



ALEKTUM GROUP

Sustainability Report 2020

Contents

To add value through sustainability	3
Driving forces	4
Our policies span many focus area	4
Responsibilities	6
A responsible debt management preserving the social contract	8
Dedicated work that sharpens customer relations	10
Environmental aspects	10
Employees- our most valued assets	12
Respect for human rights and customer integrity	14
Countering corruption	16
Whistleblowing system	17
About the sustainability report	19

To add value through sustainability

We believe in people. And we know that behind every debt there is a person. By making it easier for people to do the right thing, and to honour their agreements, we can make a difference. Through our knowledge, dedication, and deeply rooted values, we aim to contribute to a healthier society. A society where everyone has the opportunity to maintain balanced personal finances, and companies can rely on getting paid for their products and services. By pursuing our beliefs, we enable our customers to achieve a sustainable cash flow, thereby empowering a long-term perspective and growth.

The business model of Alektum Group

We deliver unique high quality and -reliable solutions that optimise our customers' long-term growth and cash flow with sustainability as an integral part of all our dealings.

The way we do business

We conduct our core business, debt collection, in a business-ethical and socially responsible manner. We commit to guiding individuals in debt to sustainable finances so that they can have a life of their choosing. Today *and* tomorrow.

Our sustainability work is continuous and intensive work, including follow-up and reporting. In dialogue and collaboration with our stakeholders - customers, debtors, employees, owners, and investors - our primary focus is on areas such as; Responsible Debt Collection, Employees, Social Responsibility, Diversity and Gender Equality, Customer Integrity, Risk Control, Anti-Corruption, and the Environment.

Our strong focus on these areas allows us to deliver value to our customers, debtors, employees, and owners. Through solid routines and processes, proactive work, regulatory compliance, and high business ethics, we ensure that risks are continuously reduced.

Driving forces

We encourage individuals to make sustainable choices and to be inspired to lead a sustainable life and thereby be able to contribute to a more durable development.

We contribute to a sustainable society by supporting both customers and debtors in their strive towards balanced finances.

Our policies span many focus areas

Our policies apply to employees, associates, and third parties who undertake activities for and on behalf of Alektum Group. They apply to products and services we procure, our direct operations, and the services we provide to our customers and debtors. We are committed to creating a sustainable society by actively managing our operations in a way that balances our social, environmental, and economic objectives. To do this, sustainability considerations are woven throughout a suite of interdependent policies and procedures that are implemented collectively to support the objectives of our sustainability work.

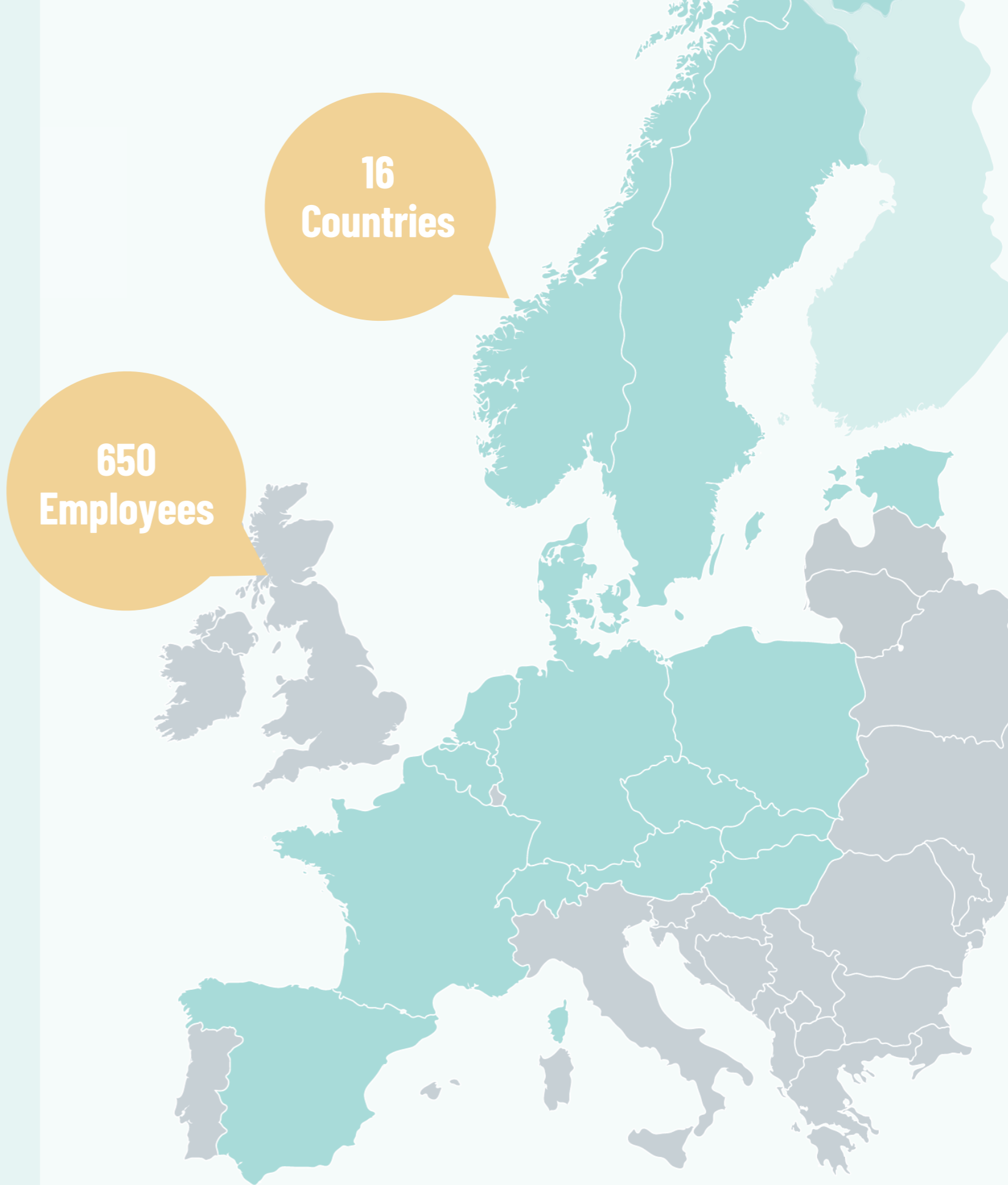
Purpose of our policies

To provide an effective framework for realising Alektum Group’s commitment to creating a sustainable society by protecting, and where possible, enhancing the Groups social, environmental, and economic impacts, reducing social inequality, and driving sustainable economic development.

The impact of our policies

With over 650 employees across 16 countries, we recognise that our activities have wide-ranging and interconnected impacts on the economy and society. We work in partnership with customers and others to enable growth, create jobs and improve the lives of residents and local communities. In recognising this, Alektum Group is committed to contributing to a more sustainable society and to continually improve the positive impacts we make by ensuring:

- Compliance with all relevant legislation and standards
- Our employees, customers, and suppliers are encouraged to support our sustainability commitments
- We continue to develop services that meet the needs of individuals with unbalanced private finances
- We continually review how we can make improvements to our sustainability performance



Responsibilities

All employees are responsible for ensuring that our policies are adhered to.

For us to realise our commitments, sustainability performance is driven by the Chief Executive Officer and the Management Team, through our:

- Shared Values: Simplicity, efficiency, innovation, and quality
- A culture characterised by personal accountability, customer focus, collaboration, and simplicity
- Shop Lagom, an initiative intended to help individuals find their financial balance, our ambition is to positively affect society and actively work with financial sustainability
- Service offering, ensure that it targets and supports our customers and debtors in a sustainable way
- Travel Policy
- Environmental Policy which covers energy, waste, recycling, and paper usage
- Developed guidelines and routines together with appointed data protection officers, in the Group, that are responsible for monitoring and follow-up of compliance with the General Data Protection Regulation (GDPR)

To realise our sustainability objectives, we both recognise the need for and are committed to communicating these objectives to our suppliers, employees, customers, and wider stakeholders. This is achieved via our procurement processes, and our existing communication channels to employees including the business plan, intranet, team briefings, and employee onboarding processes.

This report and the actions arising from it will be annually reviewed as part of the business planning process which involves the management team and the board, as well as our auditors.

Our responsibility as an employer

As an employer, we work focused on gender equality, equal treatment, diversity, a good working environment, development opportunities, participation, and meaningfulness. We ensure that our employees are treated equally, with respect, and are given equal opportunities for professional and personal development. Also, we ensure that work is conducted in a safe physical and psychological environment.

Our responsibility as a debt collector

As a debt collection company, we want to conduct long-term and responsible work with explicit responsibility for the debtor and the individual. Social and economic sustainability, as well as human rights are important and are taken into account in all decisions.



Responsible debt management preserving the social contract

We live in a time where unpaid debts are on the rise all across Europe. More people consume above their means and end up in unsustainable situations. Situations challenging both for the over-indebted, for businesses, and society at large.

Our ambition is to give people the opportunity to live the life they want and can afford – today and tomorrow.

Responsible and humane management of debtors and their debts is based on transparency and clarity of the conditions that apply in society as well as the credit terms. Through proactive work with our initiative Shop Lagom, we contribute to actively strengthening the social contract.

Debt collection is Alektum Group’s main business and crucial for our profitability. All in all, this means that we have daily and recurring contact with debtors who have payment difficulties or worries. Our work involves seeking optimal ways for the debtor to move forward to a long-term sustainable financial situation. Many different solutions, alternatives, flexibility and, not least, personal advice for payment solutions are crucial parts of our work. Being able to carefully evaluate the different perspectives of the debtor’s situation are keys to Alektum Group’s decision regarding the individual debtor’s case.

We work proactively to create sustainable financial conditions for people. Through our initiative Shop Lagom, we want to inspire and help people to a balanced consumption. It is not about getting people to stop shopping, but to guide them to find their own “lagom”, the appropriate economic balance of their life.

Through Shop Lagom we want to highlight the connection between over-consumption and over-indebtedness and in doing so exercise our social responsibility and actively contribute to social and economic sustainability..

Our ambition is to build knowledge and financial literacy while inspiring as many people as possible to find their financial balance. We are certain that other companies share that same ambition and have therefore initiated a Shop Lagom partner program. The first company to join, and officially partner up with us is Resurs Bank. Together our ambition is to make an impact and to facilitate for people to find their “lagom”.

Our ambition is to:

- Contribute to people gaining balance in their personal finances and thereby control over their expenses
- Contribute to sustainable development in trade - wise, safe and long-term sustainable choices when shopping

And we do it by;

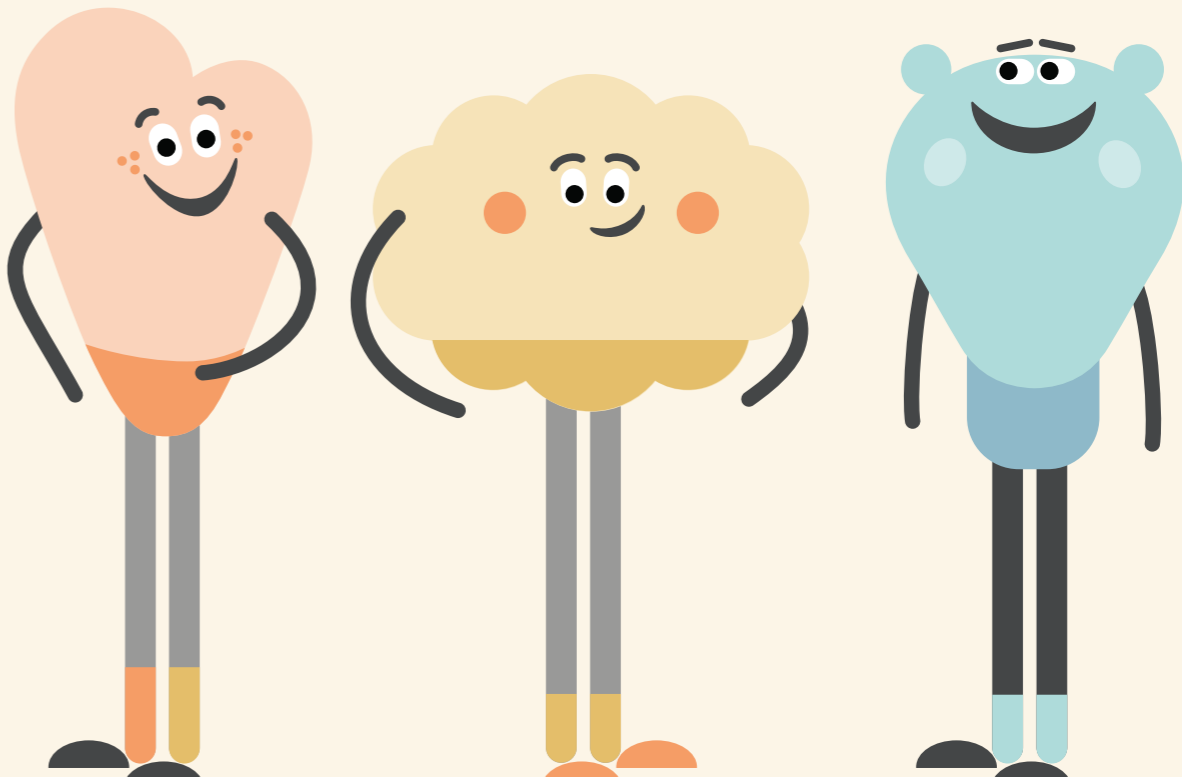
- Develop tools and information that encourages and creates good habits and the opportunity to avoid debt
- Raise the issue of over-consumption, and work actively to counteract it and thereby also over-indebtedness

Key Performance Indicator – Social Contract

Recognition, awareness and association of Shop Lagom are keys to measuring our performance. So far, the level of brand recognition has been measured once. This proved a rapid raise – from zero to 15 % recognition in Sweden within less than nine months since the launch of Shop Lagom.

Risk Analysis – Social Contract

Identified risk	Consequences	Risk management
Perceived to be causing increased indebtedness	Customer satisfaction Damage to the brand	Personalised handling of each debtor Shop Lagom



Dedicated work that sharpens customer relations

We work diligently together with our customers to ensure a sustainable debt collection process that benefits both customers and debtors, while at the same time counteracts over-indebtedness. We work continuously to further develop and refine our communication with debtors to ensure a personalised experience and handling, concerning technical solutions, payment solutions, and communication channels. With the ultimate aim to strengthen the relationship between our customers and their customers, the debtors.

Environmental aspects

- An established goal is to always consider environmental aspects when purchasing products used in the business, everything from vehicles and fuels to copy paper and pens. This has led to a transition to more environmentally friendly products. Compliance with the requirements is a must and is discussed at staff meetings.
- Goals are set for the business to greatly increase the use of environmentally friendly, non-fossil fuels, as well as requirements for measures to reduce our total fuel consumption.
- Increase the use of computers and adequate software to reduce paper use, and to disseminate information to staff, customers and suppliers.
- We source sort our waste and leave all paper for recycling.
- We always choose sustainable and energy-efficient solutions. We use low-energy lamps in the luminaires and all our premises have lighting control and windows with double energy efficiency where possible.
- Specified environmental policy for employees

All employees within the company are informed about and trained to follow the environmental policy. It is the responsibility of each manager to ensure that employees who are affected by specific goals, rules, routines, or other information grasp and adapt behaviour to them.

Purchasers are responsible for ensuring that environmental considerations are taken into account in all purchases and procurements. Conducting active environmental work and reducing the company's environmental impact is a continuous work with constant improvements.

The environmental policy is updated annually. A balance of what is technically possible, economically reasonable, and ecologically justified must be made in each issue where the environmental impact may exist.

Key Performance Indicator – Environment

The KPI: s of this heading is worked on and will be included in the sustainability report of next year.

Risk analysis – Environment

Due to the minor environmental impact we, as a company have, we have postponed the risk assessment until next year's report. By then we will also have the corresponding KPI:s established.



Employees

Our most valued assets

Through our employees’ different knowledges, experiences and continuous individual development, we achieve the company’s different goals. The same factors affect our working environment and make it healthy and characterised by good leadership, gender equality and diversity.

All our approximately 650 employees are encouraged – and expected to – participate in developing the company by always asking what you can do to help the team, improve your performance, and how you can make a difference for the company.

Our solid performance management process is a breakdown of the overall company goals on a team, as well as individual level. This secures transparency, commitment, and performance on all company levels.

Having employees with the right skills and expertise determinates us, therefore we work strategically to attract and retain employees needed for the long-term development and success of the company.

Leadership

The leadership of our managers accelerates and optimises our performance and values for our employees, customers, debtors, and owners. By continuously training and evaluating their skills we ensure that they lead and work in accordance with our strategy, values and, not least, our key behaviours.

Measuring the “employee temperature” on a weekly basis and Employee Net Promoter Score (eNPS) on a monthly basis, gives us an additional channel for employee participation and input. It enables us to work with continuous improvements with regards to employee commitment and leadership performance to strive for our ambition to be an employer of choice.

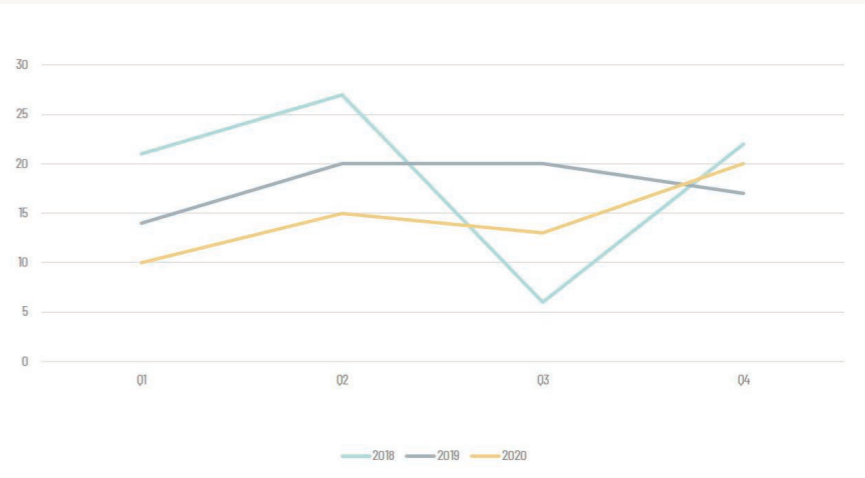
Through the eNPS we learn about our employee’s loyalty towards the company which is a crucial factor to build a strong employer brand. Alektum Group follows the progress of eNPS on a quarterly basis and from that knowledge implement initiatives needed to support knowledge about our Employee Value Proposition.

Competence

Competence, experience, and training of our employees are vital for the correct and humane treatment of the debtor. In addition, our routines and processes are developed with different levels of decision-making authority. Together, it provides the right conditions for a respectful and compassionate assessment of each debtor’s situation.

Key performance indicators – Employees

Employee Net Promoter Score



Risk analysis – Employees

Our Employees are our most valued asset and a vital resource to deliver value for our customers. Therefore, being an Employer of Choice that attracts both new employees and offers challenging and fun personal development opportunities for current employees, is very important. Without the right person on the right job and the processes and tools to support that, we risk a low customer satisfaction and lost market value.

Identified risk	Consequences	Risk management
Lack of Leadership Capabilities	Employee engagement Employer Brand Company Performance	Leadership training and coaching Employee Experience survey
Low Employee Experience	Employee turnover Employer Brand Customer Satisfaction	Internal Training Programs Career Paths Management Performance- & Potential Review

Respect for human rights and customer integrity

The debtor's right to privacy is crucial. We continuously work actively with privacy issues such as the protection of personal data, working conditions, equality, and non-discrimination. It is part of respecting and promoting human rights. All employees and everyone who represents Alektum Group must treat each other, our customers, and debtors equally and with respect and dignity, meaning that we follow and respect our ethical principles and guidelines.

To protect the debtor's personal information and safeguard their privacy is central to us. Integrity is an obvious part of good customer and debtor relations and is based on good compliance with laws and internal regulations that specify how data is to be protected or used.

The large amount of personal data we handle means that integrity and secure data management is a crucial sustainability issue. We have both a legal and ethical responsibility to handle sensitive information in a way that guarantees respect for personal integrity.

Appointed data protection officers in the Group, who are responsible for monitoring and follow-up of compliance with the General Data Protection Regulation (GDPR). To ensure the correct handling of personal data, Alektum Group has developed guidelines and routines in the area and an organisation that works daily to handle these issues and ensures compliance with regulations and internal governing documents.

Key performance indicators - Human rights

- Number of incidents involving loss of customer data – Null (0)
- Number of complaints submitted to authorities regarding breaches of privacy protection – Eight (8). Each has been reported by Alektum Group, without leading to any consequence.

Risk analysis - Human rights

With regard to the large amount of data we handle from our customers, information security and data management is one of our most important sustainability issues. Improper use of sensitive data, or loss of data, could cause great harm to affected individuals, as well as to our customers and our business. Alektum Group works proactively with risk owners and incident reporting. All with the aim of identifying in time and preventing sensitive data from being handled incorrectly. The rapid development that is currently taking place within the GDPR, among other things with regard to the legal requirements and thus the possibilities for processing of personal data, clarifies the need for security measures and system support. Alektum Group's employees are continuously updated on new legislation and case law to ensure lawful and correct handling of personal data within our processes.



Countering corruption

We must act ethically correct in all parts of our business. We never accept corruption and act directly against corruption in all its forms. Our work against corruption is proactive, with the aim to detect and prevent.

Our business is subject to a number of rules and regulations and is subject to permits and authorisation under different authorities. In order to live up to legislations and regulations, an internal regulatory framework has been developed, namely Alektum Group's governing document. In addition to this, Alektum Group has a number of functions and processes with the aim of, among other things, preventing corruption and other financial crime.

As a player in several markets in Europe, we, like other companies, are exposed to corruption risks in our operations. We have zero-tolerance for corruption, and our Code of Conduct guides our employees and others who represent the company in how we should act to manage this risk. By ensuring that each employee undergoes a suitability test when recruiting, we ensure quality and minimise risk.

Nor do we participate in financing activities that are considered harmful to individuals, society, and the environment. We place corresponding demands on our customers, suppliers, and partners and no transactions or collaborations are entered into that does not measure up to the requirements and expectations in our Code of Conduct.

Key performance indicators - Corruption

- Number of completed KYC:s according to legal requirements – Fiftyseven (57)
- Frequency and number of completed AML/ KYC trainings for employees – Three (3) trainings sessions per year
- Number of conducted reviews/audits of our largest partners – One (1)

Risk analysis - Corruption

As a player operating in many markets, we are just like other companies exposed to corruption risks. Attempts at corruption, bribery, and money laundering can be directed at us/ our employees in various contexts and in contacts/ relationships with various stakeholders. There is therefore a risk that employees will be influenced by external parties in order to benefit interests other than the Alektum Group's. Notwithstanding that the debt collection business is not subject to the money laundering regulations, Alektum Group has chosen to obtain corresponding information from customers on a voluntary basis, to obtain knowledge about our customers and the customer's ownership or through the payment transactions that are made.

Whistleblow system

An important part of the work against corruption is our whistleblower system, and the provision of an anonymous whistle blower channel for reporting suspected irregularities. We carefully investigate suspected cases of violations of our policies and take the necessary measures to ensure that neither bribery nor corruption occurs within our business.

If anyone, employee or customer, notices irregularities, it is obligatory to report the information further. In the event of such observations and/ or incidents, an investigation is made based on the routine developed and measures are taken.

Key performance indicators - Whistleblow system

- Number of reported incidents within the framework of whistleblower system – Null (0)
- We are introducing a new system that will be in place during 2021

Risk analysis - Whistleblow system

Despite active sustainability work, there is a risk that incidents and violations of our internal instructions and Code of Conduct may occur. We strive for all employees and other parties to feel safe in reporting incidents that violate our ethical guidelines and urge to always report suspected violations.



About the sustainability report

This is Alektum Group's first sustainability report. It constitutes the formal sustainability report in accordance with the Annual Accounts Act, Chapter 6, Section 11, and is included, as part of the administration report, in our annual report. The auditor's review of the report is attached as a form of an opinion that the report has been prepared. The report is published at alektumgroup.com.

The content of this report is based on our primary sustainability focus areas. We will prepare a sustainability report, covering one financial year, annually.

The primary target group for sustainability reporting is our owners, investors, and our financial partners as well as customers, employees, and, of course, society at large. The ambition is for us, to be able to shed light on the most important issues in this report.

Next step

In 2021, we have the ambition to implement the tools and models for reporting our sustainability data. This is to create more standardised and systematic handling of relevant data. In this way, we intend to increase the quality and traceability and create follow-up opportunities for our sustainability work over time.

The stakeholder dialogues

We conduct an ongoing dialogue with various stakeholder groups, to give us knowledge and insights. Not least regarding future expectations that stakeholders and the outside world have. With the help of this work, we intend to be able to prioritise our work with various sustainability issues.

Management of our sustainability work

Debt collection, which is our main business, entails high demands on business ethics and responsibility for the impact our actions have on people and society.

The basis for us is to always follow the laws and regulations that apply in the countries where we operate.

Our corporate culture is a key and guiding light in this work. The basis of the culture is the values that have guided us since Alektum Group started and which are firmly rooted in our business model.

The strategic direction for our work with sustainability issues is determined by the CEO, who is also ultimately responsible for them.



ALEKTUM GROUP

Head Office

Alektum Group AB, Nils Ericsonsgatan 17, Box 111 08
404 23 Göteborg

info@alektumgroup.com