Responsible Banking Progress Statement: Summary

Diners Club del Ecuador 2024

Principle 1: **Alignment**	Principle 2: **Impact & Target Setting**	Principle 3: **Clients & Customers**
Diners Club is an Ecuadorian bank whose main activity is issuing credit cards. Its main card is Diners Club, but it also handles other cards such as Discover, Visa and Master Card. It has a total of 1'653.410 cardholders, of which 12.868 are clients with corporate accounts. It also has 28.691 clients who hold investment products Its programs are aligned with the Sustainable Development Goals which link the business with global initiatives to reduce social and environment impacts. It is also part of the Global Compact principles since 2007.	Since joining the Principles for Responsible Banking in 2019, Diners has aimed to generate sustainable responses in its management though the use the UNEP FI Impact tool. Once the analysis is carried out, Diners assures that its actions have the relevant impact on climate change, financial health and inclusion. Within this framework, Diners has identified some activities to mitigate these impacts, focusing on two objectives: reducing the corporate carbon footprint and implementing a financial education program.	In terms of Diners relationship with its customers, it has implemented some initiatives to promote engagement in its sustainability efforts. The company has established donation campaigns to support UNICEF in its effort to strengthen the education system. Through initiatives such as customer contributions to the urban reforestation program, its customers have the opportunity to get involved in initiatives that reduce environmental and social impacts. This helps the company strengthen customer loyalty.
Links & references See pages No. 129 to 136 2024 Sustainability Report	Links & references See pages No. 105 to 117 & 140 a 148 2024 Sustainability Report	Links & references See pages No. 133 to 135 2024 Sustainability Report

Principle 4: **Stakeholders**	Principle 5: **Governance & Culture**	Principio 6: **Transparency & Accountability**
Diners holds biannual meetings with stakeholders to prepare the sustainability report and promote dialogue based on the AA 1000 and aligned with the GRI methodology. This report includes material aspects and since 2025, it will also include the double materiality analysis. This process will give Diners important information to structure the sustainability strategy for the next years.	Diners has established guidelines to strengthen its governance system around sustainability, such as the creation of a Sustainability Committee to identify the activities necessary for implementing an ESG system. These activities have been shared with other areas of the organization to generate a culture of sustainability. One example of this is the double materiality study, which provides important information within this objective.	Every year Diners publishes a Sustainability Report as to ensure transparency in its management. This report is verified by a third party to validate the accuracy of the information.
Links & references See pages No. 34 to 35 2024 Sustainability Report	Links & references See pages No. 18 2024 Sustainability Report	Links & references See pages No. 151 2024 Sustainability Report *(We are in process of verifying the report information)*

Supplements template

Principle 1:
Alignment

Business model

Diners Club Ecuador has focused its business model on consumer banking. Its main product are credit cards. Its service extends nationwide, with its headquarters in Quito and offices in major cities such as Guayaquil, Cuenca, Ambato, Manta, and Machala. Its customers are categorized as follow:

Personal customers: 98%
Corporate: 1%
Investors: 1%

Its product portfolio includes franchises for different credit card brands. At the end of 2024, personal customers were distributed as follows:
Diners Club - 731,805
Mastercard - 176,714
Visa - 550,488
Discover - 194,403

Strategy alignment

Due to its business model, Diners has not focused its management efforts on delivering productive loans, so it has developed initiatives to comply with international agreements aligned with sustainability, particularly those focused on corporate management. It signed up to the Ecuador Zero Carbon initiative promoted by the Ecuadorian Ministry of the Environment. As part of this process, it has measured and certified its corporate environmental footprint through a third party.

Risk Management

At the end of 2024, Diners began the double materiality analysis process, and with these results, it has identified its ESG risk matrix. Is has also developed a policy and methodology for managing ESG risks within the organization.

Principle 2:

Impact & Target Setting

Impact Analysis

To identify the impact of its operations, it implemented the UNEP FI Impact Tool. As a result of this analysis, it identified the main areas of impact in two aspects: Climate mitigation and financial health & inclusion. With the intention of deepening this analysis, it has carried out a double materiality study, which, among other aspects, shows that the company must focus on education and financial inclusion.

The recent double materiality study has provided important information, which the company is using as an input for updating its sustainability strategy.

Context

In line with what has been described above, the company is currently updating its ESG strategy. Once this work is completed, it will be able to set new goals in terms of the impacts identified in the double materiality study that aims to improve the organization's sustainability.

Principle 3:

Clients & Customers

Client and customers engagement

By including its customers in the campaigns and programs, Diners seeks to engage its customers in a culture of sustainability and awareness of contributing to social and environmental initiatives. One example is its alliance with UNICEF, through which it runs a fundraising campaign to benefit programs aimed at strengthening the education system.
On the environmental line, it promotes an urban reforestation campaign that includes a fundraising initiative.

Business opportunities

Based on the double materiality study, it is identified as an opportunity the development of sustainable financial products that promote responsible investment to diversify the product portfolio, and with it the investment volumes which will generate higher commissions and associated fees. This is an important input for identifying a business strategy that allows Diners to work in this direction.

Principle 4:

Stakeholders

Every two years Diners holds a dialogue exercise with its stakeholders, based on the AA 1000 aligned with the GRI methodology for the preparation of its annual sustainability report. In this report, the company publishes the results of the dialogues, and based on the GRI methodology it establishes the material aspects described in the report.

This year it is working to implement the double materiality analysis; this process will give Diners important information to structure the sustainability strategy for the next years.

Principle 5:

Governance & Culture

Governance structure

Diners has worked to establish a governance structure to ensure the sustainability of the organization. To this end, a sustainability committee has been appointed to identify the necessary activities in terms of sustainability.

This committee is made up of representatives from different areas of the organization, such as business, administration, human resources, customer service, and others, with the aim of ensuring that the decisions made are shared throughout the organization.

Policies and due diligence processes

The company has worked on a double materiality analysis, and because of this study, it has identified the impacts, risks, and opportunities faced in terms of the organization's sustainability. This analysis has helped Diners identify the challenges faced in this regard across different areas.

Principle 6:

Transparency and Accountability

Disclosure frameworks

Every year Diners publishes its Sustainability report based on GRI and Global Compact frames.

Assurance

The Sustainability Report is verified by a third party for compliance with GRI indicators.