



# Collector Bank's sustainability work

Collector Bank wants to be a long-term partner to both companies and private individuals. We enable tomorrow's business activities by operating with clear responsibility in every aspect of what we do.

Collector Bank specializes in financing solutions for corporates and private individuals, with particular focus on the needs of medium-sized companies. We are a complement to larger traditional banks. We want our activities and operations to contribute to creating long-term value for our stakeholders: customers, investors, employees and society. We strive to create long-term value from a financial, social and environmental perspective.

Collector Bank's sustainability strategy was put into practice during 2022, which means another step on the way to taking full responsibility as a bank and contributing to a sustainable development in the society in which we operate. The goal of Collector Bank is to work with our customers to contribute to the future and to sustainable development. By being business-minded, committed and caring we enable our customers to continue to grow and develop. These updated value statements are also our new focus areas within the sustainability strategy. The purpose of the new strategy is to integrate sustainability more clearly throughout the business and thus create more direct value.

These value statements are fundamental to how we conduct our daily business and are integrated into our

policy documents. They describe how we want to be and be perceived, and how we should act in our relationships with customers, partners and colleagues. *Business-minded* illustrates what we do, *committed* who we are, and *caring* how we behave.

## Objectives and implementation

During the year, Collector Bank continued to develop its sustainability work, which included updating the corporate lending process with regards to sustainability aspects, and our employees and Board of Directors completed a sustainability certification program. In order to clarify our ambitions and create a foundation for continuous improvements, Collector Bank has set a number of goals for the business during the year.

The bank's overall ambition is to in a measurable way contribute to the UN Sustainable Development Goals by 2030 and to contribute to the Paris Agreement. We want to increase our positive impacts and reduce the negative ones from our financing activities. We have identified ambitions and activities within our strategic focus areas to realize this. Each year, our activities and ambitions will be updated and developed to gradually bring us closer to the 2030 target.

## Our three strategic focus areas

Collector Bank wants to make a difference where the greatest impact can be made. This is why we have grouped our key sustainability aspects together into three strategic focus areas.

 <p><b>Business-minded</b></p> <p>Being business-minded, we are a professional partner providing responsible financing, thereby enabling a sustainable development for the bank and our customers.</p> <p><b>Sustainability goals</b></p> <ul style="list-style-type: none"> <li>▶ Contribute annually to improving the financial health and preventing over-indebtedness of our private individual customers.</li> <li>▶ Continue the mapping of green credits in the Real Estate and Corporate segments during 2023.</li> <li>▶ Set targets for the green development of the credit portfolio in the Real Estate and Corporate segments by 2024.</li> </ul>	 <p><b>Committed</b></p> <p>We create conditions for our employees to feel ownership and responsibility in their roles, as well as give them the necessary sustainability skills to build long-term success for both the bank and our customers.</p> <p><b>Sustainability goals</b></p> <ul style="list-style-type: none"> <li>▶ Annually achieve an employee index above 85%.</li> <li>▶ Continue to develop knowledge and understanding within sustainability for employees during 2023.</li> <li>▶ Investigate the feasibility of integrating ESG<sup>1</sup> aspects into evaluation processes for relevant employee groups by 2024.</li> </ul>	 <p><b>Caring</b></p> <p>With a structured and transparent way of working, we are a reliable partner that conducts business with care for our surroundings, our customers and our employees.</p> <p><b>Sustainability goals</b></p> <ul style="list-style-type: none"> <li>▶ Deliver annually on Collector Bank's vision of zero complaints about customer integrity, anti-corruption and marketing.</li> <li>▶ Continue mapping Collector Bank's Scope 3 emissions, including the credit portfolio, during 2023.</li> <li>▶ Be climate neutral in terms of Collector Bank's own operations (Scope 1 &amp; 2), which may include carbon offsetting if needed, by 2025.</li> </ul>
--	--	--

## Collector Bank's contribution to the Sustainable Development Goals

Collector Bank is both impacted by and impacts our environment and our stakeholders. Together with our stakeholders, we have a direct impact on both the planet and society, and the planet and society affect the bank's operations, our stakeholders, customers' business models and thus their ability to repay.

During the year, Collector Bank published its first report for the Principles for Responsible Banking (PRB)<sup>2</sup> and for the UN Global Compact. These are commitments that make clear our ambition to contribute to responsible growth and long-term value creation for all our stakeholders. We also continued the important work of mapping Collector Bank's credit portfolio with regard

to ESG aspects in order to understand our primary sustainability risks.

As part of our commitment to supporting a responsible financial market, an impact assessment was conducted to determine the bank's contribution to the 2030 Agenda. We contribute partly through our own activities, i.e. *how* we do business, primarily by being an attractive employer, by working to reduce the bank's direct emissions, and by combating corruption. However, the analysis shows that our main impact is through the credit portfolio, i.e. *which* businesses we finance. We have identified the four goals on which our activities have the greatest impact, in both positive and negative terms.

**8 DECENT WORK AND ECONOMIC GROWTH** Through its lending activities, Collector Bank directly and indirectly drives economic development by supporting companies, jobs and growth in society, and providing access to capital for private individuals. We work for financial inclusion. We want to be a long-term partner to our customers and help them to understand their sustainability risks.

**11 SUSTAINABLE CITIES AND COMMUNITIES** Collector Bank contributes to inclusive, innovative and resilient cities through its growing Real Estate segment. In 2022, Collector Bank further developed tools to analyze, document and control sustainability risks in the real estate sector and in order to map the portfolio's green buildings.

**13 CLIMATE ACTION** Collector Bank does business with care for our surroundings. This means reducing our own direct and indirect emissions, as well as reducing the emissions of the corporate credit portfolio. This is done by Collector Bank being a professional partner that assists clients in transforming business plans to be resilient during the global climate transition.

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS** Sustainable development is based on a society at peace. Collector Bank's activities shall contribute to financial stability. We shall be a reliable partner at all the different stages of our activities, countering all forms of corruption, money laundering and cybercrime.

<sup>1</sup> Environmental, Social, Governance

<sup>2</sup> A framework for actors in the financial sector that want to run their business in line with the Global Goals and the Paris Agreement.



## Business-minded

By focusing on being business-minded, we stand for responsible financing that enables sustainable development. It is through sound lending and good customer relations that we can minimize risks, create positive value for our stakeholders and leave a sustainable mark on society.

Access to capital is important for both private individuals and businesses. Credit is an important financial instrument for society, and, for Collector Bank, sound and sustainable lending is fundamental to our work. As a bank, we want to be a natural part of our customers' finances and contribute to financial inclusion. We are committed to being business-minded and to being a professional partner in contributing to sustainable development.

Collector Bank wants to promote tomorrow's entrepreneurs, so in 2022 we began a collaboration with Junior Achievement (JA, Ung Företagsamhet) where we participate in the jury for their annual competition Alumni nest (Alumninästet) where JA entrepreneurs can pitch their business ideas. Similarly, in addition to lending, we want to work on supporting companies in

the long term, which in 2022 was done through Corporate Accelerator, an education program designed by the bank intended to boost companies by offering them knowledge, an extended network and tools to achieve further success.

### **Sustainability in the lending process**

Corporate lending is part of Collector Bank's core business, and it is essential that the lending business is based on customers' ability to repay loans. Since we know that the bank's biggest impact on the world lies in our loan portfolio, we attach great importance to responsible lending. We do this by identifying businesses and business models that are robust and generate good returns while the risk they carry is deemed to be manageable. By integrating and assessing

companies' sustainability work in the credit process that governs our corporate lending, as a bank we can contribute to emission reductions and sustainable social development from other aspects as well.

During 2022, one priority was to further develop our lending process in the Corporate and Real Estate segments. We have implemented further systematization of internal processes and updated the bank's sustainability requirements. For example, we have established a red list that excludes certain economic activities from our credit portfolio based on both products and norms. Updated policies and procedures allow us to contribute to greater respect for human rights, better working conditions and reduced emissions.

<sup>3</sup> "Corporate portfolio" refers to the credit portfolio in the Corporate and Real Estate segments





### **The Corporate portfolio's<sup>3</sup> risks and opportunities**

To enable tomorrow's business, we want to identify risks in order to reduce the negative impact on the environment and society, and find companies with competitive business models. Like all participants in the financial sector, we have a fiduciary responsibility to allocate capital in a way that helps companies to transform their operations and make the necessary climate adaptations. The bank's updated lending process provides a clearer identification of sustainability risks and opportunities in the corporate portfolio.

The year also saw the establishment of the sustainability monitoring of the existing corporate portfolio, with 21% of the corporate portfolio being reviewed. The reviewing of the corporate portfolio is based on the TCFD's<sup>4</sup> recommendations, which are also taken into account in

the updated lending processes. The corporate portfolio review revealed that several customers are working to identify and implement credible transition plans that contribute to a low-carbon economy in line with the Paris Agreement. Customers also seek close collaboration with Collector Bank to find solutions that enable them to make a positive impact.

The bank's ambition was to conduct scenario testing of climate-intensive corporate customers in its credit portfolio in 2022. This process has started with the initial mapping exercise and will continue during 2023 to expand the coverage of the corporate portfolio.

### **Responsible consumer lending**

Our sustainability strategy focuses on corporate lending, where we have our primary impact, but also responsible lending to individuals is crucial to being a long-term partner.

Customers who experience payment difficulties are a loss for Collector Bank, for the customer in question and for society as a whole. To ensure compliance with the requirements for good lending practices and credit assessments for consumer credit, the Swedish Financial Supervisory Authority (Finansinspektionen) carried out an investigation of several credit institutions based on historical data. The Swedish Financial Supervisory Authority decided to dismiss the case for Collector Bank without further action. Their announcement stated that the bank has taken significant steps to address the historical deficiencies identified by the SFSA. This is achieved through a thorough lending process that ensures the individual customer's future repayment capacity and that our calculations are based on their actual financial circumstances.

<sup>4</sup> Task Force on Climate-Related Financial Disclosures



# Committed

Our focus on having committed employees helps us generate good results for both ourselves and our customers. We work to offer a stimulating workplace, a good working environment, and the right conditions to contribute to our collective success.

Economists, IT developers, lawyers and analysts work side by side at Collector Bank, in a dynamic environment with a strong forward-thinking spirit. In order to deliver sustainable growth and continue to develop our business, it is essential for us to attract the best people. This is why we aim to be an attractive employer in the industry, offering a stimulating workplace.

We want our employees to feel ownership and responsibility in their roles, and therefore we create the conditions for this through explicit self-leadership. Employee involvement enables the long-term success of both the bank and our customers. Our ambition to contribute to a sustainable transformation of society means that sustainability aspects are taken into account in all the bank's processes. This is why we invest in our employees and offer them internal and external training to ensure they have the sustainability skills they need. In

2022, all employees and the bank's Board of Directors were offered "Sustainability Certification in the Financial Sector". The bank has been affiliated to Swedsec<sup>5</sup> since 2022 and has licenses for client executives and the management team.

### Focus on a stimulating workplace

The ability to support our customers depends on the continuous development of capacity and knowledge across all functions of the bank. According to the employees themselves, Collector Bank is characterized by a culture where people can express their opinions freely without regard to formal structures, a workplace with good leadership and an inclusive work environment. Collector Bank conducts several training courses each year to give employees the right tools and capabilities. In 2022, several internal training programs were held on topics such as GDPR,

anti-corruption and complaint management. Managers were offered internal training on health and safety and rehabilitation, recruitment, difficult conversations and the payroll process. We also conduct employee appraisals with subsequent follow-up interviews. These include discussions about job satisfaction, conditions, development, goals and performance, and how the employee lives up to our value statements.

### Focus on employee well-being

Collector Bank applies a systematic work environment management system in order to control, investigate, rectify and monitor the workplace. It is an investment to achieve high levels of satisfaction, motivation and well-being. In 2022, a values exercise was carried out to build on the bank's corporate culture. We have held workshops with all employees to embed the bank's updated value statements,



<sup>5</sup> Swedsec is a licensing system for financial market employees, with the intention of strengthening competence and customer protection in the financial industry



and we have discussed what we do, where we are heading and who we are at strategy days and monthly meetings.

Employees with the same objectives are more motivated, and the impact of culture can be seen in the results of this year's health survey<sup>6</sup>. The bank scores well in all categories, with more than 80 percent of our employees rating their work capacity as very good.

59 percent estimate that they are regularly physically active, compared with the Swedish population average of 27 percent<sup>7</sup>. The bank's annual employee survey also showed a content and dedicated workforce, with a response rate of over 86 percent. The result was an improvement in all areas and, as in previous years, the survey shows that the bank's strength is all the committed, helpful and competent colleagues it employs. The survey indicates that Collector Bank is one of the best workplaces in Sweden, with an eNPS

of 51+<sup>8</sup> and top scores in all other categories.

#### **Greater inclusion and diversity contribute to a better workplace**

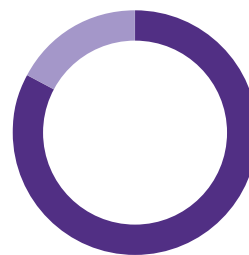
It is well documented that successful businesses are characterized by inclusion and diversity. Collector Bank works actively to be a workplace where all employees make a full contribution based on their different experiences, background and skills.

All employees should be treated in accordance with our Inclusion and Human Rights Policy, which was updated in 2022. Collector Bank has zero tolerance for direct and indirect discrimination and harassment in the workplace. We have a responsibility to ensure that proactive measures are a natural part of day-to-day operations. Each manager is responsible for ensuring that such work is undertaken and documented.

#### **Employee index**

# 86%

#### **Health tracking survey**



■ Very good work capacity, **83%**

■ Low work capacity, **17%**

<sup>6</sup> The health tracking survey was conducted by IMR Institutet för människor i rörelse AB

<sup>7</sup> IMR has given as the source: Rödger et al. BMC Public Health 2012, 12:693

<sup>8</sup> Indicates that it is very likely that employees would recommend their employer to others



# Caring

Collector Bank's focus on being caring means that we have a structured and transparent way of working, which is a prerequisite for good business ethics and lasting success that contributes to long-term sustainable social development.

Collector Bank has a responsibility to run its business in a way that enables it to have a positive impact on the environment and society. Our customers are in different positions to carry out their sustainability work, which is why we attach great importance to supporting them in their transition.

Our focus on being caring means that we take responsibility for how our business is conducted. This in turn leads to lasting success that allows us to continue contributing to the sustainable development of society. Collector Bank thus has a clear allocation regarding who is responsible for which issues.

We provide governance documents, such as policies and instructions, to help our employees understand how the organization should work to remain an ethical business partner. We continuously engage with our stakeholders to understand their challenges and create clear guidelines, processes and policies to meet their needs.

### **Governance and organizational structure**

All our stakeholders – from investors, employees and customers to

suppliers and partners – should feel confident that we conduct business through caring for our environment and society as a whole. Our governance work is based on the UN Global Compact's ten principles on respect for human rights, labor, environment and anti-corruption. It aims to make a long-term contribution to an integrated ethical, social and environmental perspective throughout our business.

The Board is ultimately responsible for sustainability issues within Collector Bank and it establishes policy frameworks and control processes. The CEO and Chief Sustainability Officer are responsible for integrating sustainability work into the business, and the Ethics Committee has been set up by the CEO to provide a decision-making forum for sustainability issues that need special attention.

### **Structured and efficient decision-making processes**

A sustainable transition requires the financial sector as a whole to work together. This is why we have signed up to the UN Principles for Responsible Banking<sup>9</sup>, which provide a framework for a

sustainable banking system and help us to conduct business as a caring partner. This commits us to align our business activities with the Paris Agreement and to continuously strengthen our positive impact on society in line with the UN Sustainable Development Goals.

Collector Bank is subject to a number of regulations and is licensed by the Swedish Financial Supervisory Authority. In order to comply with these external rules, we have developed an internal regulatory framework for Collector Bank. The governance documents consist of policies, CEO instructions and guidelines that are developed as needed within the bank, and enable good standards and practices throughout the bank. Our policy documents are drafted by the relevant functions and reviewed by the relevant committee before being adopted by the Board of Directors, the CEO or the relevant Head of Department. In 2022, Collector Bank published several of the policy documents that most closely relate to sustainability on our website to increase transparency towards our stakeholders.



<sup>9</sup> Principles for Responsible Banking, PRB



### Care for our environment

Collector Bank's environmental policy was updated and adopted by the Board of Directors in 2022. The policy guides our work on how we can reduce our impact through informed decisions that take climate and environmental issues into account. To align our operations with the Paris Agreement, we have set the goal of being a climate-neutral business by 2025. This means that by then we will have net zero greenhouse gas emissions from Scope 1 and 2, which includes our energy consumption and company cars. We are able to make a direct impact in our own operations, where the energy consumed by servers, the heating of premises, and business travel, constitute the largest share. Indirectly, our impact can be channeled through the products and services we offer our customers. We also work to limit carbon emissions in our value chain by setting environmental requirements and identifying climate risks associated with it.

Emissions from our own operations are mainly caused by our office buildings, purchases and

travel. When it comes to our offices, we want them to be as environmentally friendly as possible, and our headquarters in Gothenburg have earned Gold Certification according to the LEED international environmental standard. Since 2021, we have started mapping Scope 3 greenhouse gas emissions in our own operations, and going forward the focus is on the corporate lending portfolio. The goal is for Collector Bank's total Scope 3 emissions, including the lending portfolio, to be mapped by 2024.

In 2022, the bank's emissions increased, mainly due to a higher number of business trips following the COVID-19 pandemic. The environmental policy addresses the issue of business travel and provides for rail travel whenever possible. Collector Bank chooses to purchase carbon offsets<sup>10</sup> for the direct emissions that we cannot avoid.

Scope 1

1.1

Scope 2

52.0

Scope 3

186.2

<sup>10</sup> We offset Scope 1 and 2 via Zeromission through the Gold Standard Siaya Cookstoves project (7137).



# Sustainability report

## in accordance with the Swedish Annual Accounts Act

### GOVERNANCE

The Board is ultimately responsible for sustainability issues within Collector Bank and it establishes policy frameworks and control processes. The Board is updated about sustainability on a quarterly basis, and a more detailed review takes place every six months. The CEO and Chief Sustainability Officer are responsible for integrating sustainability into the business. The Ethics Committee deals with complex sustainability issues that need to be considered outside of normal procedures by the relevant department. The Ethics Committee shall be consulted in cases in which a new customer or a loan is considered to be complex to assess from a sustainability risk perspective. Each business unit has a delegated responsibility for ensuring that policies and processes are continuously updated, followed and complied with. The governance work is based on the bank's Sustainability policy and the UN Global Compact's ten principles on respect for human rights, labor, environment and anti-corruption. It aims to make a long-term contribution to an integrated ethical, social and environmental perspective throughout our business. Collector Bank is currently a member of the Swedish Bankers' Association, and a signatory to the UN Global Compact and the UNEP FI's Principles for Responsible Banking.

### Processes, governance and principles

Having well-functioning processes and procedures in place within the bank is central to Collector Bank's strategy and governance. This is an ongoing project, and the bank strives to further enhance and improve its procedures and processes. During the year, Collector Bank published policy documents on its website, to increase transparency for stakeholders. Collector Bank has a number of policies and policy documents that operationalize our key sustainability areas and aspects:

Aspect	Policy document
Working towards resource minimization	• Environmental policy
Retaining and attracting talent	• Code of Conduct, Work environment policy, Policy on inclusion and human rights
Maintaining and developing a sustainable supply chain	• Environmental policy
Maintaining high data security	• Personal data policy, Information security policy
Maintaining and developing a good work environment	• Code of Conduct, Work environment policy, Policy on inclusion and human rights
Building a sustainable product and service range	• Credit policy, Risk policy, Sustainability policy
Including climate impact in risk appetite	• Credit policy, Risk policy, Sustainability policy
Combating money laundering and terrorist financing	• Policy on actions against money laundering and terrorist financing, Code of Conduct
Reducing our carbon footprint from our own operations	• Environmental policy, Sustainability policy

Aspect	Policy document
Strengthening local entrepreneurship	• Code of Conduct
Ensuring gender equality in customer care	• Credit policy
Ensuring active anti-corruption processes	• Anti-corruption policy, Code of Conduct
Ensuring sustainable remuneration models	• Risk policy
Maintaining sustainable lending	• Credit policy, Risk policy, Sustainability policy
Maintaining transparent tax planning and management	• Code of Conduct
Safeguarding customer privacy	• Personal data policy, Information security policy

The policies and governance processes that were assessed, developed and adopted in 2022 include the bank's Sustainability policy, Environmental policy, Diversity policy for the Board of Directors, Anti-corruption policy, Policy on inclusion and human rights, Code of Conduct, and Risk and credit policy. To ensure the implementation of, and compliance with the bank's policy documents, responsibility is given to the member of the management team of the relevant business unit that the policy covers, for the implementation of strategies, the training of employees and the following-up of results.

### Goals

In 2022, Collector Bank continued to further develop the bank's sustainability work and identified goals in each focus area. This work is part of the bank's overall sustainability ambition to in a measurable way contribute to the UN Sustainable Development Goals and the Paris Agreement by 2030.

### Business-minded

- Contribute annually to improving the financial health and preventing over-indebtedness of our private individual customers.
- In 2023, continue the mapping of green credits in the Real Estate and Corporate segments.
- Set targets for the green development of the credit portfolio in the Real Estate and Corporate segments by 2024.

### Committed

- Annually achieve an employee index above 85%.
- In 2023, continue to develop employee skills in sustainability.
- Investigate the feasibility of integrating ESG into evaluation processes for relevant employee groups by 2024.

### Caring

- Comply annually with Collector Bank's vision of zero complaints about customer integrity, anti-corruption and marketing.
- In 2023, continue the mapping of Collector Bank's Scope 3 emissions, including for the credit portfolio.
- By 2025, be climate neutral in terms of Collector Bank's own operations (Scope 1 & 2) which may include carbon offsetting if needed.

### Follow-up of the goals set in 2021

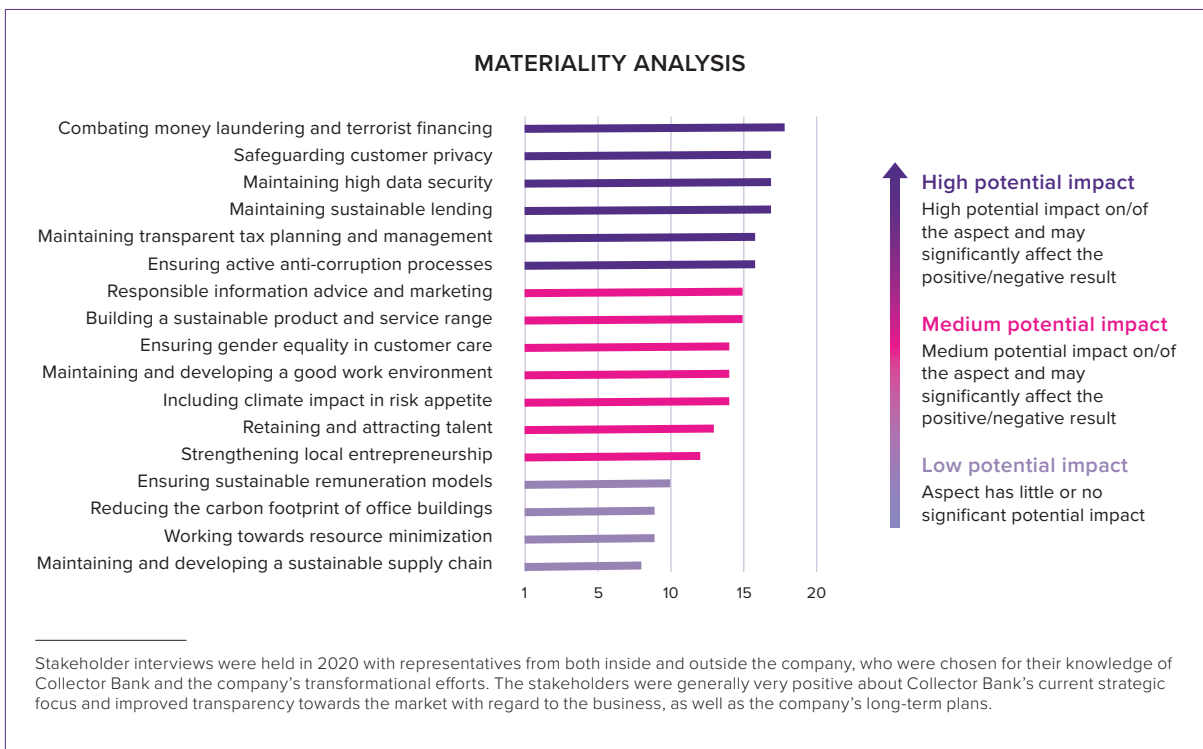
With this sustainability report, Collector Bank states that the company is developing and following up on the goals set in the 2021 report. Collector Bank's sustainability strategy was further developed in 2022. The bank's updated sustainability strategy resulted in three focus areas with time-defined targets, as presented above. The bank published policy documents on its website and the Board of Directors adopted a new Sustainability policy, to increase the bank's transparency and further clarify its governance on sustainability matters. In 2022, the work to reduce ESG risks and the bank's negative environmental and climate impact was given greater focus through an expanded ESG assessment in the credit granting process in the Real Estate and Corporate segments. Collector Bank continued to strengthen its financial competence as its employees underwent licensing in sustainability, and via Corporate Accelerator, a program that provides long-term support to companies.

### MATERIAL SUSTAINABILITY ASPECTS FOR COLLECTOR

In 2020, a materiality analysis was performed in accordance with the Swedish Annual Accounts Act, to identify the primary impact of and on Collector Bank's business operations in accordance with relevant sustainability parameters, general scientific opinion, and the bank's link to the area and obligation to take action. The analysis takes into account legislation, governance, external and internal impacts, the possibility of commercial value creation and stakeholder views. The materiality analysis includes a review of the impact on and of society with regard to Collector Bank in the four sustainability areas of the environment, social and personnel-related issues, respect for human rights and the combating of corruption. The analysis takes into account Collector Bank's specific range of products and services, and scientific facts, and prioritized current societal issues to define and rank sustainability aspects for us to prioritize, evaluate and continuously manage in our sustainability work.

The 2021 sustainability report stated that a new materiality analysis would be carried out in 2022. In light of the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standard (ESRS), both of which have been delayed, Collector Bank decided to postpone the implementation of a new materiality analysis until the dual materiality methodology under ESRS has been adopted. However, external and internal stakeholders were consulted on material sustainability issues during the development of the bank's sustainability strategy. This was done to identify focus areas to work on in an integrated way throughout the business and thus become more directly value-creating, and to ensure that the bank can contribute to sustainable development with a long-term perspective. The final focus areas were defined at the management team level to ensure internal ownership.

Aspect	Description
Responsible information advice and marketing	• Number of cases of non-compliant product and service information, labeling or marketing communications.
Working towards resource minimization	• Working, above all, to minimize paper use through digitization and reducing water use in offices.
Retaining and attracting talent	• Number of new employees and staff turnover rate.
Maintaining and developing a sustainable supply chain	• Number of high-risk suppliers (based on the country, size, link to the company's reputation) and risk management processes.
Maintaining high data security	• Number of data intrusions and security breaches.
Maintaining and developing a good work environment	• Sick leave (short term/long term), employees benefiting from evaluations/monitoring, diversity at every level, cases of discrimination and measures taken, number of development courses/participants, use of health insurance, proportion of employees working from home/working from the office, efforts to promote mental health.
Building a sustainable product and service range	• Exploring products with sustainability aspects or a sustainability focus.
Including climate impact in risk appetite	• Developing processes to include climate and environmental risks in the risk appetite for the whole business
Combating money laundering and terrorist financing	• Number of cases of money laundering and/or terrorist financing and resulting measures taken.
Reducing our carbon footprint from our own operations	• Reducing our Scope 1 CO2 emissions and use of electricity and heating
Strengthening local entrepreneurship	• Number of loans granted to local businesses, number of loans (and total amount) to SMEs
Ensuring gender equality in customer care	• Number of cases of discrimination, complaints concerning discrimination and subsequent handling.
Ensuring active anti-corruption processes	• Number of corruption incidents (for example bribery, extortion or anti-competitive behavior) and measures taken.
Ensuring sustainable remuneration models	• Striving for remuneration models that are consistent with the integration of sustainability risks.
Maintaining sustainable lending	• Complying with KYC legislation and implementing climate and environmental risk in the lending process.
Maintaining transparent tax planning and management	• Non-compliance with rules, laws and international standards regarding taxation.
Safeguarding customer privacy	• Number of cases of fraud, hijacked identities and complaints regarding customer ID and loss of customer data



### Sustainability risks

Identifying, measuring, managing and preventing sustainability risks is important from an economic and legal perspective, and also for Collector Bank's actions as a community stakeholder. These are also crucial for ensuring public confidence and our relationship with customers, investors and employees. Failing to manage our sustainability risks could ultimately have serious financial consequences for the bank, and could also damage our reputation. Acting responsibly is therefore a prerequisite for long-term value creation at Collector Bank.

Sustainability risks are risks that can be triggered by factors in the area of sustainability and that can negatively affect the bank. It is mainly in the Sustainability policy and in the Risk policy that the bank has chosen to formulate its approach to sustainability risk. In the Risk policy, sustainability risk is categorized within the risk group business risk. The most material sustainability risks identified by the bank are related to corruption, and climate- and environmental risks, which in turn can be categorized as physical risks and transition risks.

This involves how we as a bank act and manage issues in the identified areas where we are able to make the biggest contribution to more sustainable development, for instance through responsible financing and lending, by acting as a responsible employer, by combating financial crime, and by taking into account and acting on climate risks. Through a risk analysis, we have identified the critical risks from a sustainability perspective for our business and value chain. Different risks have varying degrees of probability and will affect the business and customers differently.

In all financial activities, there is a risk of corruption, which is therefore strongly regulated by law and practice for banking activities. We have a solid system for the combating of bribery, fraud, terrorist financing, money laundering and other forms of corruption within the bank.

In addition, continuous efforts are maintained to ensure data security and strong privacy protection for all customers. All our customers are treated equally, and respect for human rights guides our treatment of the people we deal with. Our openness and open-minded culture create opportunities to make the financial community more inclusive. At the same time, it is important to minimize the risk of over-indebtedness, not having enough financial information about loans and over-spending. We manage this daily in our contacts with customers through responsible lending and a strict KYC process.

For Collector Bank, and for the world in general, climate risk is an obvious risk for long-term business, particularly for our corporate customers and their ability to continue to grow and operate successfully. We want to minimize our own climate footprint from direct operations wherever possible and have set a target of carbon neutrality in our own business operations by latest 2025. In 2022, internal procedures were updated and a new format implemented for how ESG is assessed in the corporate credit portfolio. The guidelines include sector-specific risks, address physical and transition-related climate risks, and provide guidance to client managers on how to assess social and governance risks. To safeguard our main asset, which is our employees, Collector Bank has taken proactive steps to prevent work environment-related problems and promote good health. 2022 was characterized

by several activities to increase employee commitment and create an inclusive workplace with good leadership. We recognize that there is a risk of discrimination and harassment in every workplace and Collector Bank keeps these issues under constant review and takes immediate action if there is a suspicion of irregularities in the workplace.

#### **Business-minded**

Through being business-minded, Collector Bank stands for responsible financing for private individuals and corporate customers. Sound lending is based on a solid risk analysis in which ESG has a natural role to play. As a bank, we understand that our greatest negative and positive impact lies in the credit portfolio, and by systematically integrating sustainability into the credit process we can contribute to the reduction of climate emissions and increased respect for human rights.

#### **Committed**

As an employer, Collector Bank is responsible for ensuring that all its employees are treated equally and with respect. The banking and finance industry has traditionally been male-dominated, and we therefore work proactively to achieve equal pay levels, and on the proportion of women/men in the management, on the Board, and in the company's workforce. Everyone should feel included and be given the

same opportunities to achieve professional and personal development. Collector Bank conducts an annual employee survey and the results in 2022 were very good, with high ratings across the board.

#### **Caring**

Collector Bank's climate and environmental work is based on the precautionary principle and fulfilling commitments to sustainable finances while taking account of climate risks. During 2022, the bank revised and measured its climate footprint and will continue to work towards achieving climate neutrality by 2025 at the latest. In 2022, the first company conference since the Covid-19 pandemic was held and all the employees met at the head office in Gothenburg. This explains the increase in Scope 3 emissions during the year. We are aware that large parts of the climate impact we have in our value chain, and during the year we updated internal procedures to identify climate risks and contribute to the climate transition through continuous dialogue with corporate customers. The national objectives, regional legislation and regulations with which Collector Bank complies in this area include Agenda 2030, the Sustainable Development Goals and EU regulations.

## Business-minded

Through being business-minded, Collector Bank stands for responsible financing for private individuals and corporate customers. Sound lending is based on a solid risk analysis in which ESG has a natural role to play. In 2022, the Bank intensified its efforts to classify the corporate portfolio in order to analyze our corporate customers' current sustainability footprint and future transition plans. In 2023, the reviewing of the corporate portfolio will continue, with the aim of establishing a baseline for Collector Bank's green credits.

Sustainability monitoring in the corporate portfolio*	2022
Percentage of total credit score reviewed for sustainability	21%

\* "Corporate portfolio refers to the credit portfolio in the Corporate and Real Estate segments

This report is Collector Bank's annual sustainability report, covering the calendar year 2022. The previous report can be downloaded at [www.collector.se](http://www.collector.se) and was published on April 1, 2022.

More information about this report and sustainability at Collector Bank is available from the Chief Sustainability Officer Sarah Olofsson, whose email address is [sarah.olofsson@collectorbank.se](mailto:sarah.olofsson@collectorbank.se).

## Committed

As an employer, Collector Bank is responsible for ensuring that all its employees are treated equally and with respect. The banking and finance industry has traditionally been male-dominated, and we therefore work proactively to achieve equal pay levels, and on the proportion of women/men in the management, on the Board, and in the company's workforce.

Training & skills development	2022	2021	2020
Average number of hours of training per employee	10.14	4.5	1.5
Percentage of employees benefiting from regular performance and career development evaluations and follow-ups	83%	89%	88%

Non-discrimination	2022	2021	2020
Number of cases of discrimination, and resulting measures taken*	1	0	0

\* One case of perceived discrimination was reported in the anonymous employee survey. The bank has a responsibility to ensure that proactive measures are a natural part of day-to-day business operations. Each manager is responsible for ensuring that such work is undertaken and documented.

Average number of employees (FTE)*	2022	2021	2020
Sweden	271	262	266
Norway	12	27	19
Finland	26	12	36
<b>Total number of employees*</b>	<b>308</b>	<b>301</b>	<b>321</b>

\* FTE means Full-Time Employed. In 2022, the proportion of permanent employees was 75% (80%). The average is calculated per country.

\* The overall average is calculated by rounding per country with decimals, and is therefore 308

Composition of the company	2022	2021	2020	2022	2021	2020	2022	2021	2020
<b>Number of employees at different levels within the company</b>	<b>The Board of Directors</b>			<b>Management</b>			<b>Other employees</b>		
Less than 30 years old	0%	0%	0%	0%	0%	8%	29%	35%	35%
30 to 50 years old	50%	33%	33%	58%	83%	77%	60%	56%	56%
More than 50 years old	50%	67%	67%	42%	17%	15%	11%	9%	9%
Percentage of women	33%	33%	33%	33%	33%	38%	47%	45%	43%

Breakdown of women and men (headcount)	2022	2021	2020
Women	46%	44%	43%
Men	54%	56%	57%

Personnel movement	2022	2021	2020
Number of new hires during the year*	132	103	80
Number of people who left during the year*	105	114	111
Staff turnover**	18%	19%	17%

\* Includes general fixed-term and hourly employees

\*\* Includes only probationary and permanent staff

Health and well-being	2022	2021	2020
Sick leave	4.3%	4.3%	3.8%
<i>of which short-term sick leave</i>	2.3%	2.5%	2.5%

## Caring

Collector Bank's focus on being caring means that we have a structured and transparent way of working, which is a prerequisite for good business ethics and lasting success that contributes to long-term sustainable social development. Collector Bank's climate and environmental work is based on the precautionary principle and fulfilling commitments to sustainable finances while taking account of climate risks. During 2022, the bank revised and measured its climate footprint and will continue to work towards achieving climate neutrality by 2025 at the latest. In 2022, the first company conference since the Covid-19 pandemic was held and all the employees met at the head office in Gothenburg. This explains the increase in Scope 3 emissions during the year. We are aware that large parts of the climate impact we have is in our value chain, and during the year we updated internal procedures to identify climate risks and contribute to the climate transition through continuous dialogue with corporate customers.

Combating of corruption	2022	2021	2020
Number of incidents of corruption	0	0	0

Marketing and labeling	2022	2021	2020
Number of cases of non-compliant product and service information and labeling	0	0	0
Number of cases of non-compliance in marketing communications	0	1	0

Customer privacy	2022	2021	2020
Number of cases of breaches relating to personal integrity violations	0	7	2
Number of complaints reported (materially important incidents)	0	3	2

Socio-economic compliance	2022	2021	2020
Number of cases of significant fines or penalties for breaches of the laws and regulations applicable to the organization	0	0	0

Energy consumption, kWh	2022	2021	2020
Electricity	266,033	288,102	N/A
District heating	316,533	257,127	N/A
Air conditioning	14,908	8,417	N/A
<b>Total energy use</b>	<b>582,581</b>	<b>553,646</b>	<b>N/A</b>

Greenhouse gas emissions, tonnes CO <sub>2</sub> e	2022	2021	2020
Scope 1	1.1	0.2	N/A
Scope 2 (market-based)	52.0	32.2	N/A
Scope 2 (location-based)	17.7	13	N/A
Scope 3	186.2	97.9	N/A
<b>Total greenhouse gas emissions*</b>	<b>239.3</b>	<b>130.3</b>	<b>-</b>

\* The increase in Scope 1 emissions is partly due to an increased total distance and partly due to improved data collection. The increased emissions in Scope 2 (market-based) are explained by the fact that the emission factors of the residual mix in Norway increased significantly between the years. The increase in Scope 3 emissions is due to the bank holding its first company conference since the pandemic.

The greenhouse gas emission calculations for 2022 are based on the Greenhouse Gas Protocol (GHG Protocol) framework. Greenhouse gas emissions are broken down into Scope 1 (company cars), Scope 2 (electricity, district heating and district air conditioning for all offices) and parts of Scope 3 (data centers, business travel and hotel stays). The method used to calculate greenhouse gas emissions from data centers is based on life-cycle analyses. Information about usage and conversion factors is mainly directly obtained from Collector's providers. The other sources of conversion factors are: AIB, DEFRA, Energiföretagen, NTM and SCB.

Emission intensity	2022	2021
Total emissions, tonnes CO <sub>2</sub> e / FTE	0.78	0.43

# Auditor's opinion on the statutory sustainability report

To the AGM of Collector Bank AB (publ), corporate identity number 556597-0513.

## ENGAGEMENT AND DISTRIBUTION OF RESPONSIBILITIES

The Board of Directors is responsible for the Sustainability Report for 2022 on pages 112-117 and for its preparation in accordance with the Annual Accounts Act.

## THE FOCUS AND SCOPE OF THE REVIEW

Our review was conducted in accordance with FAR's recommendation RevR 12 The auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our opinion.

We believe that this review provides us with a sufficient basis.

## OPINION

A sustainability report has been prepared.

Stockholm, 30 March 2023  
Ernst & Young AB

Daniel Eriksson  
*Authorized public accountant*  
*Auditor in charge*