

# SUSTAINABILITY REPORT 2022



ALEKTUM GROUP

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## Adding Value Through Sustainability

Although climate change is one of the biggest challenges of our time, the notion of sustainability has shifted to not only include the environment, but also to include sustainable lives and societies. Through our sustainability framework, we prioritise areas where Alektum Group can have the greatest impact. Our sustainability work enables long term value with people, society, and the environment in focus.

*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.*

# Alektum Group Driving Forces

Alektum Group is a Swedish, family-owned debt collection company founded in 1992. For the past 30 years, our mission has been to help businesses across Europe to achieve long-term growth and sustainable cash flow by minimising credit loss, through high-quality solutions and fair and ethical debt collection practices. With an ambition to always build trust through transparency and with sustainability as an integral part of all our interactions, we generate financial value for our customers. We do that by helping them get paid for their products and services, enabling a more predictable cash flow and further economic growth. At the same time, we are committed to guiding individuals to sustainable finances, so that they can live a life they can afford, today and tomorrow.

## Our Approach to Sustainability

Defaulting payments is a growing problem in the wake of rising interest rates and inflation. Our ambition is to help and inspire people to balanced personal finances. By enabling individuals to become debt free, and providing advice and support on financial issues, while ensuring that companies get paid, we promote a sound economy for society at large.

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

- That we conduct fair and ethical debt collection
- That we see each person, and their unique situation, behind every debt, and treat them accordingly
- That we have a great commitment to help and inspire others to balanced personal finances
- A way of working that promotes social and economic sustainability for our customers, debtors, and employees
- That we see human rights, integrity, privacy, and respectful treatment of everyone as top priorities

Sustainability, ethics, and corporate social responsibility are central in Alektum Group's operations in all our markets and subsidiaries. Sustainability is an integral part of Alektum Group's culture, values, and business and the work is based on our brand promise "To help and inspire people to live a life they can afford".

Alektum Group has continued to improve the maturity and sustainability awareness within the entire organisation and further improved policies and processes. We aim to contribute to sustainable societies in all of the markets we operate in. 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 efforts towards balanced finances.

Our progress in the past year includes the following notable efforts:

- Group Compliance Director appointed
- Sustainability Group formed
- Conducted the first part of our materiality and impact assessment
- Further developed our sustainability agenda with clear and measurable targets

## About this report

This sustainability report has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, and is included, as part of the administration report, in our annual report for Alektum Group and its subsidiaries. The content of this report is based on our primary sustainability focus areas. This report and the actions arising from it will be annually reviewed as part of the strategic planning processes which involve the management team and the board of directors, as well as our auditors.



*"As a collection company, we have an important role to fill in society. We can make a difference. Offering the right solutions to both customers and debtors is one part. To inform and educate people on how to achieve financial balance is another. This way, we can help both individuals and companies to a more sound and sustainable economy."*

Mats Augurell, CEO Alektum Group



# Enabling a More Conscious Economy

With over 700 employees across 14 countries, we recognise that our activities have a wide-ranging and interconnected impact on the economy and society around us. 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 minimising any potential negative impact and improving the positive impact we make.

Our goal is to embed sustainable thinking and processes across the organisation, to ensure compliance with all relevant legislation and standards, and to continue to develop services that meet the needs of indebted individuals. We continue to integrate a sustainability perspective as a natural element in everything we do because we believe that it creates long-term value for our customers, employees, the company, and society as a whole. Alektum Group’s sustainability strategy is now fully integrated in the business strategy to better align our efforts. As our company presence grows, so too does our responsibility to track and share how our business affects the society around us. Applicable legislation and other relevant requirements are followed and considered as minimum requirements.

Through our sustainability framework, we prioritise areas where Alektum Group can have the greatest impact. Sustainability for Alektum Group centers around social responsibility, financial sustainability and a long-term perspective with people and society in focus.

We believe that sustainable strategies are crucial to continuing to create value, both for our customers, employees, and society at large. In this sustainability report, we describe how we make a difference, the material topics that are relevant to us and our stakeholders, as well as expected goals and outcomes. From, 2023, we aim to set sustainability goals for each area. The ambition is to set those goals every three years and update the targets so that we continually advance our sustainability efforts. On behalf of the Board, the CEO and the Group Management Team are responsible for the overall sustainability strategy. The responsibility to drive the sustainability agenda forward lies with the SVP Corporate Communications and Marketing. The work is led by the Brand & Sustainability Manager together with a Sustainability Team comprised of representatives from various functions within the company.

Our sustainability work is based on a group-wide strategy and four focus areas with related goals that guide us in our daily work.



## Fair and Ethical Debt Collection

Fair and ethical debt collection practice is vital to our business. We, therefore, have extensive educational programs for our employees so that they can provide the best service to both customers and the debtors. At the same time, we have implemented solutions that ensure a smooth experience tailored specifically toward each debtor.

We aim to exceed customer expectations by the way we conduct business and through the respectful treatment of defaulting payers.



## Governance

Compliance and privacy protection are top priorities for us as we operate in a highly regulated industry. We have a strong focus on activities related to data privacy and information security and policies and procedures have been adjusted to reflect the risk situation.

Regular compliance audits are carried out at a Group level, such as audits regarding disputes, debt collection, and GDPR. Internal courses are held regularly to ensure awareness and knowledge.



## Social Responsibility

Our goal is to empower and enable people to make informed decisions and take control of their personal finances. We aim to enable sustainable finances for our debtors and customers, and to increase financial literacy among children and adults through our various CSR initiatives.

By raising the issue of over-consumption and financial literacy, in places such as the political week in Almedalen, and working actively to counteract it, we thereby also minimise the risk of over-indebtedness.



## Sustainable Workplace

We believe that a sustainable workplace is vital to both engagement and to a better customer experience, which is why we strive to provide healthy working conditions and an inclusive culture free from all forms of discrimination.

We aim to be perceived as a preferred employer. We have zero tolerance of workplace harassment and discrimination. Everyone is treated with equality, dignity and respect.





# Policies and Guiding Documents

Alektum Group has a set of policies and processes in place to mitigate risk and prevent negative impacts, as well as processes outlining how to respond appropriately should negative impacts occur.

All employees are responsible for ensuring that our policies are adhered to. The purpose of the Group's policies is also to provide an effective framework for our corporate governance standards and for realising our commitment to actively working with our social, environmental, and economic impact. Through solid routines and processes, proactive work, regulatory compliance, and high business ethics, we ensure that risks are reduced and that we deliver value to our customers, debtors, employees, and owners.

Our policies apply to employees, associates, and third parties who undertake activities for, and on behalf of, Alektum Group. The policies apply to the products and

services we procure, our operations, and the services we provide to our customers and debtors, including, but not limited to, policies such as:

- Code of Conduct
- Whistleblower policy
- Incident policy
- Data protection
- Customer policy
- Workplace environment
- Information security

Sustainability considerations are woven throughout a suite of these interdependent policies and procedures, which are implemented collectively to support the objectives of our sustainability work.

# Materiality Analysis

At the end of 2022, we conducted the first part of a materiality assessment supported by independent experts, with the goal to assess the impact of our business has on the planet and society, as well as its impact on our business. The materiality analysis was conducted by selecting sustainability areas based on the most material sustainability aspects in our industry. These areas were

then used in a survey and ranked in terms of relevance and impact by key employees from various Group functions. This first assessment will be concluded during 2023 to ensure perspectives from the Group Management Team, as well as additional internal and external stakeholders.

# Stakeholder Engagement

We have a strong focus on value creation for customers, employees, owners, and society. Through our sustainability work, our stakeholders can feel secure that we take responsibility for the impact on our business, as well as the impact our business has socially, economically and environmentally.

Everyone in Alektum Group is accountable for conducting business in an ethical, compliant, sustainable, and socially responsible manner due to the impact our actions have on people and society. We have a zero-tolerance for discrimination, corruption, fraud, money laundering, or other financial crimes. Our corporate culture is a key and guiding light in this work. The basis of the culture is the core values that have guided us since Alektum Group was founded 30 years ago, and which are firmly rooted in our business model.

## Stakeholder groups

The strategic direction for our work with sustainability issues is determined by the Board and the CEO, who is also ultimately responsible for these issues. The primary target group for the sustainability report is our owners, investors, and our financial partners as well as customers, employees, and, of course, society at large. Continuous and transparent dialogue with our stakeholders increases our understanding of their priorities and expectations. It helps us concentrate our efforts and resources towards creating the most impact within sustainability and to give us knowledge and insights in areas concerning our primary focus areas. Not least regarding future expectations that stakeholders and society have.



# Fair and Ethical Debt Collection

We live in a time where unpaid debts are on the rise across Europe. At the same time, it is easier than ever before to “buy now and pay later”. An increasing number of people consume above their means and risk ending up in unsustainable situations. Situations that are challenging not only for the over-indebted but also 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. Our mission is to help our customers get paid by guiding their defaulting payers, while continuously adhering to social and economic sustainability in all decisions.

The European debt collection market has grown in recent years, driven by regulations and the macro economic development. The change in consumer behaviour has played a significant role in transforming the industry as debt collection agencies are increasingly adopting digital solutions to meet consumer expectations and to streamline operations and improve efficiency.

Recent trends and developments in the debt collection industry in Europe include an increased focus on compliance and regulatory requirements. The use of digital communication channels, such as email and text messaging, has also become more prevalent in the industry in order to improve consumer experience. Machine learning and AI are now being applied in various ways to better meet consumer behaviours. Additionally, there has been a growing trend towards outsourcing debt collection to third-party agencies, as well as an increased use of data analytics to improve the effectiveness of collection efforts.

Fair and ethical treatment of defaulting payers has been the standard operating procedure for the past 30 years in Alektum Group. This is enabled through communication channels and payment options tailored specifically toward the debtor. Through AI and machine learning, we can determine the right action at the right time. Using this type of data-driven collection allows for a more successful outcome for all parties involved. It allows us to see the person and the circumstances behind each debt, and thereby find sustainable solutions even for those who are not immediately able to settle their outstanding debts. By using machine learning and flexible processes, our debt advisors can focus on more complex cases. 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. Being able to carefully evaluate the different aspects of the debtor’s situation is key to Alektum Group’s collection process and something that provides added value to our customers.

In the majority of countries where Alektum Group operates, debt collection is strictly regulated through specific debt collection acts and regulations, requiring a license to operate. Many of the supervisory authorities and/or associations have additional certification requirements for both debt collection companies and their employees. Alektum Group has all mandatory certifications and licenses in place.

In 2022, we were among the first members of , the Swiss Debt Collection Association, Inkasso Suisse, to fulfil all of the requirements of the association’s code of conduct, and were therefore certified by them. The purpose of the certification is to ensure that member companies work to protect the interests of debtors and creditors alike.

To ensure compliance with debt collection standards, training and awareness campaigns are available, and in some cases mandatory, to all our employees. It is key that all of our case handlers have a solid understanding of debt collection regulations and how to approach and handle each individual debtor’s situation.

As part of our work concerning responsible debt collection, we closely and carefully evaluate and select customers and debt portfolios, as outlined in our Customer Policy. We work diligently together with our customers to ensure a sustainable debt collection process that benefits both our customers and their debtors. Our guiding principle is to exceed customer expectations and improve the overall impression of Alektum Group by the way we conduct our business and through respectful treatment of defaulting payers. We send out an annual customer survey where we ask them to rate our services, how they perceive us, and how we treat their consumers.

Complaints can be submitted directly to Alektum Group, to authorities, or to industry organisations that supervise the debt collection industry. Alektum Group’s incident policy intends to handle complaints in the best possible way.

## Organisations

Country	Debt Collection Association or organisation	Membership
Sweden	Svenska inkassoföreningen	Yes
Norway	Virke inkasso	Yes
Denmark	Dansk InkassoBrancheforening	Yes
Germany	BDIU Bundesvereinigung Kreditankauf und Servicing (BKS) ibi research ECC Club from the IFH Köln GmbH	Yes Yes Yes Yes
Austria	Inkasso Verband Österreich (Debt collection association) Swedish chamber of commerce KSV1870 (Kreditschutzverband)	Yes Yes Yes
Switzerland	Inkasso Suisse CRIF Swedish chamber of commerce	Yes Yes Yes
Belgium	Socrem	Member of the Board
Netherlands	NVI AFM	Yes Yes
Poland	ZPF PZZW Scandinavian-Polish Chamber of Commerce Lower Silesian Chamber of Commerce	Yes Yes Yes Yes
Czech Republic	Asociace inkasních agentur (AIA)	Yes
Slovakia	Asociácia slovenských inkasných spoločností (ASINS)	Yes

## Accessibility

Another aspect of responsible debt collection is accessibility when it comes to our IT systems, both for internal and external users. We aim for our systems to be inclusive and consider the complexity and range of needs and/or disabilities that impact how the users of our solutions experience them.

## Risk Analysis

The risk of not treating our debtors in a fair and ethical way is mitigated through policies and guidelines to ensure compliance and quality. Extensive training is provided to employees to prevent unreasonable consequences or unnecessary inconvenience to the debtor. The debtor’s right to privacy must always be respected and we always aim to find sustainable solutions for our customers and debtors. Our “customer check” process is also an important part of reducing risk, as is the follow-up process regarding reported complaints.

## Target

We aim to continuously exceed customer expectations by the way we conduct business and through respectful treatment of defaulting payers.

We are in the process of implementing a group wide debtor satisfaction survey to be sent to debtors after they have been in contact with us. Specific targets will be set when fully implemented.



# Governance

## Compliance

For Alektum Group, the work with compliance means compliance with applicable legislation and risk management in relation to our business. This includes, among other things, identifying and mitigating risks concerning the requirements set by the Debt Collection Act and current general data protection legislation ("GDPR"). Regular compliance audits are carried out both on a Group level as well as locally and the staff is regularly trained in GDPR and debt collection legislation, all to ensure awareness.

Following Alektum Group's Incident Policy, any operational deviations that involve violation of law or internal regulations, risk of loss of business, etc. must be registered. These deviations are mitigated and analysed and the results of this analyse are used to improve processes, eliminate or mitigate legal risks, and identify security flaws. Any conclusions that lead to a proposed change are presented to Alektum Group's risk committee.

In 2022, a Group Compliance Director was appointed as an independent control function in regulatory compliance. The function is separate from other departments within the business and reports directly to the Group CEO and Board. The overall mission of the Group Compliance Director is to improve and streamline the framework for regulatory compliance within the business. The Group Compliance Director works based on a risk-based approach to monitor, identify and follow up risks within the business that may lead to revoked operating license (if applicable), sanctions from regulatory authorities, and/or damaged reputation. The Group Compliance Director's main tasks are to carry out reviews of routines and processes within the business and to monitor issues related to regulatory compliance in projects and committees.

## Risk Management

Risk is defined as the possibility of a negative deviation from an expected outcome. Alektum Group is through its business activities subject to several different risks, including financial-, operational-, personnel- and IT risks.

Alektum Group's risk management team is responsible for identifying, controlling, evaluating, and reporting operational risks within the business to Alektum Group's Risk Committee. They shall also propose measures and routines to streamline the internal control environment. Alektum Group's risk management is structured in ac-

cordance with a defined risk methodology with specially appointed risk owners. The risk owners are responsible for identifying, managing, and grading the risks. If a risk is graded above a certain level and cannot be mitigated, the risk is escalated to Alektum Group's Risk Committee which is chaired by the CEO. Risks above a certain level shall also be reported to the Board of Directors.

## Integrity, privacy protection and information security

The debtor's right to privacy and integrity is crucial as it is an important human right and an obvious part of good customer- and debtor relations. It is based on high standards and compliance with laws and internal regulations that specify how data is to be protected or used. We have a strong focus on activities related to data privacy and information security and policies and procedures have been adjusted to reflect the risk situation. Data protection impact assessments have been established, privacy declarations and use of cookies on all Alektum Groups' websites have been thoroughly reviewed, cookie and privacy protection policies updated, and vendor agreements regulated by the safe harbour framework updated due to the Schrems II verdict.

The large amount of personal data we handle means that integrity and secure data management are crucial. We have both a legal and ethical responsibility to handle sensitive information in a way that guarantees respect for personal integrity and complies with the human right to freedom from unauthorized/arbitrary interference in privacy. The basic principle for our data management is that we only process personal data that is necessary and for which we have a legal basis.

Appointed compliance officers are responsible for monitoring and follow-up on compliance with GDPR which aims to ensure that the Group handles personal data correctly. Besides the compliance officers, the way of working with risk owners within the Group has created an awareness about GDPR among the entire staff. And by implementing the latest changes regarding GDPR, through updating internal routines and way of working, as well as the provision of training for all employees we aim to secure and constantly raise the level of competence regarding data privacy matters.

## Risk analysis - Privacy Protection

With regard to human rights, integrity, and the large amount of data we handle from our customers, information security and data management are part of our most important focus areas. We have an established IT Risk & Compliance Committee to ensure security and compliance regarding issues such as personal data that is processed within Alektum Group, among other topics. To achieve a high level of security, the information security work has been focused on information classification, identification of information assets, and work with control functions and technical solutions.

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 to identify and prevent sensitive data from being handled incorrectly. The rapid development that is currently taking place within the GDPR, among other things, concerning 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 the lawful and correct handling of personal data within our processes.

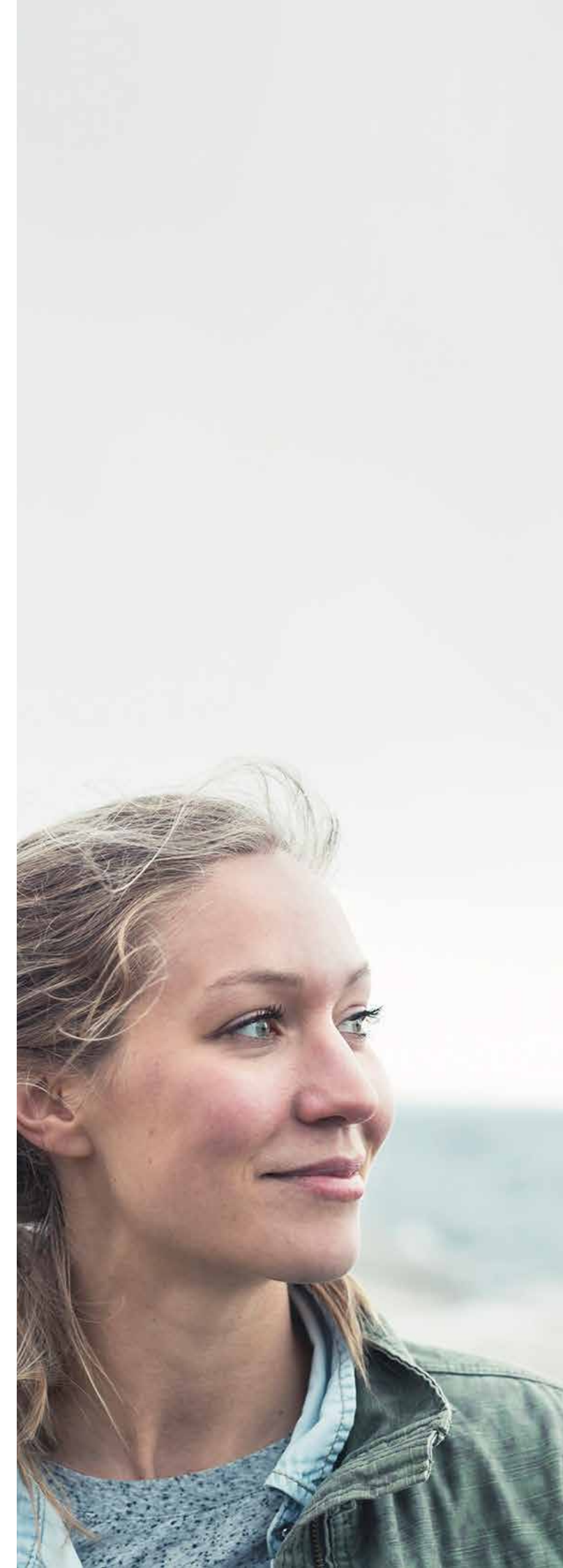
## Code of conduct

Our Code of Conduct, which applies to all employees, consultants, and third parties working on behalf of Alektum Group, sets out the values that shape our behaviour and guide us in how we conduct our business and outlines Alektum Group's corporate policies, covering topics such as Anti-Corruption, Data Protection, and People. New employees receive training in the Code of Conduct and anti-corruption policy as part of the onboarding program. We expect our business partners and suppliers to adhere to the same, or similar, principles as Alektum Group.

## Zero tolerance against all forms of corruption and financial crime

It is vital that we act ethically correctly in all parts of our business. We never accept corruption in any form. Our work against corruption is proactive for early detection and prevention.

We are strongly committed to complying with all applicable rules and regulations, as well as the applicable permits and authorisations in each of the countries in which we operate. Alektum Group has several functions and processes with the aim of, among other things, preventing corruption and other financial crime.



As we conduct business on several European markets and process millions of transactions each year, we are exposed to risks of financial crime and corruption. We have zero tolerance for corruption in any form. Our Code of Conduct guides our employees and all third-party representatives of the company, on how we should act to manage and mitigate this risk.

We have implemented the new Sales, Integration, and Onboarding process within Alektum which includes an obligatory procedure for “Customer Check”. A Customer Check must be carried out both before new customer partnerships are initiated and during our collaboration to ensure quality and minimise risk. The former process “Know Your Client” (KYC) process was legally required for financial institutions under the anti-money laundering legislation. The mentioned legal requirements are no longer applicable to Alektum Group’s business operations but we have, on a voluntary basis, decided to implement an obligatory customer check with a similar objective as the former KYC.

No transactions or collaborations are entered into that do not measure up to the requirements and expectations as outlined in our Code of Conduct.

## Risk analysis – Corruption

Within the risk classification framework, we evaluate corruption risks throughout our organisation as well as activities in the following categories:

- Risks linked to clients in each industry
- Geographical risks
- Internal risks
- Implementation risks

As a pan-European company, we are, like many other companies, exposed to corruption risks. Attempts at corruption, bribery, or 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 can be influenced by external parties that benefit interests other than Alektum Group’s. Notwithstanding, the debt collection business is not subject to 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.

## Whistleblowing

On October 23, 2019, the European Union adopted the Directive on the protection of persons who

report breaches of Union law. According to the new requirements, all private employers who have 50-249 employees will be obliged to have a whistleblower function in place by 2023.

Alektum Group highly values compliance with laws and regulations and strives to be at the forefront of best practices. To achieve that, we introduced a new whistleblowing system and an anonymous whistleblower channel last year. This is to simplify incident reporting and suspected irregularities, which is an important part of our work against corruption.

The whistleblowing system that Alektum Group uses is provided by an experienced external supplier – to ensure objectivity and anonymity. We carefully investigate suspected cases of violations of our policies and take the necessary steps to ensure that neither bribery nor corruption occurs within our business. If anyone, employee or customer, notices irregularities, they are obligated to report the information further through the whistleblower channel.

In the event of such observations and/ or incidents, an investigation is started according to specified routines, and measures are taken.

## Risk analysis – Whistleblowing

Despite our active approach, it is not possible to fully protect the organisation from incidents and violations of our internal instructions and Code of Conduct. However, to obtain the highest possible level of compliance, and to discover deviations, we strive for all employees and other parties to feel safe in reporting incidents that violate our ethical guidelines. We, therefore, urge them to always report suspected violations.

Alektum Group has established a group common Agreement and Onboarding process that aims to ensure regulatory compliance and minimise any risks. Furthermore, the process has been established to simplify and create even better conditions for starting new customer collaborations.

We closely and carefully evaluate and select customers and debt portfolios, as outlined in our Customer Policy. Before any new customer agreement is entered into, or if terms are changed with existing customers, a Customer Check is done. The intention of this is to identify any risks that may be associated with the partnership or collaboration, including, but not limited to, the risk of insolvency, or the risk that the customer takes measures that may involve violations of the law. Within certain parts of the Alektum Group operation, there are requirements for extended controls regarding

financial transactions. In order to fulfil these additional legal requirements, we have acquired a support system called Trapets with the aim to monitor financial transactions.

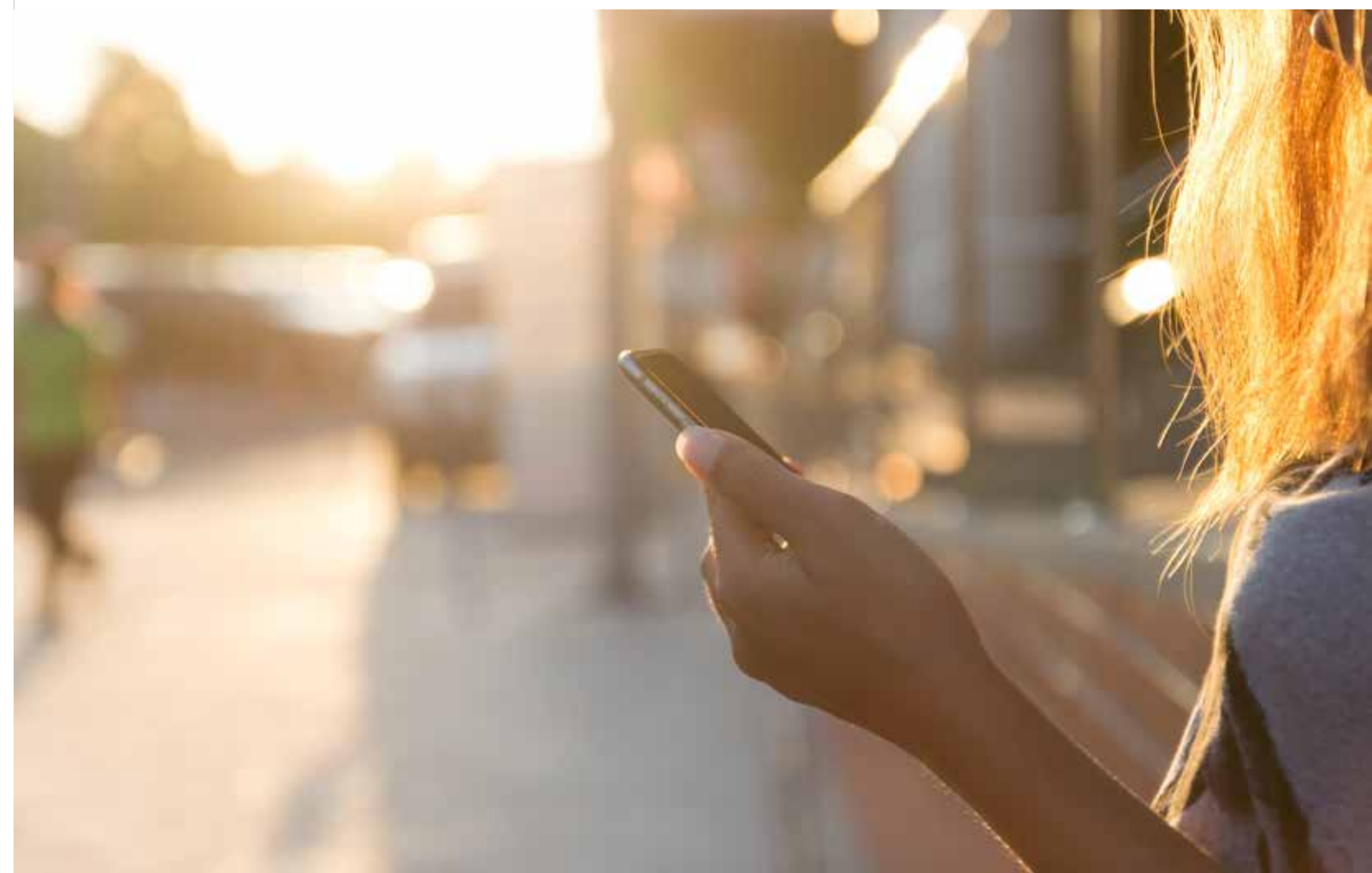
## Respecting Human Rights

Respect for human rights is fundamental to our business. Although our exposure to risks connected to human rights is considered to be relatively low, our commitment is deeply embedded throughout the organisation, both in terms of protecting the privacy and integrity of our customers and debtors, but also in terms of social engagement, and equality, dignity, and non-discrimination. Continuous assessments of our customers and suppliers are performed to, as far as possible, ensure compliance with human rights on all levels of business.

Alektum Group employees, suppliers, or others that suspect or become aware of any human rights violations in connection with our operations, shall report it immediately to their manager, human resources, legal, or through the independent whistleblower channel, in accordance with the company’s whistleblower procedure. We aim to continue our ongoing efforts to identify, assess, and manage human rights impacts and risks.

Alektum Group is committed to:

- Treating everyone working at Alektum Group and impacted by our operations with fairness, respect, and dignity
- Providing a safe, healthy, and secure workplace free from any form of discrimination based on gender, race, ethnicity, sexual orientation, political beliefs, age, etc.
- Respecting the human rights of anyone affected by our operations, including but not limited to, their freedom of opinion and expression, privacy, and equality
- Ensuring the employee’s freedom of association and the right to collective agreements and bargaining
- Ensuring appropriate remediation in case of infringements
- Aiming to continuously improve our human rights efforts





# Social Responsibility

By taking human rights, working conditions, equality, and diversity into account, we aim to create a social impact where it makes the biggest difference. But social responsibility is also about supporting the communities and markets we operate in. For us, community engagement is about creating positive changes through various initiatives, as well as local and group-wide activities aimed at raising awareness of financial literacy and sustainable finances.

## Inspiring and helping people to live a life they can afford

Our goal is to empower and enable people to make informed decisions and take control of their personal finances. The language of money is foreign to a lot of people, and often even a taboo subject. As we see financial stress increasing in the wake of a more strained economic climate with rising interest rates, higher energy prices and inflation, we also see the new “buy now, pay later” phenomena, to make consumer purchases via credit or payment instalments, increase. This creates a reality where it is imperative to have a good understanding of basic economic concepts in order to make healthy financial decisions.

A recent survey<sup>1</sup> shows that **1 out of 3** adults lack basic financial literacy skills, and among young adults, the numbers are even higher. As a debt collection company, we see the consequences of this. We see a correlation between how the low level of financial literacy can be directly linked to poor financial decisions, which eventually could lead to over-indebtedness, in particular among young adults. Another study<sup>2</sup> showed that as many as **7 out of 10** people in the group of individuals who could be defined as over-indebted, had insufficient financial literacy skills.

A basic understanding of personal finances (financial literacy) is thus crucial to prevent over-indebtedness in society. Through initiatives such as the Shop Lagom and the Penny Pep, we aim to increase personal financial knowledge and instil confidence and healthy financial habits to counteract the increasing trend of excessive personal debt.



## Enabling a conscious economy

We aim to create awareness and help people achieve economic health. The Penny Pep initiative is one part of this. It is a place where you can go to learn more about basic economic concepts and how to achieve balanced personal finances. The basic abilities that adults use to control their financial decisions are developed and influenced from early preschool age (3-5 years). These continue to develop throughout childhood and adolescence. A central part of this development is that the children take in norms and values related to financial/

*“We know that parents play a very important role in future generations’ understanding of the value of money. Through the Penny Pep, we want to give parents guidance and tools to encourage fun and educational conversations to positively affect children’s attitudes and habits about money at an early age.”*

Moa Tyborn,  
SVP Corporate Communications and Marketing, Alektum Group



economic decisions. Simply put, children learn from others how to do it. We know that parents and guardians are the most central source of children’s financial socialisation and children are amazingly good at taking in and imitating what their parents do. However, if parents don’t have sufficient knowledge to create healthy habits and values surrounding money, there is a great risk that our future generations will experience even greater financial difficulties than what we see today.

Through our CSR initiatives, we raise awareness, break barriers and help everyone to a better life by enabling financial sustainability.

As society has become more cashless, the value of money has become more or less an abstract concept, and all the more difficult for parents to explain, and for children to understand. Through the Penny Pep, we, together with our ambassadors and experts, aim to inspire parents through educational content, and to give them the tools for a constructive dialogue about money with their children.

Our ambition is to build knowledge and financial literacy while inspiring as many people as possible to find their financial balance. We know that other companies share these ambitions and have therefore initiated a 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 further develop tools and information that promotes financial self-confidence and good money-managing habits. By raising the issue of over-consumption, in places such as the political week in Almedalen, and working actively to counteract it, we thereby also minimise the risk of over-indebtedness.

## Risk analysis

A prevalent risk in this area is that people would perceive us, as a debt collection company, to negatively influence the level of indebtedness, instead of maintaining the payment moral in society, which would have negative consequences for our customers as well as for the Alektum Group brand. We manage this risk through extensive training for our case handlers, through initiatives as listed above, as well as careful selection of customers and debt portfolios.



<sup>1</sup>Survey conducted by Norstat, commissioned by Alektum Group  
<sup>2</sup>The Impact of Financial Literacy on Over-Indebtedness in Sweden, MBA thesis by Adam Gustavsson, SBS Swiss Business School, Jan 2022

# Sustainable Workplace

Our employees are our greatest assets. Knowledgeable and dedicated employees are one of our success factors as a company and the most important resource for our operations. We work continuously to create a physically, mentally, and socially healthy workplace for all employees. We work continuously with matters of health and equal treatment, working conditions, development and learning, recruitment, and labour rights.

We aim to be an employer of choice that attracts both new employees and offers challenging and fun personal development opportunities for current employees. Furthermore, our goals include:

- Zero tolerance of workplace harassment and discrimination. Everyone is treated with dignity and respect.
- Employee satisfaction must reach at least the Winningtemp index.
- We strive to reduce work-related stress illnesses.
- Achieve diversity at all levels.

## Equal treatment

We believe that diversity and inclusion are key factors in our continued success and aim to become an even more diverse and inclusive company. We strive to provide everyone with an equal-opportunity workplace that promotes diversity.

An understanding of people's equal value and human rights is the basis for a successful company and a positive work environment. To ensure this, we support collective agreements with trade unions, as well as actively work to create an engaging workplace, where health, gender equality, inclusion, diversity, and respect are priority areas. We aim to create a work environment completely free from discrimination, abusive behaviour, and harassment. The preventive work in this area is governed by our Code of Conduct and Workplace Environment Policy, which together create a basis for all employees to be able to enjoy their human rights. We want proud and dedicated employees and an inclusive corporate culture that welcomes diversity. We are committed to a workplace where everyone is treated with dignity and respect.

## Talent acquisition, retention, learning and development

The competence and well-being of our employees are vital factors to ensure that we have a company that is sustainable and successful in the long run. Opportunities

for learning and skills development are important parts of creating a good work environment as well and play an important role in our success. We want to contribute to a learning environment where everyone has an equal opportunity to develop their skills and grow during their employment. We aim to provide a workplace that is permeated by employees who take responsibility, who are dedicated, and who in all communications, treat fellow human beings with respect and dignity regardless of role, background, beliefs, or situation.

Having employees with the right skill sets, expertise, and attitude is what sets us apart. Thus, we work strategically to attract and retain employees needed for the long-term development and success of the company, using processes conscious of competence orientation, gender equality, and diversity.

All our approximately 700 employees are encouraged to participate in developing the company by acting according to our Key Behaviours by offering help to the team and colleagues, improving performance, and reflecting on how we can make a difference for the company and our clients.

Competence, experience, evaluation, and training are vital aspects 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. Our employees also have access to an e-learning platform where skills and knowledge relating to our business can be further developed.

By continuously training and evaluating our managers, we accelerate and optimise our performance and the values we bring to our employees, customers, debtors, and owners. Our managers commit to leading, coaching, and guiding their teams in accordance with our strategy, values, and key – and leadership behaviours. Our solid performance management program is a breakdown of the overall company goals on a team, as well as, on an individual level. This ensures transparency, commitment, and performance on all levels within the company.

## Health and wellbeing

The employees' well-being is a key factor in Alektum Group's ability to recruit, develop and retain our staff as our employees are key to our success. Our ambition as an employer is to attract and develop our staff who, with a holistic perspective, understand our business, our purpose, and our social commitment and responsibility. A positive work environment and good health are important cornerstones to achieving this. Extensive work is being done to detect, manage and prevent illness, where managers play a central role.

Our ambition is that all our employees possess a strong level of commitment and enjoy good physical and mental health. We aim to facilitate healthy habits to increase well-being, health, and high energy levels. Our employees are encouraged to use their yearly wellness allowance to encourage physical activities.

## Risk analysis

Our employees are our most valued asset and a vital resource to deliver results and value to our customers. Without the right person on the right job and the processes and tools to support that, we risk negative staff contentment, low customer satisfaction scores, poor company performance, and potentially damaging the brand.

Significant risks associated with our personnel include deficiencies in diversity, gender equality, and inclusion, as well as unfair treatment relating to salaries and benefits. These risks could all potentially negatively impact Alektum Group's culture and work environment, our employees' engagement, as well as cause damage to the brand and the trustworthiness of the company. Risk mitigation is handled by HR policies and guidelines, the code of conduct, ongoing employee- and leadership training, collective agreements, as well as continuous surveys through Winningtemp.

## Targets

Measuring the "employee temperature" weekly gives us an additional channel for employee participation and input. The Employee Satisfaction Index measures satisfaction and loyalty, and to what extent the employees take responsibility for, and feel involved in the company's mission. Along with this, a number of other parameters are also measured, such as personal development, stress, and leadership to ensure the wellbeing of our employees. This enables us to work with continuous improvements concerning employee commitment and leadership performance and to guide our ambition to be an employer of choice. From that knowledge, we also implement the initiatives needed to support our Employee Value Proposition (EVP).

The focus remains on further strengthening the Alektum Group culture and values, and the employer brand. Some of our focus areas include:

- Implementation of a Group HR system
- Focus on employer branding, and recruitment to ensure that the organization has the skills required to deliver on our long-term strategy
- Increase internal knowledge of Alektum Group's strategy and how all employees are connected to its success
- Strengthen cross-functional, and cross-border, collaborations
- Leadership and employee development  
- Continuously support the leaders in our organisation through management training
- Regular performance reviews/one-on-one's to follow up on individual performance and objectives, key behaviors and development needs connected to their role.



# Minimising our Environmental Footprint

While Alektum Group’s impact on the environment is minor, we strive to minimise that impact even further. The main environmental aspects for us as a Group relate to resource usage, energy consumption, business travel, and the lifetime management of IT equipment. A balance of what is technically possible, economically reasonable, and ecologically justified must be made in each instance where an environmental impact may exist. 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 their behaviour to them. We also aim to reduce the negative environmental impact of the organisation by further improving processes and systems.

Our goal is to always consider environmental aspects when purchasing products used in the business, everything from vehicles and energy (especially fuels) to copy paper and pens. Suppliers must comply with the requirements in Alektum Group’s Code of Conduct.

## Transitioning towards a digital way of working

Digital technology is rapidly changing products and services, and this is impacting companies in every industry. For Alektum Group, this means a transition towards a more digital way of working. We continuously develop and adapt our processes to digital channels and technologies to reduce paper use and to disseminate information to staff, customers, debtors, and suppliers. One way to do this is to digitize our mailings. The digital share is steadily growing, and the goal is to further increase that in the coming years.

## Resource usage and circularity

We work diligently to find new ways to introduce circular thinking into our resource usage. Additionally:

- The majority of our office locations are located in environmentally friendly buildings.
- All offices have recycling of paper and systems for waste sorting to secure proper handling.
- We use printers and scanners in our offices that all give us a second chance to decide whether or not the document should be printed.
- We reuse or recycle old computers, phones, IT equipment, or other electronic waste

We also focus on minimising and responsibly handling our electronic waste. The production of electronic waste is an additional environmental impact resulting from our operations. That is why we have adopted end-of-life programs for our electronic waste. All PCs, hard drives, phones, and other devices that store data are erased and recycled safely and efficiently. These programs will ensure that the items are managed responsibly throughout their life cycle.

## Energy usage

We use clean energy sources in the majority of our offices; however, the availability of renewable energy varies across regions. We always choose sustainable and energy-efficient solutions. The largest energy consumption for Alektum Group is the data and server centres.

Our headquarters are certified by REEAM In-Use, which is a certification that shows that the property meets high standards in a number of sustainability categories, including energy consumption and waste management.

## Changing the way we travel

Alektum Group is present in many locations and is growing rapidly which means that travel has been a notable source of GHG emissions for us historically, but COVID-19 made us connect and collaborate to a higher degree in new and remote ways. Along with advancements in technology and our learnings from the pandemic, we now have a company-wide approach to travel that keeps both the well-being of our people and the planet in mind. We promote and encourage our employees to choose, environmentally friendly modes of transport and aim to increase utilisation of video conferencing. Our goal is to utilise technology for business meetings as much as possible and travel only when necessary for delivering the quality of service that our clients and stakeholders expect. Furthermore, we always promote train travel for our employees on domestic travel.

We carefully consider the need to provide our employees with company cars or benefit cars. When such a need has been found to exist, we primarily choose to provide cars with low emissions and low fuel consumption. 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. The employee/driver is obliged to drive

their car in a manner that keeps the car’s negative environmental impact at a minimum (so-called eco-driving). Alektum Group aims to only have cars with non-fossil fuel drive trains, by the end of 2025.

possible. Not being able to do so in all our markets is an identified risk. Important internal governing documents to mitigate this include our environmental policy, travel policy, procurement policy, our policy regarding company cars, and our code of conduct.

## Risk analysis

Businesses can play a very important role in reducing the environmental and climate impact, and we see it as our responsibility to minimise our impact wherever



# ESG Data Sheet

	2022	2021
Environmental Aspects		
The digital share of mailings sent to our debtors	51% (Sweden) 21% (Group total)	8% (Sweden) 9% (Group total)
Percentage of digital invoices sent to clients	84%	77%

Social Responsibility			
Brand awareness CSR initiatives (Measured annually. As the awareness was measured in late 2021, the next survey will be conducted beginning 2023. Therefore, there are no upated numbers in 2022.)	Penny Pep 22% Shop Lagom 20%		Penny Pep 22% Shop Lagom 20%
Sick leave (Operations total. The total for the Group will be measured starting 2023.)	7.8%		
Employee turnover rate (number of employees started minus number of employees leaving)	0,2%		
Winningtemp participation rate	76%		
Employee satisfaction Measured as a temperature through Winningtemp, where the goal is to equal or exceed their index at 7,4.	7.4		7.4
Employees' perceived work situation Measured as a temperature through Winningtemp, where the goal is to equal or exceed their index at 6,9	7.2		
Gender diversity	Board: MT:	17% women 44% women	Board: MT: 17% women 44% women

Corporate Governance		
The number of reported incidents within the frame-work of our whistleblowing system	0	0
Number of incidents involving loss of customer data	0	0
Frequency and number of completed GDPR employee training sessions	Five sessions per year as well as ongoing sessions for new employees	

# Focus 2023

Our goal is to create a more standardised and systematic handling of relevant data. We intend to increase the quality and traceability and create follow-up opportunities for our sustainability work over time. We also intend to assess how we can further align our sus-tainability agenda with the 10 principles of the UN's Global Compact, as well as upcoming sustainability reporting frameworks.

This work will include the following:

- Define framework for our sustainability work - We are preparing for the upcoming Corporate Sustainability Reporting Directive (CSRD), an updated reporting framework. We welcome these frameworks and directives as they create clarity in the industry which increases transparency and enables comparisons.
- Complete the first rendition of our materiality and impact assessment
- Review internal governance for sustainability and update relevant policies and guidelines. We aim to further develop our internal instructions and codes and also to further enhance our reviewing/auditing tools.
- Review processes and working methods and further embed sustainable thinking and processes across operations and all our markets.
- Preparation of governing documents and overall guidelines for the entire Group regarding sustainability work , such as a CSR policy.
- Further develop our CSR initiatives with the ambition to make a true impact, as well as developing channels for information that promotes financial sustainability and good money managing habits.
- To strengthen Alektum Group’s employer brand and employer value proposition (EVP), with a focus on efforts in employee engagement, increased knowledge-sharing, social sustainability, and long-term competence supply.
- Continued focus on strengthening data security and risk mitigation,
- Improved regulatory watch with focus on the CSR Directive, and the CSDD Directive etc.