



Martin Nossman, CEO



Sofia Brax, Chief HR &amp; Sustainability Officer

## SUSTAINABILITY REPORT

## We develop sustainability together

*As a growing company, we have a responsibility to contribute to the sustainable development of the society in which we operate - locally and globally. For Collector, sustainability encompasses our economic, social and environmental impact (ESG - Environmental, Social and Governance). The company's statutory Sustainability Report is presented in accordance with the requirements set out in the Annual Accounts Act. It covers 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 on page 38 in the consolidated accounts.*

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

*Collector's sustainability work is based on our brand promise "Believe in the idea" and the UN's global goals for sustainable development and is closely linked to our core values: ethics, commitment and entrepreneurship.*

## Sustainability as an integrated part of the business strategy

Here, CEO Martin Nossman and Chief HR & Sustainability Officer Sofia Brax discuss how sustainability issues are integrated into the strategy, their crucial significance for Collector's business and our role in relation to the external community.

### What does sustainability mean to Collector?

**Martin:** This is summarized well with the phrase "Believe in the idea", which represents our promise to the market - that we believe in people and companies and help build durable enterprises, making them grow and thereby contribute to society. Besides engendering conditions for our customers' long-term profitability, this also increases equality by developing people's financial skills. We seek to increase all forms of inclusion by providing the conditions for everyone, individuals and companies alike, to make wise decisions about their finances. And, with clear, straightforward information and customer-oriented service, everyone should feel secure in their financial choices. For Collector, sustainability entails both minimizing risks, as well as actively exerting an influence to make a difference. In this way, we build the conditions for our long-term competitiveness.

**Sofia:** One area of our sustainability strategy involves ensuring that all employees are educated in self-leadership and ethics, which helps place sustainability high on everyone's agenda, enabling us to generate long-term value: we attract employees who focus on the right things and who enjoy working here.

### Which focus areas are the most relevant to Collector and why?

**Sofia:** We have listed those four of the UN's global goals (4, 5, 8 and 9 - read more about these on page 81 and onwards) and their sub-goals, where we believe we can make the greatest difference based on our operations. Among other things, this involves being able to contribute financial expertise by, for example, sharing research reports and providing valuable advice to enhance the conditions for all existing and new customers to make wise decisions about their finances. We have a Contact Center that takes care of our customers in a friendly and respectful manner and in 13 different languages. We want to be a bank for everyone.

**Martin:** With our services, we can generate growth in society so that more people find employment. We can also make a difference in areas outside our business concept but adjacent to the operations, such as increasing mathematical skills among groups where the level of knowledge is low. After all, mathematics is the foundation necessary for taking care of your finances.

### How is sustainability integrated into Collector's business concept, targets and strategies?

**Martin:** As one of our overarching strategic objectives, sustainability is to be addressed by every part of Collector. Our business concept is based on lending money and that entails a responsibility: to be transparent, open and honest. For this reason, we use inclusive language, provide accessible customer service and clearly explain our terms. Our rigorous regulatory framework forms the base plate.

**Sofia:** Developing an organization driven by specific purposes and values, and strengthening our sustainability efforts are two of our strategic areas and are to pervade our entire business model. During 2019, we will be setting clear targets for the company and monitoring progress to ensure that we are developing in the right direction.

### How does Collector work with sustainability from the customer perspective?

**Martin:** We work with knowledge transfer in much of our communication, for example through our corporate blog and webinars. When it comes to which customers we work with, we seek to promote sustainable operations, where we are happy to make that extra effort to resolve financing needs, for example.

### ... and from the employee perspective?

**Sofia:** We consciously develop our culture on the basis of our values: ethics, commitment and entrepreneurship. We maintain an ongoing dialogue with our employees and managers to always provide the optimum conditions for us to thrive and feel committed to our work. We also conduct regular surveys at the department level, following up on employees' input.

### How can Collector contribute to sustainable social development?

**Sofia:** By using our expertise, products, services, innovative solutions and consideration, to provide the best conditions for individuals and companies to make wise decisions about their finances, to lessen the burden on companies by providing financial services enabling them to focus on getting their companies to succeed. With Collector Ventures, we help startups take the next step, giving them the courage to invest, recruit and develop their operations.

### What did you succeed with best in 2018?

**Martin:** We have managed to put together a strong and business-oriented management team, into which we also brought Sofia Brax as our new HR & Sustainability Officer. Giving the management team a spokesperson skilled in sustainability enables us to apply sustainability even more clearly as a driving force in our strategy.

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

**Sofia:** We have appointed a sustainability group whose purpose is to highlight the sustainability issues most relevant to Collector. We will also involve customers, but particularly all employees, who will have the opportunity to contribute, partly through an internal sustainability/innovation competition, as we continue implementing our "Developing ethics together" training programme. Ethics is one of our core values and 2019 will therefore be a theme year for ethics. Collector's corporate culture is our foremost strength and, for that reason, that is where we will continue to invest in changing and further developing ourselves. The most important thing is that we all take responsibility in every decision we make, in every customer meeting and dialogue. We want to take that extra effort to listen to our customers' ideas and to provide fast and flexible service to existing and new target groups in all social groups. We do this proactively and with consideration.

# Business model linked to sustainability

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 recipe for success that mainly comprises following parameters:

- Our corporate culture is central and our core values of entrepreneurship, ethics and commitment form the foundation for our behaviour.
- A strategy with profitable growth in focus, whereby we have been able to show strong growth for 19 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.

## Collector's business model



## THE VALUE WE GENERATE

- **CUSTOMERS**  
Financing solutions, savings products and business support
- **EMPLOYEES**  
Competitive salaries and opportunities for skills development
- **OWNER**  
Return on invested capital
- **SOCIETY**  
Taxes, jobs and corporate finance contributing to societal growth

## Focus areas

*The UN's global sustainability goals are aimed at eliminating extreme poverty, reducing inequalities, promoting peace and justice and resolving the climate crisis before 2030. The 17 principal goals describe the world we want to create, while the 169 underlying sub-goals describe how we should create it. Collector has selected the goals and sub-goals where we believe we can make the most difference, based on a materiality analysis. The analysis builds on dialogues with stakeholders, as well as representatives from Collector's Board of Directors, company management and other senior executives.*

### The UN's Global Goals for Sustainable Development

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**Goal 4:** Quality education for all.

**4:4** Increase the number of people with relevant skills for financial success.

### Examples of Collector's activities

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We strive to contribute to increased knowledge in personal finances and financial obligations. We do this by actively promoting a responsible attitude towards customers in product development, sales, provision of credit and debt collection management.

Collector's debt collection company Colligent has developed a proprietary, solution-focused approach to resolving customers' problems. By listening and analyzing the situation with legal expertise, new ways have often been found to resolve debt situations, to the benefit of all parties. Our advisers in the debt collection operations have legal skills and experience and can therefore provide qualified advice during the process.

We also play a role in increasing financial knowledge among young people and in marginalized areas. Concrete examples of this are Collector Venture's investments in the app Gimi/Veckopengen, which helps children and parents to manage and take responsibility for money, as well as the e-training course Albert, a digital homework assistant in mathematics for preschool up to upper-secondary school.

Collector also partners with the Hand in Hand organization, in which we have supported several village projects in India. Hand in Hand makes it possible for women to start their own businesses, thereby lifting themselves and their families out of poverty for good.

## The UN's Global Goals for Sustainable Development

**Goal 5:** Gender equality.

**5:1** End discrimination against women and girls.

**5:5** Ensure full participation for women in leadership and decision making.

**Goal 8:** Decent work and economic growth.

**8:1** Sustainable economic growth.

**8:4** Improve resource efficiency in consumption and production.

**8:5** Full employment and decent work with equal pay.

**8:6** Promote youth employment, education and training.

**8:8** Protect labour rights and promote safe working environments.

**8:10** Universal access to banking, insurance and financial services.

## Examples of Collector's activities

At Collector, there is zero tolerance for all forms of discrimination or harassment due to gender, gender identity or expression, ethnicity, religion, functional variation, sexual orientation or age.

We demand respect for human rights, both in our own operations and among our suppliers and business partners.

Of those employed at the end of the year, the proportion of women was 48 percent. Of the senior executives, 25 percent were women and on the Board of Directors, 50 percent of members were women.

Collector has 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 revenue has shown an average annual growth rate of 29 percent and profit after tax has increased by an average 48 percent.

Since Collector's inception, paying income tax in the countries in which we operate has been self-evident. Over the past five years, Collector's tax expenses have amounted to SEK 563 million.

There are no jobs that are physically 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. Personnel turnover was 23 percent (calculated based on the number of positions discontinued divided by the average number of employees. The calculation takes only probationary and permanent employees into account).

All permanent employees have access to wellness benefits, including massage during working hours and wellness and healthcare contributions.

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. When recruiting, we seek out individuals, skills and personalities that complement the group with qualities it lacks.

We collaborate with social company Mitt Liv on the development of inclusive leadership and we also participate in their mentoring programs for academics with a non-Swedish background. Through the partnership, we have found new employees and increased the organization's expertise.

Alongside other companies, we are running a project in which we provide internships for lower-secondary school students from socio-economically vulnerable areas. By demonstrating all of the different roles that exist within a bank, the purpose is to encourage and inspire students to continue their education.

Within the Collector Group, we have many intermittent employees who are studying law or economics, for example, at college or university and who work part time with us. We perceive several advantages in hiring committed people while they are in education, many of whom then apply for permanent employment with us after gaining their degrees.

Instead of collective agreements, we have developed a package of terms and benefits that stand up well compared with the relevant collective agreements. At the same time, we support employees' right to organize themselves through trade unions. We maintain a continuous dialogue with our employees to map their interest in collective agreements.

### The UN's Global Goals for Sustainable Development

- Goal 9:** Industry, innovation and infrastructure.
- 9:1** Develop sustainable, resilient and inclusive infrastructures.
- 9:3** Increase access to financial services and markets.

### Examples of Collector's activities

Collector's 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. We perceive 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 resource efficient compared with traditional banking, with lower consumption of resources such as paper and transport. Our digital platform can be continuously developed and expanded, giving us the flexibility to lead the way forward.

Our operations have an indirect environmental impact through our suppliers' use of energy, primarily through energy consumption and potential emissions associated with our server capacity. Applying a cloud-based server solution is both more secure and energy-efficient than operating proprietary servers. The server hall used by Collector has a power usage effectiveness<sup>1</sup> of 1.07-1.08 (compared with an average of 1.80 for the sector). Microsoft climate compensates for the CO<sub>2</sub> emissions generated by the server capacity Collector buys.

In February 2018, Collector's head office and most of its employees moved into new premises in Gothenburg. The building and the premises are classified "Gold" in accordance with the international environmental certification system LEED.

Employees	31 Dec. 2018	31 Dec. 2017
Average number of full-time employees	390	376
FTE (Full-Time Employed ) Sweden	329	317
FTE Norway	28	26
FTE Finland	33	33
Percentage of permanent employees	86%	81%
Personnel turnover	23%	15.8%
Number of people leaving employment during the year (including temporary and hourly employees)	171	80
Number of people joining during the year	120	149
Distribution of women/men in percent	48/52	52/48
Women/men in company management in percent	25/75	63/36
Absence due to illness (of which, short-term absence)	4.7 (3.3)	4.3 (3.3)

### Credit provision

Responsible lending is a key aspect of long-term value creation. Collector maintains a restrictive stance and only grants Personal loans 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 developed to improve selection criteria and improve the quality of the credit portfolio. The ambition is to maintain a low and stable credit loss level. The credit loss ratio for the rolling 12 month period amounted to 1.4 percent (1.1) at the end of the period. The increase is directly attributable to the larger provisions made for private loans in accordance with the rules for the reporting of expected credit losses under IFRS 9.

### Collector's control functions

Compliance, risk control and the internal audit constitute Collector's independent and mandatory control functions. "Independent" entails the functions being detached from business transactions and not participating in business decisions in the operations.

### Risk control function

The risk control function is an independent control function that is mandatory for all institutions under the supervision of the Swedish Financial Supervisory Authority. The function shall be independent in relation to the other operations in Collector and must be organizationally separate from the functions and areas that it is to review and control. The risk control function is directly subordinated to the CEO and reports to company management and the Board of Directors.

The principle that a risk control function must be present in Collector assumes that each unit bears full responsibility for the risks in its area of operations. In practice, day-to-day risk management is performed by each business and support unit and is governed by internal rules and procedures. The risk control function should be seen as a resource that monitors and controls the company's risk management. In other words, the primary responsibility of the risk control function is to verify that all major risks to which Collector is exposed, or may be exposed, are identified and managed by the relevant business units or functions.

The work of the risk control function is based on Collector's overall risk policy, which also defines the assessment by the Board of Directors of which risks are considered material. The primary risk categories identified in the risk policy are credit risks, market risks, operational risks, liquidity and financing risks and other risks. Accordingly, the risk control function should primarily focus its efforts on these risk categories.

In addition to reviewing and controlling risk management in the operations, the risk control function is a supportive and advisory function on risk-related issues and works continuously with knowledge transfer and training to increase risk awareness within the organization.

### Compliance function

The compliance function is an independent control function that is mandatory for all institutions under the supervision of the Swedish Financial Supervisory Authority. The function shall be independent in relation to the other operations in Collector and must be organizationally separate from the functions and areas that it is to review and control. The compliance function is directly subordinate to the CEO and reports to company management and the Board of Directors.

The Compliance function serves as a support for Collector as a whole and is tasked with checking that the operations are run in accordance with applicable laws, regulations and internal rules.

Among other things, the function's area of responsibility covers supervisory and licensing issues, the requirements associated with behaviour towards customers and on the market.

The assignment also includes an advisory role and, from a risk perspective, commenting on proposed new products and services, as well as on significant changes and major reorganizations.

The function is also tasked with providing information and training for personnel on issues included in the function's assignment.

Compliance monitors the development of regulatory frameworks within relevant jurisdictions and shall be a support in the implementation of the new or amended regulations.

Applying a risk-based approach, Compliance must work proactively and play an advisory role to control and minimize the regulatory risks that exist in the operations.

The function submits recommendations to the operations regarding how risks can be managed, and checks that risks are followed up and managed within the relevant business units.

The Compliance function includes the role of Central Functional Manager for AML (Anti Money Laundering). AML is a mandatory function that is independent of the business operations, tasked with verifying that the operations have effective measures in place for counteracting money laundering and financing of terrorism.

The work of the function partly entails providing advice, support and training to the operations in the area of AML, but also ascertaining that the operations have effective measures, clear governance documents and processes to prevent the operations from being used for money laundering and financing of terrorism.

The AML function also has automatic monitoring systems to support its work and to detect deviating behaviours or patterns. Any suspicions are investigated by the function, which also reports suspicious customer relationships and transactions to the Financial Police.

Compliance also acts as a contact with the Swedish Financial Supervisory Authority and other supervisory authorities with regard to supervision, investigations, statistics and surveys.

### 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).

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.

### 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 our 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.

### Reporting of potential deviations

If anyone, whether an employee or a customer becomes aware of irregularities, it is important that this be disclosed and we have clear guidelines in this regard. There is also a whistleblower system in place, managed by an external party, where the whistleblower's anonymity can be guaranteed. The purpose is to detect and address possible misconduct as early as possible. In 2018, one case was reported via the whistleblower function.

### Whistleblowing

A whistleblower is someone who observes irregularities in a company or organization. For us, it is very important that details of shortcomings are disclosed and we have therefore chosen to implement a whistleblowing system. The purpose of the system

is to provide a channel through which events or conditions can be reported without the individual making the disclosure fearing negative consequences for him/herself. Our hope is that shortcomings can quickly be noticed and addressed before the underlying causes grow and become unmanageable. Via the whistleblowing system, serious cases of misconduct involving individuals in senior positions can be disclosed, including managers (all levels), management team, Board of Directors and other key individuals. Examples of serious irregularities include financial crime such as bribery, corruption, theft, fraud and counterfeiting, accounting breaches and other breaches of accounting and tax laws, a conflict of interest between an employee and the company, or other serious irregularities relating to the company's vital interests or the individual's life and health, such as serious environmental crimes, major shortcomings in workplace safety and serious cases of discrimination and harassment. Suspicions of money laundering or financing of terrorism can also be reported via the whistleblowing system. All disclosures are handled by an external and independent party who guarantees anonymity. Submitting contact details is voluntary and, regardless of this, the disclosure is processed anonymously.

### Collectors Ethics Committee

If a dilemma arises in relationships with customers or employees, this is addressed by Collector's Ethics Committee, consisting of the CEO, the HR & Sustainability Officer, the Head of Legal and the Head of Compliance. Examples of cases may include a customer or supplier expressing values we do not share, or conducting an activity in an area that is not compatible with our Code of Conduct. The Ethics Committee shall reach exemplary business decisions ensuring that Collector clarifies the operations' values.





SOME QUESTIONS TO

## Isabell Mörner, Collector's Data Protection Officer

*Since the EU's GDPR regulation was adopted in May 2018, replacing the Personal Data Act, companies are, in some cases, required to employ a DPO - Data Protection Officer. Collector already had a similar function, a personal data officer, which has now been renamed as DPO.*

### **What does it mean to be a Data Protection Officer?**

My role as DPO primarily entails advising the organization on data protection issues. More specifically, it involves supporting the operations in impact assessments, training all employees in GDPR, managing personal data incidents and individual customers wishing to exercise their rights, and general monitoring of the organization's compliance with the law.

### **How is data protection and personal data management linked to sustainability?**

As our operations are digitized, IT services are being developed and analyses of people's behaviour are becoming more and more common and more important, people also demand to be able to protect their integrity. We are seeing more of this these days than previously. From a sustainability perspective, it is important for Collector to show that we defend personal privacy while being dependent on data to be able to offer competitive services. Being a relevant player in the market, requires quite simply that our customers are confident that we take their privacy very seriously when they use our services.

### **What are the risks and challenges associated with personal data management?**

All companies want as many details as possible about individuals, for as long as possible, preferably to be able to analyze behavioural patterns and make assessments. GDPR prevents this. We now have to do things differently, for example, looking at larger amounts of anonymous data to analyze customer behaviours, and keeping the most relevant personal data for only limited periods of time. We can still achieve the same results and do our job, we just have to do it a little differently than before. Many consider GDPR highly challenging and problematic from their professional perspectives, although, at the same time, most people I talk to think from a private perspective that protection of privacy is an important issue.

### **How do we live up to the requirements?**

This is extensive legislation and it is a challenge to comply with all aspects. However, because we already comply with other rules, including bank secrecy and good debt collection practices, we are already compliant to some extent, and we have the necessary procedures and structures in place to comply with GDPR. The purely legal responsibility for complying with the GDPR is part of the whole thing - and rests with the company - although, for the company to be able to comply with the law, all employees must take their responsibility. Accordingly, we offer different training opportunities for different departments and for new employees. I believe strongly in ongoing efforts, with procedures and training sessions adapted to each department. This way, it is more likely that people will understand GDPR and be able to follow the law in their everyday work. We also have several projects underway to automate privacy protection and reduce the efforts to be made by each employee. These can involve, for example, setting automatic, centralized rules for deleting old e-mails from everyone's mailboxes.

# Policies and guidelines

Collector is subject to a number of rules and regulations and is licensed under the Financial Supervisory Authority (Collector Bank AB) and the Swedish Data Protection Authority (Colligent Inkasso AB), respectively. To comply with legislation and regulations, an internal regulatory framework has been developed: Collector's governance documents. The purpose of these governance documents is for us to be able to maintain a good standard and good practice within each area of operations that is subject to licensing. The governance documents comprise policies that are produced on demand or when specific situations arise within the Group. They are authored by the relevant functions, referred to the management team for review and approved by the Board of Directors. Described below are the policies and guidelines that are of particular importance for our operations. In addition to these, we have other policies and guidelines, including the environmental policy, the whistleblower policy and our ethical guidelines. Some of these will be updated in the coming years. Several of our policies can be found at collector.se, while others are only available on our intranet, which can be accessed by all employees.

## **Risk policy**

The risk policy is a document designed to ensure that there is a common and sound view of risk taking based on an understanding of the risks to which the operations are exposed. The policy entails preventing and managing Collector's risks, which is a central element of the operations. This risk policy is a central part of the risk management framework that has been established to ensure that Collector can, on an ongoing basis, identify, measure, assess, monitor, mitigate, manage and report the risks to which the operations are, or may be, exposed. The risk policy also constitutes a basic instrument with which the Board of Directors and company management can achieve good internal governance and control in the operations.

## **Insider policy**

The Board of Directors of Collector has adopted this policy as a supplement to the legislation, regulations and rules that apply given that Collector AB's shares are admitted for trading on Nasdaq Stockholm. The purpose of the policy is to prevent insider trading, market abuse and disclosure of confidential information. The policy applies to individuals employed by Collector, as well as to individuals with specific assignments for Collector. The fundamental view is that Collector is positive about employees owning shares or other financial instruments in Collector.

## **Measures against money laundering and financing of terrorism**

The policy adheres to the Act (2017:630) on measures against money laundering and financing of terrorism and the Swedish Financial Supervisory Authority's regulations. The policy encompasses all employees and describes in a general manner the measures to be taken and the specific principles that should apply within the operations.

## **Supplier policy**

The purpose of this policy is to define and establish a basis for how Collector is to work with suppliers and what requirements we place on our suppliers with regard to procurement. This policy is applied to all suppliers from whom Collector procures goods and services for a value of more than SEK 100,000 per calendar year.

## **Credit policy**

The credit policy aims primarily to establish the framework that Collector applies regarding, for example: provision of credit and follow-up of credit risks. The policy must also be adapted in accordance with current accounting rules. Collector's Board of Directors has adopted this policy, which seeks to provide general guidelines for credit risk management in connection with the provision, follow-up and management of credit.

## **Procedures regarding alcohol, drugs and gambling**

Problems involving alcohol, drugs and gambling can assume a variety of expressions depending on the individual and the situation. This policy aims to help and support employees experiencing problems of this kind. It acts as a guide on how to behave as a manager and colleague in helping the person concerned.

## **IT security guidelines**

The purpose of the guidelines and the rules associated with them is to demonstrate how we are to protect Collector's valuable data assets. Alongside other underlying instructions and procedures, the guidelines govern how we should safely handle Collector's data.

#### **Procedures for conflicts of interest**

All employees must behave in such a way that the confidence of customers and the general public in the bank is maintained. One prerequisite for this confidence is that any conflicts of interest are identified and managed, which is also required by the applicable regulations and the employee's duty of loyalty set out in the employment contract. Among other things, this duty of loyalty entails the employer's interests being put first and that its reputation must not be harmed.

#### **Policy for management of operational risks**

This policy forms part of the framework established to ensure that the operational risks to which the operations are, or may become, exposed to on an on-going basis can be identified, measured, assessed, monitored, mitigated, managed and reported. The operational risks are an essential element of Collector's overall risks and, in accordance with established risk policy, shall be managed as a separate risk category in parallel with other risks.

#### **Discrimination, equality and diversity policy**

The purpose of Collector's discrimination, equality and diversity policy is to determine how the company will work to increase diversity and gender equality and to counteract discrimination within the Collector Group and in the work of the Board of Directors, as well as when appointing personnel and Board members. Among other things, Collector strives, to respect human rights, meaning that our operations should not contribute to human rights violations and that we act to prevent such violations. We strive for an inclusive and innovative working climate in which all employees can fully contribute by applying their different experiences, backgrounds and skills so that the operations can be run efficiently and with good results in terms of quality.

#### **Skills development policy**

The skills development policy shall contribute to the achievement of Collector's objectives in the short and long term and to the development of the operations based on current and future needs.

#### **Work environment policy**

One of Collector's fundamental objectives is to be an attractive employer. All employees are to be afforded the conditions necessary to be able to perform, enjoy their work and develop. The purpose of this work environment policy is to clarify responsibilities, describe our work environment objectives and how we work to promote health and to prevent and remedy ill health.

#### **Communications policy**

The purpose of the communications policy is to clarify who is responsible for providing informing and issuing specific communications. The policy also provides practical guidance and support for how we communicate, what we communicate and when we communicate. Furthermore, the communications policy constitutes guidelines for the handling of confidential information and support and guidelines for the handling of insider information, guidelines for individuals in leading positions and individuals with access to insider information, as well as procedures for insider logging. The communications policy helps support Collector's business concept and strategy.

#### **Code of Conduct**

The Code of Conduct applies to all Collector employees (regardless of their role or position, including Board members and contracted personnel) and in all markets where Collector has operations. In the Code of Conduct, we summarize the rules, values, guidelines and commitments according to which all employees must work to engender trust. All employees are responsible for being aware of what the Code of Conduct entails and are expected to act and perform their duties in accordance with the Code. Our Code of Conduct includes our anti-corruption policy. Collector is determined to combat all forms of corruption and to conduct business with the greatest possible transparency and integrity. We tolerate no forms of bribery or corruption.

#### **Complaints management policy**

Managing complaints provides us with opportunities to capture problems, correct them and take preventive measures to prevent recurrences of erroneous treatment. Complaints entail individual cases in which a customer or debtor expresses concrete dissatisfaction with how they have been treated in connection with our services and products. Complaints may be received as a consequence of decisions or procedures perceived as faulty. All the complainants are to be treated in an objective and helpful manner.

# Collector's sustainability agenda in 2019

*Our internal sustainability work is illustrated by a three-part pyramid, where the base level represents what is Compliant, that is, what we must adhere to in terms of laws, rules and regulations. We define the next layer as Best Practice - meaning we do more than what is required of us in all of our areas, while the top of the pyramid represents Innovation and describes the areas in which we seek to develop unique solutions and make an extra effort to be able to contribute to positive development in society by bringing about a real change in behaviour.*



**In 2019, we have begun and continued our work with:**

## **1. Setting Collector's sustainability targets**

- Mapping where and how we can have the greatest impact from the perspective of sustainability.
- Holding internal workshops to broaden discussions and capture ideas on what we can do to make a difference (identifying everything from "low hanging fruit" to major changes/investments).
- Continuing our ongoing dialogue with our stakeholders.
- Formulating targets/measurement methods in management.

## **2. Internal work (compliant/best practice) / department**

- Reviewing all policies and guidelines from a sustainability perspective.
- Establishing forums for discussing ethical dilemmas.
- Reviewing processes and working methods.

## **3. Business development**

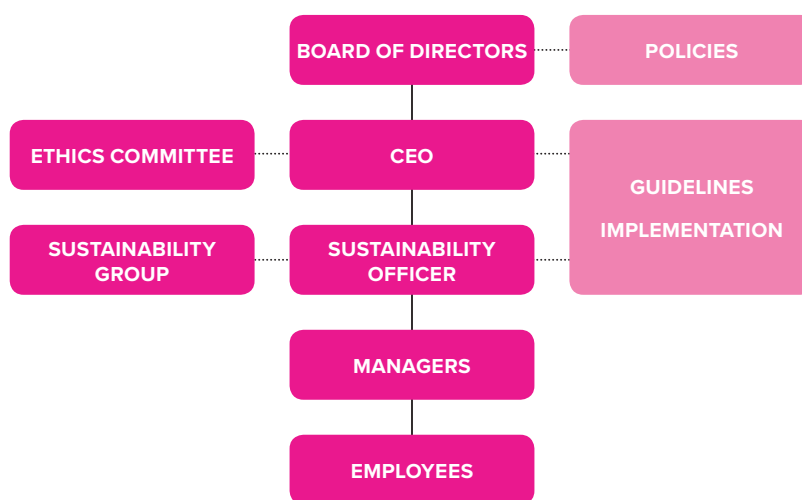
- Developing innovative products and services.

## **4. Market communications**

- Continuing communications to stimulate improved financial skills so that companies and individuals can make wise choices about their finances.
- Defining how we safeguard good marketing that contributes to business in combination with the customer making conscious choices.

# Sustainability organization

The Board of Directors is ultimately responsible for sustainability issues within Collector and establishes policy frameworks and control processes. The CEO and the Sustainability Officer are responsible for integrating sustainability work into the operations and the Ethics Committee acts as a control function. To optimally integrate sustainability work, Collector has a sustainability group with representatives from different areas of the operations and led by the Sustainability Officer.



## 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 2018 presented on pages 78–91 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 my examination of the Sustainability Report 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 2019  
Ernst & Young AB

Daniel Eriksson  
Authorized Public Accountant  
Auditor in charge