

SUSTAINABILITY REPORT

Focus on the future



Collector's sustainability work is closely linked to our core values: ethics, commitment and entrepreneurship. As a growing company, we have a responsibility to contribute to the sustainable development of the society in which we operate – locally and globally. In 2017, sustainability efforts were implemented in earnest in our operations. The Sustainability Report comprises the Parent Company Collector AB (corporate identity number 556560-0797) and all entities included in Collector's consolidated accounts for the same period as specified in Note 39 to the consolidated accounts.



The ultimate responsibility for sustainability issues at Collector lies with the Board of Directors, which defines the strategic direction and establishes policy frameworks and control processes. The CEO is responsible for integrating sustainability work into the operations, and each function is responsible for advancing and developing the efforts within its area of responsibility.

Here, Chairman of the Board Lena Apler and CEO Liza Nyberg discuss how sustainability issues form an integral part of the strategy and play a crucial role in Collector's future operations.

What does sustainability mean to Collector?

Lena: Sustainability is vital if we are to be relevant today, and probably even more so in the future. We seek to generate long-term value for our customers, employees, owners and society as a whole by working primarily on the social and economic aspects of the sustainability agenda. To me, sustainability involves how we must be aware of the changes taking place in our world, how they will affect our customers and our operations, and how we choose to act. Sustainability entails the long-term – not to progressing too quickly or taking easy solutions without being persistent in doing things right, opting out of transactions that do not comply with our ethical standards and daring to pursue ideas that can help build value for our stakeholders in the long term.

How is sustainability integrated into Collector's targets and strategies?

Liza: We must be both persistent and agile in implementing our growth strategy. In our day-to-day efforts, sustainability involves how we act and assume responsibility in all of our relationships, with people, with other companies, and in society. It permeates everything we do and, through our values of entrepreneurship, ethics and commitment, our employees have sustainability at their very core. Through strategic and long-term sustainability work, we can identify and utilize opportunities while minimizing risks. Our mission is to generate a long-term value for our customers, employees, owners and society in general.

What is your foremost key to success?

Lena: Our corporate culture is crucial to our success. We have a wonderful culture! I like to quote Peter Drucker: "Culture eats strategy for breakfast" – strategies must constantly be developed, reworked and adapted to changes in reality, but culture continues over time, serving as both our driving force and our road map. To maintain our culture while growing rapidly, we all must be bearers of our culture and live according to our core values. The challenge is to grow cautiously and to take care to recruit people who can contribute to our corporate culture.

Liza: Our greatest assets and what really differentiates Collector from other players in the sector are our unique corporate culture and our employees. There is enormous power in the drive and commitment shown by our employees. We should have fun at work, inspiring one another to come up with new ideas and to be able to implement them. We never say "that's impossible". Instead, we say "Cool idea – we've never done that!"

How should we meet the future needs of our customers?

Lena: By being good listeners! Developments are progressing very quickly, and we must be able to develop with our custom-

ers, understanding and meeting their needs. We achieve this by maintaining a dialogue with our customers, by being flexible, by realizing ideas and finding new ways to deliver what the customer wants. Preferably before the customers themselves realize their need for a new solution. An integrated view of sustainability is prerequisite to understanding and meeting the customer's future needs in a society undergoing great change.

Liza: Our external environment is changing, and we must react to that. An integrated view of sustainability is a prerequisite for being able to understand and meet customers' future needs. Our agile approach and high level of expertise in digital solutions enable us to challenge conventions and find new solutions that are both smoother and more efficient for people and the environment, as well as more secure than the established ones. We want to create a customer experience based on digital technology, yet still perceived as accessible, genuine and personal. We shall resolve the tasks presented to us by our customers, and facilitate their ideas simply, smoothly and securely.

What have you achieved in 2017 – what are you proud of?

Liza: I'm proud that we've created a strong organization of people with different backgrounds and many skills, who find it fun to work with us. We have managed to grow with good profitability. Our scalable and flexible IT platform, developed in-house, enables us to quickly introduce new products, such as Spira, Check-out B2B and, soon digital mortgages too. We are at the forefront of digital development in the sector and perceive numerous future opportunities. I'm also proud of our strong customer relationships, characterized by our strong values of entrepreneurship, ethics and commitment – we find new solutions, we are fair and transparent, and we care about our customers.

What is the next stage in Collector's sustainability work?

Lena: We have now completed the groundwork with an organization, culture and digital platform that are agile and focused on the opportunities and risks of the future. In terms of sustainability, our next step is to have a structured dialogue with our stakeholders, to clarify our ambitions and set out our strategy.

Liza: We see strategic sustainability taking on an increasingly clear role in our transactions. We must stay a step ahead of the regulations affecting our sector and help understand and address the risks in the sector's digital development. During the journey, we must continue to develop structures and processes for our work – an aspect that is increasing in importance as we grow.

OUR WORLD

Focus on the future

We live in a time of substantial change, where having a long-term focus on the future is essential for successful business. This means that we must understand how society develops, how it affects our business and what expectations our stakeholders have of us. Four mega trends affect our society – demographic change, the connected world, access to resources and climate change. By analyzing these trends, we can understand how conditions will change for our sector and for our customers, as well as the risks and opportunities facing us in the future. Accordingly, we can remain at the forefront by identifying solutions and opportunities and by meeting customer needs in a changing world. The first three megatrends will have a significant impact on Collector's operations, while we believe climate change will have less of an impact.

1

DEMOGRAPHIC CHANGES

Changed conditions:

- Labour market in the Nordic region
- Increasing income discrepancies
- Changed consumer behaviour

→ Demographic changes will affect us in several ways. With an ageing population and increasing demand for employees skilled in digitization, skills will become increasingly scarce, in particular the expert digital skills that are essential for Collector. Our response is to develop new ways of finding and developing skills through partnerships with local actors and universities.

→ Increasing economic discrepancies in society make it important for us to contribute to our customers' knowledge of good private finances and financial obligations.

→ Changed consumer behaviour towards online channels and sharing economy places new demands on our ability to develop solutions and meet customers through new channels.

2

CONNECTED WORLD

Changed conditions:

- Big data
- Cyber crime
- Market regulation
- Changing role of the bank

→ In a connected world, our relations, with each other and with the outside world, change. With Collector's digital platform, digitization and its consequences involve new ways of interacting and sharing information. Although big data opens opportunities, it is important to ensure that customers' privacy is protected. We will see increasing challenges from cyber crime, which we address with robust systems.

→ We are partnering with other players in the financial sector to counteract cyber crime and we will also see continued development of market regulations to adapt to new conditions in the sector.

→ The role of the banks will change with the opportunities that digitization presents. Our digital offering and strength in digital skills means that this is the core of our business. We focus on our customers' needs and what we can do to simplify and improve financial transactions, increase security, and manage risks for our customers.

3

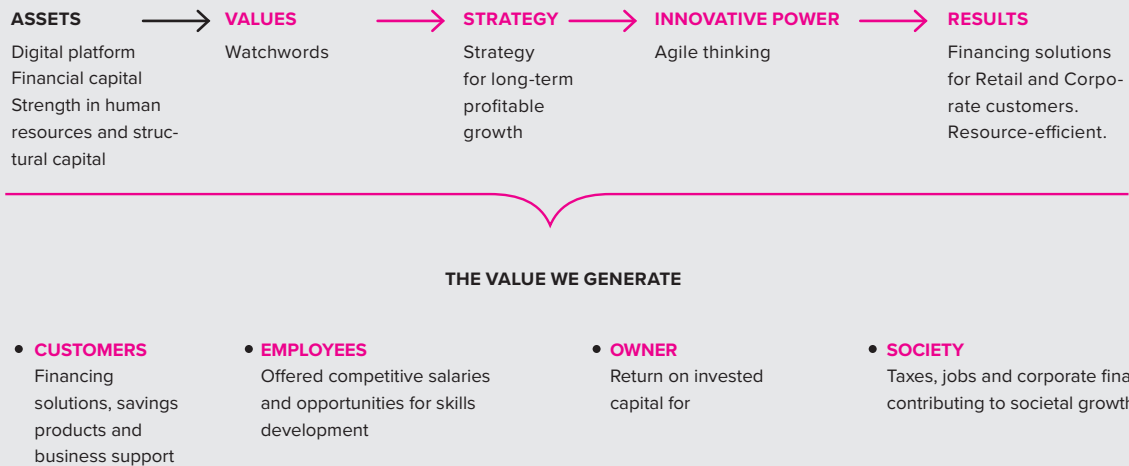
ACCESS TO RESOURCES

Changed conditions:

- Circular economy

→ Among other things, access to resources will lead to increased expenses, new legislation and regulations. We can counter this by working in an agile way, ensuring that our operations are as efficient as possible and identifying business opportunities linked to the circular economy.

COLLECTOR'S BUSINESS MODEL



1. Assets

We have been able to build a resource-efficient, high-performance organization and a customer-focused offer by investing the following assets in our business model:

Strength in human resources and structural capital

In recent years, our organization has experienced strong growth. Over the past five years, the average number of employees has risen from 201 to 376. Our structural capital includes processes, frameworks and credit approval and management tools, including our scoring model for loan approvals. An indicator that these processes work are our credit losses, which have been below 1.5 percent since 2013 and at 1.1 percent over the past two financial years.

Digital platform

We have a unique digital platform, developed in-house, that is modular and flexible. In 2017, three new products were launched: the Spira app, which simplifies savings in stocks, a checkout solution B2B for our corporate customers and the Collector app, which provides a clear overview of our users' finances.

Financial capital

Our strong growth in income and profit has created a stable and high capital base that amounted to SEK 3,338 million at the end of 2017, compared with SEK 553 million in 2013. The capital ratio for 2017 was 17 percent. Over the past five years, our average annual growth rate was 29 percent in terms of income and 37 percent in terms of profit after tax.

2. Business model

Collector's business model describes how our business generates long-term sustainable value for our key stakeholders: customers, employees, owners and society. We process our assets through a unique recipe for success, which mainly comprises following parameters:

- Our corporate culture is central to our core values of entrepreneurship, ethics and commitment forms the foundation for our behaviour.
- A strategy with profitable growth in focus, whereby we have been able to show strong growth for 18 years.
- Innovative power and agile thinking means we are focused on ideas and able to come up with good ideas and to implement them, offering our customers innovative thinking and digital financing solutions.

3. Results

We generate the following values for our stakeholders;

- We help our customers realize their ideas through digital financing solutions, savings products with interest and support for better decisions and more secure transactions.
- Our employees enjoy their work, receive competitive salaries and have good opportunities to develop their skills.
- Through continued strong and profitable growth, we strive to generate a good return on invested capital for our shareholders.
- To society, we contribute tax payments, jobs and financing of companies that contribute to community growth, and we do this with a low environmental impact.

FOCUS AREAS

Collector's sustainability efforts build on our three core values of entrepreneurship, ethics and commitment, which permeates all of our operations and our approach to the people, companies and communities with whom we come into contact. The objective is to be able to generate long-term value for our customers, employees and owners, as well as for society in general.



ENTREPRENEURSHIP stands for innovative power, new thinking and drive. This means that we are driving change, that we are focused and that we dare to challenge. We are open to new impressions and seek to constantly develop and grow to create opportunities and realize ideas.

RELEVANT SUSTAINABILITY ISSUES

- Customer relations
- Financial knowledge
- Long-term profitable growth
- Durable products



ETHICS stands for respect, empathy and integrity. This means we are responsible, open and forthright. We show respect for one another, our customers, partners and other stakeholders. We stand for what we do and make informed decisions based on a holistic approach.

RELEVANT SUSTAINABILITY ISSUES

- Ethical business and counteracting financial crime
- Working conditions and human rights
- Transparency
- Taxes



COMMITMENT stands for participation, energy and passion. This means that we always do our best and gladly go the extra mile to find the best solution. We are passionate about our assignment, work close to our customers and impress people with our ability to provide quick responses.

RELEVANT SUSTAINABILITY ISSUES

- Access to skills
- Diversity
- Skills development
- Working environment and health
- Efficient use of resources
- Social commitment

Entrepreneurship

Collector has its origins in the capacity of a strong entrepreneur to challenge the conventions that survive as approaches to day-to-day operations. Curiosity, creativity, openness for new solutions and a strong fighting spirit give us the courage to think differently at Collector. We are nimble and unencumbered by old systems and hierarchies.

Customer relations

In the sector in which we operate, trust capital is a prerequisite. We strive to be accessible, to show respect and to offer useful solutions.

Responsible lending is a key aspect of long-term value creation. Among other things, we grant Personal loans (unsecured loans) only to people considered able to repay. To make reliable credit assessments, we have developed an advanced digital scoring model based on millions of data points (big data). The model is continuously being developing to improve selection criteria and improve the quality of the credit portfolio. In 2017, 40

percent of all loan applications for private loans were granted, compared with 48 percent in 2016. The ambition is to maintain a low and stable credit loss level. For 2017 it was 1.1 percent.

We have a restrictive attitude towards direct marketing. Of our loans, 97 percent are mediated by loan brokers with our loan terms being clearly stated and easily compared to those of other lenders.

It is also important to make sure our customers can contact us easily when necessary. The challenge is to be able to help customers when they need to perform a transaction or seek other help. Since we consider it important to be able to respond to the customer with the right expertise and, at the same time, gaining an understanding of our customers' needs, Collector maintains its own customer service function.

Customer service operates through various channels and answers about 12,000 calls a week, 6,000 e-mails and about 400 questions in our chat forum. Our customers have different backgrounds and we can currently provide customer service in 15 different languages. In 2017, 85 percent of calls were

answered within 90 seconds. Each year, satisfaction with our service is measured, and for 2017 we scored 4.41 on a scale of 1 to 5 (in 2016, we scored 4.38). Since June 2017, when customers have contacted our customer service, we have asked them if the problem was resolved and 89 percent of them have answered yes.

Collector's debt collection company Colligent has developed a new and solution-focused approach to solving customer problems. By listening, analyzing the situation based on legal skills, and being solution-oriented, new routes out of debt can be found, benefiting all concerned. Our advisers in the debt collection operations have academic legal degrees and can therefore provide qualified advice during the process.

Financial knowledge

We have a responsibility to ensure that our customers receive accurate and relevant information to make optimal financial decisions.

CASE *Collector Ventures*

Collector Ventures invests in new fintech companies and has invested in some 20 start-ups to date. Common to these is that they have a clear business concept that meets a need in the market, often with the dissemination of financial knowledge as part of the business model, such as making it easier for people to make better decisions about their consumption.

CASE *Gimi (Veckopengen)*

One of the companies that Collector Ventures has invested in is Gimi, which offers the Veckopengen app to children and parents who want to learn more about managing money. The app can be used for payment and saving of pocket money, allowing children to set their own savings targets and to earn money for various household tasks.

CASE *Albert – the digital math teacher*

One way of building financial awareness is to promote better maths skills in young people. Collector partners with eEducation company Albert to develop the Albert digital homework assistance app. The aim is to make knowledge available to all through technological innovation and building on artificial intelligence. The maths problems included have been taken from lower-secondary school materials and helps pupils with the problems they are unable to resolve. The app has been downloaded by a large proportion of the country's lower-secondary pupils and the response has been overwhelmingly positive.

We strive to contribute to increased knowledge in personal finances and financial obligations among our customers. We do this by actively promoting a responsible attitude towards customers in product development, sales and consulting, credit and debt collection management. We also play a role in increasing financial knowledge among young people and in marginalized areas. See our examples Pocket Money and Albert.

Long-term profitable growth

We have shown continuous strong and profitable growth from the outset. This helps to provide security and stability for both customers and employees, as well as from a social perspective. Since 2005, our income has shown an average annual growth rate of 29 percent and profit after tax has increased by an average 52 percent.

Sustainable products

The Compliance function is involved in the development of new products, from an early stage to ensure regulatory compliance and that robust processes and control procedures are put in place. In the future, we see potential in integrating additional sustainability criteria in the development of new products from a wider perspective and in a structured manner.

Our digital approach is also more resource efficient than in traditional banking operations, with less resources, such as paper and transport, being consumed. Our digital platform is structured in modules and can thus be developed and expanded continuously, giving us the flexibility to lead the way forward.

Ethics

Good business ethics are a prerequisite for building confidence among customers, employees and society. Our entire operations are pervaded by the organization's governance instruments and a clear ethical compass among our employees. Business is to be conducted in an above-board manner and with respect for the responsibility we bear in our relationships with key stakeholders and the society in which we operate.

Ethical business and counteracting financial crime

Financial crime includes phenomena such as money laundering, financing of terrorism, bribery and corruption. For Collector, it is important to both combat crime in society and protect our business and brand. It is our responsibility to combat and prevent criminal behaviour. Relevant risks in our sector include bribery and other corruption, as well as abuse of power for personal gain among employees and in our interactions with other companies, individuals or institutions of society. We actively counteract this through training, robust systems and controls. Much of risk management is governed by regulations, but we have also chosen to introduce supplementary procedures, such as the Collector Ethics Committee (see below).

Collector has clear governance documents and processes, as well as regular training for employees in counteracting money laundering and financing of terrorism, and in the detection and reporting of suspicious transactions. The company's Compliance function monitors compliance with legislation, Finansinspektionen's (Swedish Financial Supervisory Authority) regulations and the Board of Directors' governance documents, reporting directly to the Board of Directors on, for example, Finansinspektionen's know-your-customer regulations. In addition, there is continuous monitoring of transactions through filters that flag different outcomes, and if these filters identify a suspicious transaction, it is reported to the financial police.

To ensure that the entire organization knows, understands and adheres to our ethical rules, we have a framework of policies and processes for information, follow-up and control. All employees receive training in Collector's ethical guidelines upon recruitment and, each year, compliance training courses are conducted for all relevant employees, including topics such as anti-corruption and money laundering.

An ethical approach is also part of the credit assessment of corporate customers. Before Collector grants credit or commences a business relationship with a new company, the business is reviewed from a financial perspective and with regard to ethical requirements. Not only illegal operations are excluded but also alcohol, tobacco and pornography. Other business models, not considered ethical, may be rejected by the Credit Committee. In the future, our challenge will be to further systematize this work with processes supporting our continued growth.

Reporting of potential deviations

If anyone, whether an employee or a customer becomes aware of irregularities, it is important that this be disclosed. We have clear guidelines about this and anyone with information on misconduct must report this to their immediate manager. In accordance with official requirements, there is also a whistleblower system in place, managed by an external party, where the whistleblower's anonymity can be guaranteed. The purpose of these measures is to be able to detect and address possible misconduct as early as possible. In 2017, no cases were reported via the whistleblower function.

Ethics Committee

If an ethical dilemma arises in relationships with customers or employees, this is addressed by Collector's Ethics Committee, consisting of the CEO, the HR Director, the Head of Legal and the Head of Compliance.

An example case might be that we are made aware that a customer or supplier has behaved in a manner or expressed values that we do not agree with. The Ethics Committee shall reach exemplary business decisions ensuring that Collector clarifies the operations' values – entrepreneurship, commitment and ethics.

Integrity and confidentiality

The banking sector is increasingly a target of cyber crime. Consequently, it is important that Collector provide robust systems and routines to detect and prevent attempts at cyber crime, as well as countering the increasing activity and number of intrusion attempts.

With the latest technology and increased focus on security, we have built control systems using, for example, blockchain technology and event sourcing, which improve the traceability and control of transactions. Cloud-based data storage reduces our vulnerability and we spread the risks. The Swedish Financial Supervisory Authority monitors and approves our data storage solution.

Our focus on security pervades our development work and all development teams include IT security architects. The number of intrusion attempts has increased but, to date, no attempt has managed to penetrate our security system.

Risk control function

The Compliance function, the risk control function and the internal audit perform checks on processes and procedures according to audit plans established by the Board of Directors. The challenge is to keep ahead of current legislation, as technological development often drives changes at a faster pace than laws and regulations can handle.

Working conditions and human rights

At Collector, there is zero tolerance for all forms of discrimination or harassment due to gender, gender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation or age. We demand respect for human rights, both in our own operations and among our suppliers and business partners.

To provide a uniform picture of the business ethics framework, work has begun to establish a Code of Conduct. During 2018, training will be provided to all employees to ensure that they are familiar with, and act in accordance with the Code.

Supply chain

All of our direct suppliers are in countries and sectors with a low

risk of human rights abuses. At present, these factors are only controlled through self-assessment by the suppliers. The target for 2018 is for all of our suppliers to sign our supplier policy, in which they commit to complying with our requirements regarding good working conditions, respect for human rights, anti-corruption and respect for the environment.

Transparency

For Collector, transparency means maintaining an open and accessible approach and providing relevant and accurate information about the company's strategies, profit and other factors that may affect stakeholder decisions. We strive to provide clear information on terms to customers. Information for customers is available on our website and our customer service can be accessed by phone, e-mail and chat.

Towards our owners, employees and the financial market, we maintain an open dialogue in which we strive to provide as accurate and relevant information as possible about our operations. We achieve transparency towards our owners through open dialogues at our general meetings and through regular gatherings. In connection with quarterly reports, telephone or live presentations are held that are also made available on our website. Continuous contacts and dialogue are maintained with the Swedish Financial Supervisory Authority.

Employees receive regular information through our intranet and monthly meetings are held with all employees via a video up-link. The ongoing dialogue primarily takes place via employees' immediate managers.

Taxes

Since its inception, Collector Bank has paid income taxes in the locations where its operations are conducted, which is an obvious part of assuming our responsibility as a corporate citizen. Over the past five years, Collector has paid a total of SEK 451m in income tax.

Commitment

Through strategic sustainability, we show a clear commitment to our employees and our environment. The issues that have a strong link to commitment give us the appropriate prerequisites for implementing our growth strategy.

The sustainability issues pervaded by our commitment are strongly linked to our customer offering and how we deliver it with the least possible environmental impact. We want to understand and meet our customers' needs before our customers themselves have recognized that need. We seek new, better

solutions and ways of providing financial services with good terms for our customers and of helping them manage their finances.

Our employees should feel that they have the opportunity to realize ideas in which they and others believe. The commitment concerns both how we behave as colleagues and managers, but also in our relations with customers, business partners and our community.

Access to skills

Collector strives to be an attractive and dynamic workplace for driven people with different personalities and backgrounds. We have a strong and present founder and strong female role models, aspects that many applicants say that they find inspiring. We have built up a systematic HR approach with processes for recruitment, introduction, and skills and leadership development.

For Collector, skills are both our greatest strength and a future challenge. We need to be able to attract skilled employees who enjoy working with us and whom we have opportunities to develop.

There is a shortage of about 30,000 with appropriate IT skills in the Swedish labour market, and competition for the best skills is likely to get fiercer. Collector works actively to appeal to the most talented people in this field and has learned that many are attracted to Collector, knowing they will have the opportunity to work with the latest technology. We have developed a close partnership with the Chalmers University of Technology in Gothenburg to facilitate the recruitment of highly talented people.

The IT experts of the future have not necessarily followed the traditional educational routes and are not only to be found at the largest universities. We believe that the best programmers of the future can also be found in many other places and have other backgrounds.

To find these talented people, we initiated Collector Academy in partnership with Academic Works – a boot camp for those lacking formal education but who are motivated and have the appropriate mindset. Over a period of three months, they receive 500 hours of training in coding, corresponding to three years of coding at university. Following training, participants are offered employment with a mentor and continued trainee instruction during the first year.

An annual eNPS survey is conducted into how our employees perceive Collector as an employer. This allows us to compare ourselves with competing employers and to identify improvement opportunities. In the latest survey, conducted in May 2017, our eNPS score was 35 (compared with a Nordic average of 7). In

2018, we will implement more frequent surveys and provide additional support for managers in the process of proactively and systematically working with employee satisfaction.

Diversity

At Collector we see the strength in diversity and inclusion in building a dynamic and creative organization and in understanding and responding to our customers. This is an inherent approach and working method at Collector – we seek skills,

CASE *Mitt Liv*

Collector partners with social company Mitt Liv, which works for increased integration in the Swedish labour market through mentoring programs, recruitment and skills development. The Mitt Liv model is based on self-help, with mentoring and setting up encounters that create opportunities, both for qualified people with a foreign background seeking to enter the Swedish labour market, as well as for organizations that participate by providing new skills and a wider recruitment base. Through the partnership, we have found skilled, new employees and increased the organization's expertise.

individuals and personalities that complement a group with the traits that it lacks. The average age at Collector is 34 years and, of those employed at the end of the year, the proportion of women was 52 percent and the proportion of men 48 percent. Of the senior executives, 63 percent were women and on the Board of Directors, 57 percent of members were women.

We want to reflect the diversity of society in other ways too. For example, we currently speak a total of 20 different languages. We collaborate with social company Mitt Liv on the development of inclusive leadership and we also participate in their mentoring programs for those with a non-Swedish background.

Working environment and health

There are no jobs hazardous to health in our workplaces. We encourage a healthy and sustainable lifestyle and work continuously to ensure employee health and well-being, including both the physical and psychosocial work environment.

Short-term absence due to illness over the year was 3.3 percent (3.3). Personnel turnover was 15.8 percent (17.1).

Skills development

We want our employees to be able to develop to their full potential and therefore invest heavily in skills development. This is particularly important for us because we are working with technologies that are constantly evolving.

Each employee has an individual skills development plan that is adjusted as needed. In addition to individual programmes, a weekly IT skills lunch is arranged, at which a topic is presented during 1.5 hours. Everyone is welcome to apply for one of the 30 available places. Within the IT organization, we also have recurring "Improvement days", on which our developers can take the day off from their everyday tasks to, for example, develop their own ideas, run their own projects or learn about something new.

Resource-efficient operations

Although our own environmental impact is limited, our operations have an indirect impact through our suppliers' use of energy, primarily through energy consumption and potential emissions associated with our server capacity. We apply a cloud-based server solution, which is both safer and more flexible than having our own servers. This is also more efficient from an energy consumption perspective due to the large-scale management of our data capacity by Microsoft, whose server rooms are more energy efficient than most. The server room used by Collector has a power usage effectiveness of 1.07-1.08, compared with an average of 1.70 in the sector. Microsoft climate compensates for CO2 emissions for all capacity procured by Collector.

In February 2018, Collector's head office, where most of our employees work, moved into new premises in Gothenburg. The building and the premises are Gold-rated according to the LEED international environmental certification system – the highest rating from an environmental perspective.

Social commitment

Our social commitment focuses on issues associated strongly with our core values. It must also take a long-term approach work according to the principles of helping others to help themselves. Earlier in this report, we describe our local partnerships with Mitt Liv and Albert, which are closely linked to the sustainability issues of diversity and financial awareness.

Collector also partners with the Hand in Hand organization, supporting a village project in Marappagoundar Pudhur, India. This too entails providing opportunities for people to change their own situation. Hand in Hand makes it possible for women to start their own businesses, thereby lifting themselves and their families out of poverty for good. Our commitment to Hand in Hand is also a way of getting our employees, partners and customers raise their sights beyond Sweden.

SIGNIFICANT ISSUES

We have identified the key sustainability issues by means of a materiality analysis, which forms the basis for this report and the priorities for our future sustainability efforts. Based on an analysis of the future and the mega trends and changes anticipated in society, for our customers and the market for digital financing solutions, we have identified 18 key issues that affect Collector's competitiveness and ability to build trust among our key stakeholders. Through internal interviews with a selected group of key individuals within Collector, the relevance of each question up until 2020 was assessed from two perspectives:

- *Stakeholders* – stakeholders' perception of the importance of the question to their view of Collector and our ability to generate value for them. The analysis was based on the perspective of six stakeholder groups – retail customers, corporate customers, shareholders, employees, society and the authorities.
- *Value generation* – the question's impact on Collector's capacity to generate value based on three different internal perspectives – strategy, culture and innovation.

Based on the analysis, we have divided the results into four categories:

Issues where we can make the biggest difference

- Ethical business and counteracting financial crime
- Transparency
- Satisfied customers
- Financial knowledge
- Working conditions and human rights
- Responsible taxes

Issues that support our business model most

- Access to skills
- Skills development
- Diversity

Issues that foremost generate confidence in Collector

- Social commitment
- Long-term, profitable growth
- Sustainable products
- Working environment and health

Issues requiring more communication:

- Integrity and confidentiality

AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Collector AB (publ), Org. no. 556560-0797

Assignments and responsibilities

The Board of Directors is responsible for the Sustainability Report for 2017 presented on pages 52–61 and for it having been prepared in accordance with the Annual Accounts Act.

Scope and focus of the review

Our examination has been conducted in accordance with FAR's recommendation RevR 12 "The auditor's opinion on the statutory Sustainability Report". This entails that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Statement

A Sustainability Report has been prepared.

Gothenburg, 26 March 2018
PricewaterhouseCoopers AB

Peter Nilsson
Authorized Public Accountant