

Sustainability report

07

Our role and our ambition

At Kredinor we want to do good for our customers, by not adding to their burden.

Our ambition is to lead our industry forward in sustainability. By collaborating with stakeholders and focusing on developing the best customer experience, we want to contribute to a more sustainable debt collection industry in the Nordics. Our employees are the key to success, therefore we always strive to find new ways to care for their well-being.

We are proud of Kredinor's sustainability ambition announced in 2022. Social issues are perhaps one of the greatest challenges of our time, and as a debt collection company we have a responsibility to contribute by creating more sustainable debt collection processes, and increasing transparency within our industry. We understand that life is complex where unforeseen situations such as illness, injury, and death can lead to financial exclusion and difficulties. This is where Kredinor can support those who need it the most, and take a holistic approach to understand the root cause of the problem for our customers.

Unfortunately, our industry has not fully succeeded in convincing our stakeholders that we have good intentions and want the best for our customers. It is therefore important that we keep these issues high on our agenda to secure improved transparency around customer experience. Adopting a proactive and inclusive approach to customers is at the heart of our strategy.

Being Norway's largest debt collection company, we have a great social responsibility to support and encourage healthy financial conditions and payment habits. We will use our position to challenge the industry framework and established practices, increasing transparency regarding commissions and kickbacks causing extra costs for the customer. Kredinor works actively to coordinate measures in this regard together with Finans Norge and the largest players in the industry.

Furthermore, our customers and clients can be confident that we are actively working to improve our efforts by managing our climate risks, becoming climate neutral, and putting an extra effort on social aspects with our employees and customers in focus.

Not only did we make strategic decisions in 2022 by adopting a new and ambitious sustainability strategy, but we continue to make bold decisions every day.

This is the new Kredinor.
– Kredinor Sustainability Team

Our sustainability commitment

The new leadership at Kredinor has made it clear that going forward, sustainability is a prioritised area where the company has high ambitions. Therefore, Kredinor established a sustainability team during 2022, consisting of two full time employees. The first actions that came into place in 2022 were the development of the Kredinor sustainability strategy together with the Kredinor sustainability policy, both endorsed by the Board of Directors.

Our ambition and goals are defined and set, and short- and long- term actions identified and planned. Stakeholder analyses are completed for Norway and initial dialogue engagement is ongoing. Combined, these are important building blocks to create a common ground for Kredinor in the Nordics. Moreover, a new Code of Conduct and relevant governance documents for the newly merged company is also being finalised.

Overall objectives

Our main sustainability objectives come from our simple but powerful aim to do good. We must reduce the burden for those who need it the most, while being conscious of our important role in maintaining a stable financial system. We will provide industry leading service-level and payment solutions, and take a holistic approach to help the customer return to financial health. Our goal is to be considered one of the most sustainable debt collection agencies in the industry. Our promise is to always have the customers' best interests in mind.

Strategy and targets

To ensure accountability and deliver on our sustainability strategy we have divided our ambition into four areas with clear objectives and targets.

Objectives:	Targets:
<p>Sustainable and responsible business We believe that good governance ultimately fosters sustainability. We therefore emphasize accountability, transparency, efficiency, and rule of law at all levels in the organization. We require documentation for transparency, anti-corruption and sustainability from partners and suppliers. We will set a new Code of Conduct for the new Kreditor and integrate sustainability and integrity in everything we do.</p>	<ul style="list-style-type: none"> • Our main suppliers shall document their sustainability status and risk. • Our employees shall understand and abide by our internal Code of Conduct.
<p>Sustainable employer Kreditor aims to be the most attractive employer in debt collection and payment servicing, offering competitive benefits in a good working environment.</p> <p>We focus on keeping and developing our employees, and recruiting new talents. In Kreditor we have equal opportunities for growth, leadership, and diversity.</p>	<ul style="list-style-type: none"> • Gender equality and balance in all management teams. • High employee satisfaction. • Zero tolerance for discrimination.
<p>Sustainable customer relations Our overall ambition is to return customers to financial health, and our goal is to help them resolve their financial difficulties, not limited to the individual case. By treating our clients' customers with respect and financial advice, we solve cases without adding unnecessary to the burden.</p> <p>We will collect in an appropriate and sustainable manner, and limit the costs for the customers who need it the most. We are accessible on the customers' preferred platforms and offer expedient payment solutions and fast response. By sharing data with Inkassoregisteret and others, we help customers get better insight and oversight, and help them make it.</p>	<ul style="list-style-type: none"> • We solve the core of the customers' financial problem and not limit our engagement to the individual case. • We strive to always try to reach the customer before collection fees are increased. • We have high customer satisfaction.
<p>Sustainable client relations Helping clients get paid while ensuring customer satisfaction is Kreditors' core business. We will also offer training, guidance, and support to our clients' sustainability transformation.</p> <p>We provide dedicated personal assistance when needed, self-service, and automated solutions for payment and communication, leading to long-term relationships for all parties and without risking the relationship between clients and customers.</p>	<ul style="list-style-type: none"> • Industry leading service solutions and client satisfaction.

Materiality – understanding the issues that matter the most

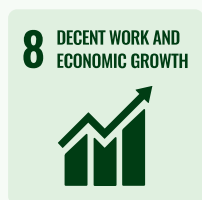
The area of sustainability is broad, which makes it important to prioritize to get things done. To be relevant in the prioritizations we make, we aim to engage with our stakeholders to better understand the aspects that matter the most to them. Moving forward we will focus on an open dialogue with our stakeholders to better understand and address their evolving expectations and concerns.

During 2022 we initiated a stakeholder analysis, and established an interaction strategy to be continued throughout 2023.

Stakeholder Group	Motivation	Current aspects to be verified	How we will engage
Experts	Kreditors' main responsibility is to help our customers make it to pay off their debts. As such we continuously engage with experts in the field of over indebtedness and financial exclusion to better understand how we can deliver on our promise.	<ul style="list-style-type: none"> • Vulnerability • Financial Education • Improved skills in providing debt advisory services with agents • Better collaboration with the debt collection register. (Inkassoregisteret) 	<ul style="list-style-type: none"> • One to one interview
Employees	Due to the change in management and the merger between Kreditor and Mohdi, our employees have experienced major shifts in the way we work. We will now focus on integrating everyone into one Kreditor.	<ul style="list-style-type: none"> • Flexible working arrangements • Well-being • Talent retention • Inclusion and diversity • Better pension schemes 	<ul style="list-style-type: none"> • Employee surveys • Intranet • Colleague interviews • Executive engagement sessions • Trade unions
Customers	We strive to learn from the perspectives of our customers. We do make mistakes, but when this happens we work hard to understand what went wrong to fix the issue quickly.	<ul style="list-style-type: none"> • Fees and charges • Customer financial hardship (compassion) • Customer experience • Good digital solutions for easy management of debt • Data privacy 	<ul style="list-style-type: none"> • Customer feedback and complaints • Social media • Customer surveys
Clients	It is important for us to proactively engage with our clients on our progress on key ESG topics like climate change and inclusion and diversity.	<ul style="list-style-type: none"> • Client satisfaction • Success rate in solving cases • Quality assurance and good governance 	<ul style="list-style-type: none"> • Client feedback • Client survey
Suppliers	During 2023 we will initiate a group wide procurement process with mandatory ESG screening of all suppliers. This includes engaging with our suppliers to continually improve ours, and theirs, performance in relation to social, ethical, and environmental issues.	<ul style="list-style-type: none"> • Impact of external events on supply chains and business continuity • Environmental and social sustainability • Supply chain's carbon footprint 	<ul style="list-style-type: none"> • Supplier reviews and surveys • Meetings • Assessment of the suppliers against our ESG screening

Sustainable development goals 2030

Kredinor is committed to contribute to SDG 12, 10 and 8 in the following way:



- We will ensure that our payment solutions, services, and financial advice are accessible for all.
- We will be compliant with laws and regulations, adopt sustainable practices, and integrate sustainability information into our reporting cycle.
- We will not have suppliers, partners, and clients, that are not transparent and work on fundamental human rights and decent working conditions.
- We will include environmental risk factors when pricing and purchasing debt portfolios.



- We will treat our customers fairly and equally.
- We will ensure equal access to our financial training programs for all.
- We will not add unnecessarily to our customers' burden. In particular those with little or no income/assets.
- We will promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.
- We will ensure equal opportunity for all our employees. This includes ensuring women's full and effective participation, and equal opportunities for leadership at all levels.



- We will reduce waste generation through prevention, reduction, recycling, and reuse.
- We will work towards higher levels of economic productivity through technological upgrading and innovation.
- We will provide full and productive employment and decent work for all our employees. This includes equal pay for work of equal value.
- We will deliver our services as efficiently as possible to ensure our clients' economic growth.
- We will provide full and productive employment and decent work for all our employees.
- This includes equal pay for work of equal value.
- We will protect labor rights and promote safe and secure work environments for all our employees.

Our performance is supported by our memberships and commitments

The collection industry has an important role to play in addressing healthy financial conditions and payment habits. Kredinor wants to take the lead by learning from our partners and peers, sharing our experiences and expertise, and collaborate to find new solutions.

Therefore, we are members of UN Global Compact and Greenwashing Poster to support our sustainability approach, and we are a Premium customer of the equality platform Equalitycheck. We are also collaborating with EcoVadis to improve our sustainability rating to become a preferred business partner. We are humble to take the actions that are needed to create a sustainable future for all. By participating in these global and regional commitments and partnerships we ensure that we develop ourselves and collect new ideas on how to create positive change.

EqualityCheck

Kredinor is a proud Premium customer of the equality platform EqualityCheck to hold ourselves accountable in our sustainability targets for gender equality and zero tolerance for discrimination of any kind. With EqualityCheck employees can anonymously enter equality reviews about Kredinor, asking questions about inclusive work culture, unconscious prejudices, balance between work and family life, and more. During the past two years Kredinor received over 100 reviews with a score of 4 out of 5.

Greenwashing Poster

Kredinor is a proud signatory of the Greenwashing Poster. We will never attempt to present Kredinor as “better” in respect to climate change, the environment or animal and human rights issues, without proper documentation to back this claim. With our signature on the Greenwashing poster, Kredinor is officially committing to be specific and clear about our measures in sustainability, and open about our own influence in all marketing and communication.

UN Global Compact

Kredinor AS is member of the UN Global Compact, which is the world's largest sustainability network within business. Kredinor operates responsibly in line with the ten principles of the UN Global Compact and reports annually according to Global Compacts requirements.

EcoVadis sustainability rating

EcoVadis is one of the world's largest providers of supply chain sustainability ratings. During the year Kredinor has significantly improved our rating from 54/100 to 63/100, which places Kredinor in the 85th percentile in our category. During 2023 we will continue our efforts to increase our score.

Eco-Lighthouse

Kredinor AS is certified by The Eco-Lighthouse, a concrete and effective tool that helps you make smart and profitable environmental choices. Eco-Lighthouse is Norway's most widely used certification scheme for enterprises seeking to document their environmental efforts, and understand their environmental footprint to create more environmentally friendly operations and safer work environments.

Building a sustainable and responsible business – Highlights in 2022

During 2022 we have held a strong focus on merging two companies, creating the new Kreditor. The new management and Board of Directors have also focus on sustainability, putting our customers and clients in center of attention, not adding to the burden for those who struggle the most.

The focus is now to increase our data quality and transparency in our reporting and communication. We will analyze our data to identify customer and client needs as a basis to develop new services and sources of income. Hence, the focus on sustainability in Kreditor is both strategic, commercial, employee focused, and based on great governance. The work on establishing an even more solid governance structure for the merged company will continue in 2023.

COMMENT - REPORTING DELIMITATIONS

In 2022, Kreditor was reorganized from a cooperative to a limited company, and then merged with the Modhi companies in Norway, Sweden, and Finland. As part of restructuring the business, it was decided at the beginning of the year to close down 5 regional branch offices in Norway. At the end of the year, it was decided that also the remaining 4 regional branch offices will also be closed down (Bergen, Kristiansand and Kristiansund 30 June 2023 and Hamar 31 December 2023), in favour of consolidating the entire Kreditor business in Norway, in new premises at Skøyen, Oslo.

These many and significant changes affect the conditions for access to the necessary compilation and relevant comparison of certain data. In the sustainability reporting for 2022, we therefore focus on data supplied from the head offices of the former Kreditor and Modhi, now Kreditor AS, and the established subsidiaries Kreditor AB in Sweden and Kreditor Oy in Finland.

The closing of offices will reduce travel and have an impact on our future environmental data, while it temporary is also likely to have a negative impact on employee satisfaction.

ENVIRONMENT

We are witnessing more frequent, and material impacts of climate change around the world, with that the need for businesses, and governments to act on their emissions reduction commitments has become even more urgent. Our sustainability commitment recognises this need with our goal to be net zero by 2025.

Kreditor is certified as Eco-lighthouse (Miljøfyrtårn) in Norway. The office premises in Oslo are energy and environmentally friendly, and certified by Breeam In-Use with status "Very Good".

Management tools have been established for energy consumption and all rubbish is sorted at source.

Emissions Report 2022

Consolidated statement of changes in equity

		NO	SW	FI
Scope 1*	Company Cars	1 232 kg/Co2 (28000x0,044)	0 kg/Co2	593 kg/Co2
Scope 2*	Energy use (kWh)	1 037 105	18.325	12.159
	Emissions (CO2) from Energy use (Location based method)*	45 632 kg (1037105 x 0,044)	238 kg (18325 x 0,013)	787 kg (12105 x 0,065)
Scope 3*	Travel (Co2 – tonnes)	0 kg (Climate compensated for 37,2 tonnes)	0 kg (climate compensated for 5,4 tonnes)	12,6

***Scope 1** - Emissions from cars that we have control over.

***Scope 2** - Emissions from energy consumption at our offices including consumption of electricity, heating and cooling (Electricity used x country emissions factor = CO2e emissions) *We have used 2020 country emission factors based on IPCC approach accounting for CO2 (tCO2/MWh) emissions from www.data.europa.eu For Norway we used emission factor received from Eco-lighthouse.

***Scope 3** – Data supplied from our travel agency.

Kredinor AB in Sweden and Kredinor Oy in Finland both use 100 % renewable energy. Our new HQ did not use renewable energy in 2022, but now that Kredinor AS is the major tenant we will use 100 % renewable energy in 2023. We will compensate for the energy used until this is in place.

Climate compensation

Through our travel agent services in Norway, Sweden, and Finland we climate compensate for all flights. Whenever possible, we also choose airlines that offer biofuel. In 2022, Kredinor AS climate compensated for 55,2 tonnes.

Environmental impact from letters

Our digitalization strategy has significantly reduced our analog letters sent to customers and thereby also reduced our environmental impact. Between 2021 and 2022 Kredinor significantly decreased our paper used and GHG emissions by turning from print to digital over time. More than seven out of ten letters sent to customers in Norway was digital in 2022, reducing printed letters significantly.

Kredinor AB in Sweden and Kredinor Oy in Finland are not yet connected to digital post, hence 100 % of letters were printed in 2022. The legislation in Finland requires that collection letters are sent via regular mail, unless consumer has approved different distribution method.

Proportion of letters sent by Kredinor (NO)* per channel

Kredinor AS	2020	2021	2022
Digital	61 %	63 %	73 %
Print	39 %	37 %	27 %

*Numbers are total from Kredinor's and Modhi companies combined. Prior to the merger, Kredinor AS sent 79 % of all letters through digital channels in 2022.

SUSTAINABLE EMPLOYER

Kredinor aims to be the most attractive employer in debt collection and payment servicing, offering competitive benefits, a good working environment, and equal opportunity for growth and leadership. We believe the high sick leave is mainly due to merging two companies and the decision to close all branches in Norway during 2022 and 2023. Sick leave is followed up and preventive work is emphasized in the following.

New leadership program in place

We believe that good leadership is the key to a strong ethical culture in our organisation. To support our leaders to strengthen their ability to build a good culture, we have designed the Kredinor Leadership Development Program. During nine days, more than 50 leaders will be provided with deeper understanding of our business, how we can create success, and how we can achieve results through others, by facilitating good work processes and inspire our co-workers.

The leadership program combines three perspectives:

- To build a clear understanding of Kredinors strategy (business and sustainability), and where we are going
- To understand how value is created in our business to drive execution
- My role as a leader in being an architect of change and transformation

The leaders will be provided with different tools to use as a leader, and the opportunity to get to know themselves as a leader even better, by receiving feedback through a 360-process (getting feedback from people in their surroundings). The program will also facilitate networking with colleagues, where the leaders can give and get support even after the program has ended. The program is mandatory for all leaders on Level 2 and 3.

Employee satisfaction

We believe that employee engagement is an important strategic business objective. Engaged employees lead to long-term employee retention, higher employee performance, improved quality of work, and organizational success.

During 2022 Kredinor implemented a digital platform supporting managers to build on their employee potential, and follow up employee satisfaction continuously. Kredinor company target is an engagement score of >8,0 (scale 1-10). Between May 2022 and the end of December 2022 the overall engagement score went from 8,1 to 7,8 and the overall satisfaction score went from 7,5 in May to 7,4. The lower score isn't totally unexpected given the recent merger and our decision to close down the branch offices. During 2023 we will launch activities to improve the trust and engagement in the company.

Managers are responsible for following up on their own teams and acting on questions and comments from employees. In Kredinor we follow up and discuss results and development in Executive Management Team (EMT) meetings regularly while the results are also being followed up in each team.

To show appreciation to all employees for the hard work done to complete the merger between the two companies during 2022, Kredinor decided on a discretionary employee bonus for all employees.

Gender equality and balance in all management teams

Our ambition is to promote a diversified workforce as we want to bring in a wider perspective in to our management teams. From ARP-reporting for Kredinor in 2022 we committed to the following actions

- We will raise awareness of the content of job advertisements regarding wording, use of images and requirements, in order to attract us and maintain a great diversity in the candidate pool when we recruit.
- We must ensure that at least one candidate of each gender is represented in the final round of the interview process, provided that competence and experience meet the requirements.
- We will increase the proportion of employees with a multicultural background upwards in the organization.
- Through measures and focus, we expect the score for employee satisfaction to increase and return to the level that was in effect as of May 2022 or higher.
- We will implement a whistleblowing system for notification of objectionable conditions, to ensure professional and anonymous handling of notification cases.
- We will implement a module for talent development and succession planning, to minimize the risk of discrimination in internal promotions.

We are proud that we have already come far in this area at the Kredinor Group where the Board of Directors have 50 % - 50 % women and men. Top-management team (Level 2) have 60% women and 40% men, and on level 3 there are 46% women and 54% men. On level 4 we have 50% women and 50% men.

At the end of 2022 we had a total of 599 employees (547 in Norway; 23 in Sweden; 29 in Finland).

	All employees		Managers	
	Men	Women	Men	Women
Norway	45,9 %	54,1 %	50,7 %	49,3 %
Sweden	39,1 %	60,9 %	66,7 %	33,3 %
Finland	31,0 %	69,0 %	50,0 %	50,0 %
Total	44,9 %	55,1 %	51,9 %	48,1 %

New hires	Men	Women	Total
Norway	54,5 %	45,5 %	101
Sweden	57,1 %	42,9 %	7
Finland	14,3 %	85,7 %	7
Total	52,2 %	47,8 %	115

Employee turnover

Norway: 126* employees left Kreditor NO in 2022 (21,6% turnover)

Sweden: 6 employees left Kreditor SE in 2022 (22% turnover)

Finland: 2 employees left Kreditor FI in 2022 (7,7% turnover)

*High turnover can be explained by a good labor market after the pandemic, in addition to the fact that the merger between Kreditor and Modhi also has created uncertainty among the employees. Employees affected by the closure of locations are not included in the calculations.

Employee well being

The company has followed up both national, regional, and municipal guidelines to ensure safe working conditions the ongoing corona pandemic. The use of home offices has at times been extensive, but adapted to individual employees' living conditions given that the employees process large amounts of sensitive personal data.

Sick leave

The company is keen to follow up those on sick leave, and works continuously with measures and information work. Kreditor has an integrated follow-up module for those on sick leave in its HR system, which helps managers with work related to follow-up.

Group unit	Sick leave 2022	Sick leave 2021
Kreditor AS, Norway	6,9 % *	5,9 % **
Kreditor AB, Sweden	1,7 %	Data not available
Kreditor Oy, Finland	2,0 %	3,2 %

* Numbers include data from all companies in Norway that are Kreditor AS after the merger.

** Numbers only include data from Kreditor SA and Kreditor AS prior to the merger in 2022.

We believe the high sick leave is mainly due to merging two companies and the decision to close down all branches in Norway during 2022 and 2023. Sick leave is followed up and preventive work is emphasized in the following.

The company has an established company sports team, Kreditor GO, which facilitates physical activity and environmental measures in the business.

Parental leave

The company makes plans for those who are entitled to leave to be taken. In 2022, women took an average of 26.8 weeks, and men took an average of 13.2 weeks of parental leave.

Equal pay

In terms of pay, there are no differences between women and men in the individual job categories. The business works purposefully and according to plan to promote the objectives of the Discrimination Act. The activities are linked to open recruitment processes, pay, and working conditions. Development opportunities and protection against harassment and discrimination based on national origin, skin colour, language, religion, and outlook are provided.

To ensure correct and equal pay levels also in the future, the company is in the process of classifying all positions in a system with position matrices. This contributes to a correct and neutral assessment of salary levels based on the content of the position, and compliance of equal pay for work of equal value will be easier and more accurate to measure.

Whistleblowing

We encourage colleagues to speak up if something doesn't feel right, or if they see inappropriate behavior. We are in the process of establishing a new external and independent Whistleblowing system for everyone in the merged company to report concerns, in confidence or anonymously. Anyone reporting through our whistleblowing channel will receive support and guidance throughout, and all concerns are taken seriously and dealt with sensitively.

During 2022 we did not receive any incidents through our whistleblowing function, however, we received 31 informal notifications of which 30 notifications were handled by dialogue and joint discussions in departments and teams. One of the notifications received was raised to be investigated by HR. All notifications were resolved.

Code of Conduct as part of all employee contracts

As a result of the merger, new employee contracts are issued, and a consolidated and a new Code of Conduct is drawn up. This will be made available to all employees as

part of the employment relationship during 2023. Kredinor will arrange for all employees to become familiar with the Code of Conduct through mandatory training, where employees must sign that they have read and understood the CoC. This will be tracked so that those who do not sign will be reminded. This will be included in the recruitment process together with an annual follow-up.

Freedom of Association

The cooperation between management, employees, and the employees' representatives works well, both in day-to-day work, and through the Trustees' Committee (TU) and the Working Environment Committee (AMU). The employees have three representatives on the board of Kredinor AS.

At the end of the year, 342 out of 547 employees in Norway (62,5%) were covered by collective bargain arrangements. Kredinor's Swedish and Finnish operations are not part of collective bargaining agreements; however, all employees are allowed freedom of association. The intention is to engage in collective bargaining agreements when the local number of employees reaches 50.

Sustainable customer relations

Establishing sustainable customer relations is the very heart of our sustainability strategy. This is the area where we have a great responsibility and where we can make the greatest impact. Given our business and our skills, we can most significantly impact people's lives and society at large within the social aspects of sustainability, and specifically helping our customers by not adding to their burden.

We interact with about 1 million customers each year, and have built a strong expertise in how to engage and build an effective dialogue with our customers. Most customers interact thru "My Page", but in 2022 Kreditor also carried out approximately 700 000 phone calls and set up over 70 000 sustainable repayment plans with customers in debt.

Customer Satisfaction

In 2022 our customers gave us an average customer satisfaction of 4,8 on a 1-6 scale. These were the questions we asked them:

"We want to improve. Have your say on today's conversation with us. Answer this message with a number between 1 and 6, where 6 is very good and 1 is very bad."

If the score is low (1 or 2), a follow-up SMS is sent: "We want to improve. Can you specify in a little more detail what you were not satisfied with in the conversation?"

The same applies to high scores (5 or 6): "Thank you very much for the feedback. We want to maintain the best possible quality. What were you particularly satisfied with in the conversation?"

Our experience is that most people truly want to establish a reasonable payment plan and get back on their feet financially. But some find it hard to do so because they either don't have the right income, or because they have made, or keep making, unwise financial choices. Also, it is not always enough to pay off your debts to be back on track. Most of our customers are still categorised as so-called high-risk individuals and consequently often don't get access to affordable financial products and services.

People who fall into a difficult debt situation often experience a social stigma and this often prevents them from seeking help. Kreditor is in a position to support and help people in a financially vulnerable position through close customer engagement. Ultimately, it is a win-win helping financially vulnerable customers: Customers benefit by engaging with someone who understand their situation and can provide concrete support. Kreditor benefit by better response rates, better engagement rates, better brand perception, and more debt recovered.

We are facing a recession and high inflation, which makes the subject of financial vulnerability even more important moving forward. In 2023, Kreditor will develop clear processes on how to engage with financially vulnerable customers, and ensure proper training for our employees.

Good language skills are important for successful communication with debtors. Kreditor has employees with different backgrounds, and handles many different languages, both written and spoken. Increased language competence in business makes it possible to reach out to more customers/users. In our last mapping our case handlers at Customer Service all together speak 20 languages: Norwegian, Swedish, Danish, English, German, Spanish, French, Polish, Ukrainian, Albanian, Berber, Russian, Latvian, Arabic, Vietnamese, Urdu, Punjabi, Hindi, Urdu, and Memoni.

An important factor to achieve successful collections is to treat our customers with respect and empathy. Therefore, we have put high customer satisfaction as a hard target in our sustainability strategy.

Complaints

Case category	# cases
Number of appeals to the Norwegian Financial Complaints Board	108*
Denied consideration by the board's secretariat or by the board	58
Withdrawn by the complainant	1
Resolved in favour of the complainant	11
Resolved in favour of the Kreditor AS	16
Case not handled because Kreditor waived fees in forehand	20
Open cases / on going	2

*Not including Sweden and Finland.

Kreditor AS (NO) had an average portfolio of approximately 1,2 million debt collection cases for collection at any given time in 2022. The proportion of board decisions that went against Kreditor in 2022 was in total 11 cases, representing 0,0085 per thousand of the cases being handled.

We always strive to improve the quality of our work. To raise awareness and make sure we learn from our mistakes, any case resolved in favour of the complainant are thoroughly reviewed and published on our Intranet "Workplace".

Solving the core of the customers problem:

During 2022 we have analyzed, presented and implemented several new measures in line with our sustainability strategy and policy, making a true difference both for our customers and clients. In Kreditor we strive to not add to the burden, always helping our customer to make it.

The following measures have been decided and implemented during 2022:

Anti-Black Week Campaign

The "Black week" (end of November) 2022 we ran a campaign where we offered selected customers a reduction in debt and/or cost. The campaign led to payment and closing of 3.968 cases.

Elimination of fees on small debts

Kreditor has decided not to charge instalment fee on claims below NOK 5000.



Smartbetaler

As a debt collection company, it is both natural and important that we use our knowledge towards young people, partly because there is too little teaching about this in schools. We have developed the initiative Smartbetaler that teaches young people about personal finance, with the aim to prevent payment problems and debt collection in the future. By offering free lessons to upper secondary school students the objective is to help young people become conscious when it comes to consumption, manage their own finances, and have a well-functioning economy as adults. In 2022 we presented Smartbetaler at 2 school venues, reaching approximately 550 students.

Smartbetaler was developed in cooperation with Skolemeny.no network under the auspices of Finans Norge. Skolemeny is a network consisting of around 30 players who offer free tuition in personal finance to primary and secondary schools in Norway. The network was established in 2015 based on a mandate given by the Ministry of Children and Equality.

Clients

Kreditor offer educational webinars to our clients on a row of different subjects relating to collections. During 2022 we had 2500 (not unique) employees from clients participate in our webinars. In total we hosted 23 webinars and events in 2022.

We also focused on developing new contractual models based on customers' needs in collaboration with our clients, for example where Kreditor is being rewarded for payments prior to debt collection actions are taken.

Complaints concerning breaches of customer privacy and losses of customer data

For Kreditor AS in Norway the number of substantiated complaints concerning breaches of customer privacy in 2022 was 104:

12 complaints received from outside parties and substantiated by the organization, and 92* identified leaks, thefts, or losses of customer data.

Kreditor AB in Sweden experienced 2 complaints or leaks or losses of customer data in 2022.

Kreditor Oy in Finland did not experience any complaints from outside parties in 2022 but identified: 6 low-risk leaks.

*This is the total amount of leaks, thefts, or losses of customer data. Most of these are of minor severity, and have had a low risk to the security of personal data. Kreditor AB, Sweden is not included due to lack of data.

Community Engagement in 2022

At Kredinor we find it important to engage with the communities where we operate and collaborate with organizations that are working with challenges that are material to the core of our business. However, during 2022 the war in Ukraine dominated our engagement resulting in the decision to focus our community engagement efforts to support the people and children of Ukraine.

Red Cross, NOK 250.000 and additional donation to charities in Ukraine NOK 100.000

This was an open donation to provide emergency aid supporting Red Cross work with delivering food, bedding, water and hygiene items and providing medical care to wounded and first aid training. In addition, a donation to 5 major charities was made.

Save the children, Project in Ukraine, NOK 500.000

The employees refrained from Christmas presents from Kredinor in favour of supporting Save the Children in Ukraine.

Our contribution will go towards operating safe spaces where children can play, socialize and just be children again. It will also go to medical supplies and support to

healthcare teams and hospitals, with a particular focus on mothers and newborns as well as supplies of food, fuel, water, hygiene kits and baby kits to families displaced or living near active conflict zones. And not least to deliver school equipment to children, repair destroyed schools and set up digital learning centers.

We support charitable purposes

Before the merger with Kredinor AS, the Modhi companies made significant contributions to socially beneficial purposes through Sparebank 1-Gruppen, where the subsidiaries' combined profits go to the owner banks in the form of dividends, which again are donated to charitable purposes. With SpareBank 1 Gruppen owning 50% of Kredinor AS, we will continue to contribute through the values we create for our owners going forward.

Supply chain and Partnerships

Our focus on sustainability and ethics has made it even more important to manage our supply chain and our partnerships responsibly. Our ambition is to work with companies that share our values of good business ethics.

After the merger Kreditor AS has a total number of 582 registered suppliers that Kreditor or Modhi made one or more purchases from during 2022. 375 of these used to be suppliers to Kreditor, and 259 used to be suppliers to Modhi. The majority of which are in professional services sectors such as IT, cyber, operations, management consultancy, legal, HR, and communications.

In 2022 Kreditor Oy in Finland had 94 suppliers and Kreditor AB in Sweden 104 suppliers. During 2023 the intention is to analyze and reduce the number of suppliers as well as putting a sustainability screening process into place. A Procurement Manager with group responsibility for the Nordics has been recruited.

During 2022 we implemented a supply chain assessment tool to provide insight on supplier management of issues across the key themes of labor and human rights, environment, ethics and sustainable procurement.

The Norwegian Transparency Act (Åpenhetsloven)

The Norwegian Transparency Act came into force on 1 July 2022. The legislation shall promote businesses' respect for human rights and decent working conditions, as well as ensure the public's access to information. From the date of entry into force, access was created to request access via an easily accessible form on Kreditor's website. There were no inquiries to aktsom@kreditor.no in 2022.

Security

Security comprises both physical and psychological security as well as information and technological security. The company has modern locations allowing for good and safe working conditions. Occasionally employees receive threats and there are routines in place for notifying threats and following up on personnel having experienced threats. Psychological security is important in a business handling difficult situations for other people. The strategy of Kredinor is ambitious and empowered and psychologically secure employees are important to handle a changing and demanding business environment.

Kredinor has a strategy of becoming a digital leader and is committed to staying at the forefront of digital innovation, which includes leveraging technology to improve operations, customer experience, and product offerings. This will demand investments both in technology and people, but it also demands high awareness with respect to risk assessments, control and security as huge amounts of information are stored. A separate IT security unit assists the business both with training, risk evaluations and other issues relevant for having control over information and systems. The Board of Directors approved Policy for IT Security in February 2023, and the establishment of an information security management system in accordance with the international standards ISO/IEC 27001 and ISO/IEC 27002 is being implemented. The Board of Directors will follow up on security-related issues in its work.

Sustainability Strategy

Kredinor is committed to delivering on the sustainability strategy and to meet stakeholders' expectations on environmental, social, and governance matters. The strategy for sustainability was approved in November and the policy for sustainability in December. The goal is to be considered the most sustainable debt collection agency in the industry. The promise is to always have the customers' best interest in mind.

Kredinor has joined UN Global Compact and reporting routines according to Miljøfyrtårn requirements in Norway is being established. A digital platform for supply chain management was implemented. As previously explained, extensive work with a company-wide governance structure and documentation has started. The sustainability report is to be found on pages 17-34.

Responsible Procurement

Kredinor has negotiated an agreement with SpareBank 1 allowing the company to be part of the purchasing association formed by the SpareBank 1 Alliance. This gives access to contracts negotiated for the Alliance and assistance from specialists on procurement when larger tenders and contracts are to be negotiated. Kredinor will choose suppliers who can adhere to Kredinor's Code of Conduct and ethical principles. Kredinor has implemented a digital platform where suppliers are classified according to ESG regulation and risk is calculated accordingly. Criteria for handling suppliers based on risk assessment will be in place shortly.