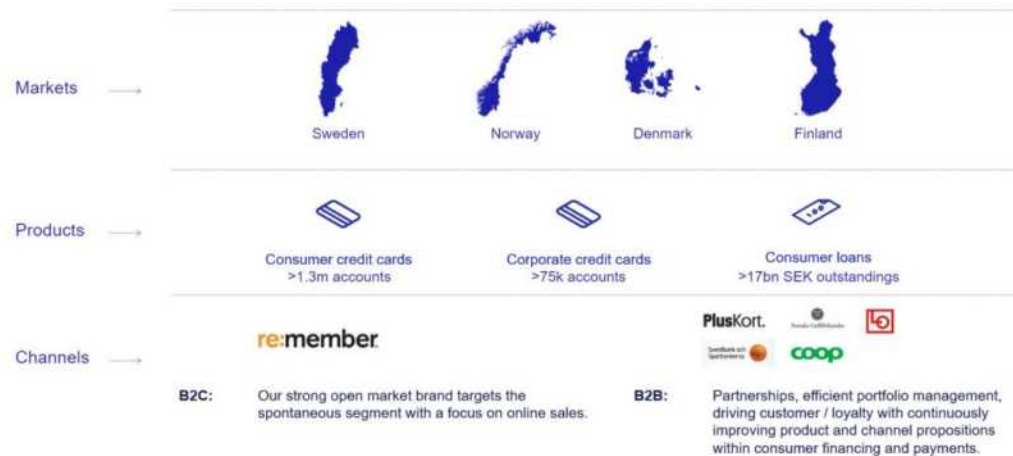


Figure 1. Overview of markets, products, and channels.

Entercard is licensed under the Transparency Act on banking and finance to pursue credit granting. 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 400 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.

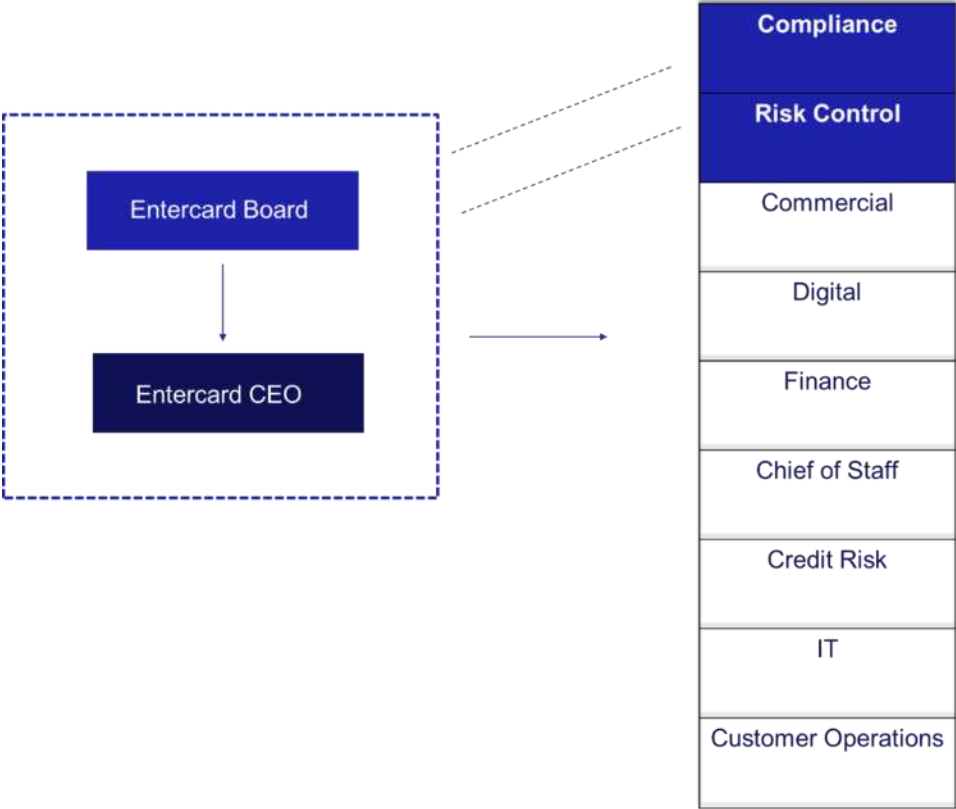


Figure 2. Entercard organization overview.

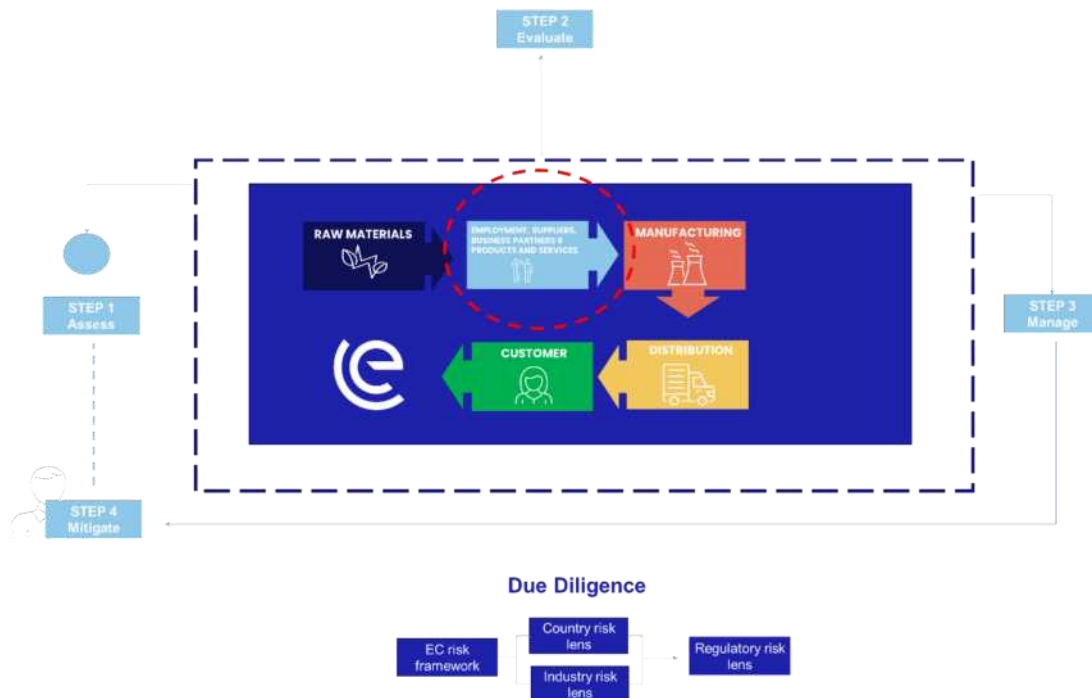
## Due diligence approach to identify actual or potential negative impacts

In accordance with the Transparency Act, Entercard has conducted due diligence in alignment with The OECD Guidelines for Multinational Enterprises process outlined below in Figure 3. The guidelines aim to enable any enterprise to develop more sustainable and responsible business. The due diligence process enables Entercard to transparently identify any actual or potential negative impact, however, it does not imply that a company does not have any negative impacts on humans, society, or the environment. Due diligence is done with stakeholders to assess, evaluate, manage, and mitigate challenges together.

To comply with the Transparency Act, Entercard evaluates risks involved in its operations using an established risk criteria,

Entercard's use established criteria to assess risk, including the internal risk framework, the Country Scores in the 2022 Transparency International Corruption Perceptions Index, the NACE code industry, and activity classifications for vendors<sup>1</sup>.

The assessment considers the regulatory requirements related to vendors or partners where they are obliged to adopt the Transparency Act. Businesses subject to the Transparency Act are mandated to perform due diligence of their own business and value chain and therefore have a lower risk of potential adverse impact on fundamental human rights and decent working conditions.



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

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

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 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.

Entercard has performed an assessment of internal working conditions together with relevant stakeholders such as mapping of our psychosocial and ergonomic work environment. Diversity, equality and inclusion secure fair treatment and equal opportunities for all employees. A severity and probability approach were used in the assessment of internal working conditions, where scores from 1-5 were applied. The risks are categorized into three categories: red, amber, and green. Red indicates a non-acceptable risk, where measures should be implemented immediately. Amber indicates a risk that should be monitored and may require intervention. Green indicates no measures are needed.

The outcome of this assessment resulted in awareness of the workload and work life balance, and the need to be aware of the importance of not have exceptionally long meetings, use the raise and lower desk often and generally be aware of the importance to get up and move. There was no non-acceptable risk identified and no measures needed to be implemented, however there are risks that need to be monitored and followed up if there are several incidents over time.

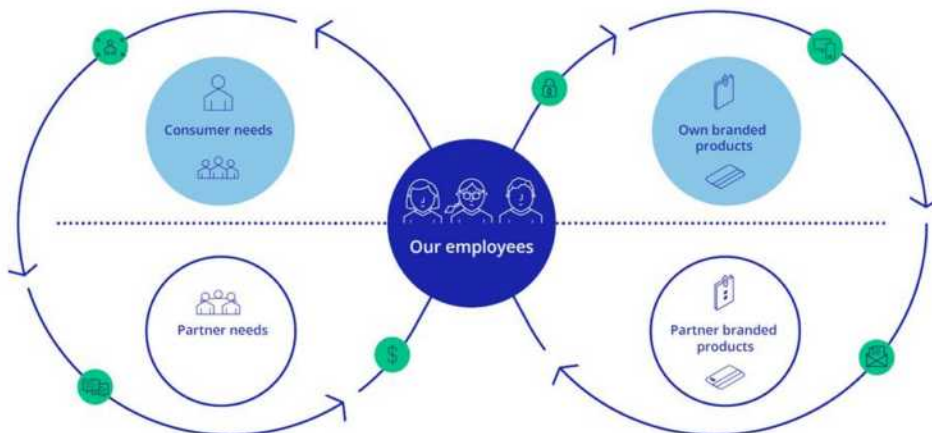


Figure 4. Entercard s stakeholders.

## 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, 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. Entercard's procurement processes are robust but will continuously be monitored and developed.

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*.

Entercard has defined Facility Management suppliers as a risk category, which includes canteen, cleaning services and other services. The initial screening included 15 suppliers, however, if including businesses subjectively required to perform due diligence themselves under the Transparency Act, only two suppliers are in scope. The risk level of these two suppliers is low and they do not require further due diligence.

Entercard will continuously monitor the suppliers by using the relevant risk criteria if there are any vendors that are subject to change. Entercard has developed a supplier declaration which can be used to ensure fundamental human rights and decent working conditions are upheld throughout the whole supply chain. This will be continuously monitored and reviewed if Entercard will continuously monitor and review the necessity of sending the declaration to suppliers.

The screening of the whole supply chain shows that 414 suppliers are at minimal risk when using the Transparency Corruption Index Perception. When applying the EBRD Environmental and Social Risk Categorization List, there are 17 suppliers at medium risks, however, they are at insignificant risk when also applying the other risk lenses defined in the report.

## Business Partners

Entercard have several Business Partners and the relationships are considered an important strategic value driver. The expectations of the Business Partners to uphold fundamental human rights and decent working conditions are clear. Most of Entercard's Business Partners operate in Sweden, and therefore they are not a part of the assessment. Entercard has smaller Business Partners in Norway such as ISB, which are smaller bank Partners. Entercard

assesses the risk of any potential adverse impacts on human rights and decent working conditions of any Business Partners as low.

## **Products and Services**

In September 2022, Entercard began using recycled plastics for the credit card portfolio. The cards are produced with local plastic waste, collected near Idemia's (Entercard's card producer) production sites, near 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.





## 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.

[Transparency@entercard.com](mailto:Transparency@entercard.com) or [Apenhetsloven@entercard.com](mailto:Apenhetsloven@entercard.com)



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# Verification

Transaction 09222115557512989869

## Document

### Transparency Act Report 2023

Main document

10 pages

Initiated on 2024-03-15 16:00:55 CET (+0100) by Kristin Robertsen (KR)

Finalised on 2024-04-03 12:51:37 CEST (+0200)

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