

# **Sustainability Report**

## **2018**

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Lennart Ågren, CEO

# Our view of sustaina-

Svea Ekonomi is a group of companies with financial operations in a number of European countries. With thirty years' experience of helping businesses with their liquidity, we are a natural choice for many business operators when they need a financing partner.

With more than 2,000 employees all over Europe – from advisors and loan specialists to developers and designers – we create administrative and financial solutions for small and large businesses in all industries. In addition to services such as business loans, credits, invoice services, factoring, invoice purchasing, credit information and debt collection, our offering includes smart payment solutions for e-commerce, mobile and in-store. We also offer loans and savings for private individuals.

When Svea Ekonomi started in the 1980s, there were only a few actors in the financial sector. Down the years, the company has progressed from being one of the leaders in the field of debt collection services to being able to offer a large number of financial services. With a broad range of operations, Svea provides both businesses and consumers with many solutions to meet their needs. Since founding the company, CEO Lennart Ågren has also been the person who has led these developments as head of the Group. It is therefore natural for the culture to be characterised by entrepreneurial flair and drive.

The environment and the context are extremely significant for the

company's successful and sustainable development. It is when operations are characterised by values such as "engagement, competence and drive" that we can add value for our customers. By maintaining a constant focus on what is best for our customers, we can contribute to a sustainable society and a positive development for customers, employees and partners.

The financial industry and Svea Ekonomi are supervised by the Swedish Financial Supervisory Authority, and there are plenty of rules to ensure that we and other actors carry out responsible deposit and loan activities. This affects the whole organisation and all areas of operations. We need secure IT systems, meticulous credit control, appropriate marketing and clear terms and conditions, to mention a few examples. The way we run our business affects both customers and employees, and ultimately society in general.

For us, sustainability means that we are a credible and serious actor in the financial industry. We want to be an obvious alternative to the big banks. We can see that we have an important role to play, as many groups in society do not fall within the scope of the traditional banks. We contribute quite simply to a sustainable society that includes more people and businesses. Our engagement in sustainability-related issues varies in our different markets and takes place on the basis of local initiatives. Svea Ekonomi takes sustainability-related issues very seriously and aims to continue to develop goals, key indicators and engagement in this work during 2019.

# Svea Ekonomi's business model

## Operations

It may look as though all banks and finance companies operate on the basis of one single business model. It is, of course, not quite that simple. Partly because operations involve a number of different business transactions, partly because competences, offers and target groups differ from one actor to another. Svea bases part of its business on the basis of satisfying target groups that do not receive the service they need from the big banks. We make it possible for businesses and people to grow.

We help both business operators and private individuals to meet their challenges and achieve their dreams through enhanced liquidity. To achieve this, we have the knowledge, competence and products that contribute in different ways to better cash flow.

The business model consists of different layers, two of which are the target group and the offerings. A third one is the competence and culture that characterise the company. It is all about being quick, flexible and dynamic. It means that we assume a high degree of responsibility for being personally engaged in finding good solutions for our customers.

## Offering

Financing of businesses:

- corporate credit, business loans, sales financing, leasing, factoring, invoice purchasing

Administration:

- invoice services, ledger management, debt collection services

Payment solutions:

- e-commerce, apps and for physical shops

Financial services for private individuals:

- savings, mortgages, debt financing, loans

## Markets

Svea Ekonomi has its head office in Solna. It also has operations in more than 20 other countries. The biggest markets are Sweden, Norway and Finland.

We target the business market in the first instance. In recent years, consumers have grown in significance as a target group and become an increasingly important part of the business. One of the reasons for this is that consumers' savings with Svea Ekonomi finance a large proportion of the lending we offer.

# Our engagement in sustainability

## Society

The financial sector is expected to play a role in supporting national and international sustainability goals and in facilitating the transition to a society with lower carbon dioxide emissions. Our external environment is demanding that financial products and services must be provided in a way that promotes or that does not harm economic welfare, the environment and social well-being. Svea Ekonomi is able to do this by means of responsible lending in which the consumers' interests are considered – in particular ability to pay and suitability – before a credit agreement is signed. It is also important to have inclusive financing that is available to individuals, groups and small businesses when traditional structures and products do not work.

The operations of banks and other financial institutions are under control now more than ever, not just by local and international supervisory authorities, but also by customers, employees and investors.

It is important for us to know what Svea Ekonomi's stakeholders think and need, as this affects and forms the basis of our work on sustainability. This is particularly true as banking and financing activities are based on confidence and trust. We believe that this trust is something that is earned through responsible actions, in which the expectations of both internal and external stakeholders regarding ethical and sustainable business principles must be considered and met. In view of the rapid growth in sales, Svea Ekonomi is becoming an increasingly large part of society and one that therefore contributes to its development.

## Customers

New laws and rules are appearing or being amended, affecting how we are able and permitted to process data about customers. The current regulations that are having a major impact are GDPR and PSD2. The purpose of the PSD2 Directive is to develop the market for electronic payments and to create better conditions for secure, effective payments. One implication of this is that banking customers can let third party suppliers perform financial services for them. The purpose of GDPR is to reinforce protection for physical persons in connection with the processing of personal data. It prevents organisations from processing personal data without consent or reason. Even without the aforementioned rules, common sense tells us that we need to observe caution and judgement when using personal data. It is about how we use information to create personal special offers, but also how we guarantee that IT operations and systems are providing secure storage of information about our customers.

Essentially, our business is based on the confidence of our customers. We must manage their money, develop their business activities, help them to achieve their goals and safeguard their finances. There must never be any doubt that Svea Ekonomi is a serious, responsible actor. In order that we are able to run a sustainable, successful business, our customers need to know that we have the knowledge, the engagement and the competence required to be a good alternative to the traditional banks. We also need to be quick, flexible and solution-oriented in order to be the serious alternative to the new, immature actors in the emerging FinTech industry. In other words, it is crucial for our business that we develop in a sustainable way so that we remain relevant to our customers into the future.

## Employees & partners

In today's network-based economy, both employees and partners contribute to our development. The form is not important, but the execution is key. The corporate culture that has contributed to the company's current size and position is based on entrepreneurial flair and drive. History and culture are important in order to both be an attractive employer and be able to attract more customers. The strong growth down the years has resulted in a major increase in the number of employees, who now number more than 1,800.

The financial industry is growing, with many new businesses, and there is tough competition for talented, competent people. New recruitments are often focused on digital competence. Hanging on to traditions will not be rewarded or be sustainable. Svea Ekonomi is a company that is developing constantly and never stands still; this is in its genes as an entrepreneurial company. It requires more than an interesting, developmental job to be relevant in the labour market. It is increasingly important to be part of a context in which the workplace is contributing to the development of society. Our work on sustainability aims to result in more people wanting to belong to and being proud to represent Svea Ekonomi.

## Dialogue with stakeholders

A dialogue took place in autumn 2017 with owners, customers and employees of Svea Ekonomi. We conducted an internal questionnaire-based survey, which was supplemented by in-depth interviews and workshops with employees from different departments and in different positions in the company. Externally, there were in-depth interviews with customers and owners. The stakeholders felt that work on sustainability at Svea Ekonomi is good, but that there is scope for further improvement. Issues considered important in work on sustainability were acting responsibly and taking advantage of business opportunities that result in sustainable value creation. Customer also feel that it is important to have, for example, responsible granting of credit, and also believe that the actual communication about sustainability-related issues is significant. It was also mentioned that governance relating to sustainability-related issues is considered to be important, as is working internally to become a more attractive employer, where the focus has to be on health, gender equality, inclusiveness and skills development.

The table below shows a summary of the most important stakeholder groups with which we conducted dialogues in 2017.

Stakeholder group	Form of dialogue	Important issues
Owners & Board	Interviews Questionnaire-based survey	<ul style="list-style-type: none"> <li>Acting responsibly and taking advantage of business opportunities that results in sustainable value creation</li> </ul>
Customers	Interviews	<ul style="list-style-type: none"> <li>Responsible and effective process for granting credit</li> <li>Informative and clear communication about sustainability-related issues</li> </ul>
Employees	Interviews Questionnaire-based survey Workshops	Continuous work on sustainability, both internally and externally, with a focus on: <ul style="list-style-type: none"> <li>Gender equality</li> <li>Skills development</li> <li>External training in private finances</li> </ul>



# Our sustainability aspects

There are two aspects that we have highlighted as being particularly important for our work on sustainability. These are that we act as and are perceived to be a reliable financial actor, and that we are an attractive employer. We understand that we must be valued highly in these areas in order to be more successful in our business. If the opposite were to happen, if we were to fall short in one of these areas, there would be a risk that the business might be unsustainable.

By focusing on the world around us and our stakeholders' most important issues, company management has performed an analysis of which sustainability aspects are most significant for Svea Ekonomi. Apart from the issues mentioned above, the general areas of the environment, social conditions, HR issues, respect for human rights, anti-corruption and governance issues have all been considered. Of the five areas that are mentioned in the Swedish Annual Accounts Act as being mandatory in the sustainability report, it is considered that Svea Ekonomi's business activities have little impact on human rights at the supplier level. There is, however, a description of discrimination and associated risk management below.



## Reliable financial actor

Our business is largely concentrated on the Nordic countries, a region that normally has low levels of corruption. We work actively to combat the financing of terrorism, money laundering and fraud. According to the Swedish Act on Measures against Money Laundering and Terrorist Financing, we must have good awareness and good insight into our customers' business activities. If the business is not run in accordance with the laws and directives that regulate actors in the financial market, we risk sanctions and losing our licence to run a banking business.

Svea Ekonomi therefore has systems and procedures to discover and report suspected cases of money laundering or the financing of terrorism or other crime. We also conduct continuous risk assessments of customers, services and products. As a bank, it is important that we run a responsible business and guarantee good governance and control, and that we prevent risks. Svea Ekonomi is largely dependent on the confidence of our customers, supervisory authorities and other stakeholders. Reduced confidence among consumers would risk lower deposits, which would in turn reduce our ability to finance other customers' loans. It is very important that we identify and manage all potential risks. We are continuously reviewing our processes for granting credit for both private individuals and businesses. The company regularly follows up on all internal policies and governing documents in order to make sure that they are being complied with.

It is important for us that our customers feel confidence in us, but also to maintain confidence in the market as a whole. Sound finances create a stable foundation and opportunities for growth and long-term investment. We strive to be simple and clear, with responsible granting of credit. A whistle-blowing function has been established in order to capture potential

or actual incidents that are in breach of the company's business ethics, in which employees can remain anonymous and report internal or external incidents or breaches. No breaches were reported via this function in 2018. Svea Ekonomi works continuously to develop and improve all kinds of security-related issues in the field of IT. As information is increasingly being transmitted electronically, there are stricter requirements to have a well-developed security mindset throughout the whole business. We work proactively on compliance with rules and security issues in order to assure ourselves that we are complying with the regulations and requirements placed on the business. The company has an incident reporting system in order to quickly capture any issues relating to the Swedish Work Environment Act and GDPR.

The new General Data Protection Regulation (GDPR) came into force in 2018. This means that we maintain a strong focus on looking after the personal data of our customers and employees. The company has processes to monitor that personal data is being processed correctly and that the activities have a legal basis. All employees have completed a digital course on the subject of GDPR.

Svea Ekonomi also monitors the development of laws, ordinances and practice through its involvement in those industry associations that are relevant for the business. These include the Swedish Bankers' Association, the Association of Swedish Finance Houses, the Swedish Debt Collection Association and the Association of Swedish Advertisers, which means that we follow the latest guidelines on dealing with ethical issues.



## Attractive employer

The ability to attract and retain employees is strategically important and business-critical for Svea Ekonomi in order to be able to run a long-term business operation. To be able to offer relevant services for our customers, our employees need to have the opportunity to develop and to realise their full potential. We work actively to create an engaged workplace where health, gender equality and competence are prioritised areas. We have a distinctly informal corporate culture with a welcoming atmosphere, open-minded and with freedom under responsibility. A market with tough competition and customers who have increasingly high expectations requires our offerings to be developed continuously. There is therefore a definite need for a learning organisation and a high rate of development of employee competence. In a rapidly changing world, the company's competitive strength is at risk unless all employees develop in their roles. One example of a development project is a group known as Young Svea, in which young employees work with trends and influence the company's products.

We are convinced that our culture contributes to all employees feeling involved and sensing the opportunity to influence. The keywords that we use and work with in different ways in the business are engagement, competence and drive. These core values are applied, for example, in employee appraisals, decision-making situations, customer relations and when we design the company's marketing.

We recognise the importance of having a healthy work environment with healthy employees. The company works actively with several activities to promote health in order to create a healthy workplace and reduce the risk of sick leave. We have a partnership with Skandia through the HälsoSlussen

[Healthcare Hub] service in order to prevent sick leave. In 2018 we also had a health challenge through Virgin Puls to promote exercise. Funding is provided for employees' keep-fit activities, participation in organised runs and sports tournaments in order to encourage involvement. Those who work at head office have access to a gym. Regular, voluntary health checks are also offered.

We strive to ensure that all employees shall have the same opportunities, rights and obligations. As our business is concentrated in the Nordic countries, we do not see any major problems relating to human rights. Those risks that do occur are primarily in the areas of gender equality and discrimination. We work actively on these issues, for example in connection with pay reviews. There were no cases of discrimination reported during 2018.

Our environmental impact is relatively small, as our business is primarily run digitally or over the phone. We strive to run our offices in an energy-efficient way with reduced paper utilisation, recycling, sorting at source and minimal energy consumption. We use energy analyses of the business to identify opportunities to further reduce consumption. Lights are automated in large parts of our premises, which means that the lighting is only switched on when movement is detected in the premises. Our partnership with Kivra is one example of how we have made the transition to a sustainable communication channel. We had 491,434 mailings via Kivra in 2018, a significant increase since we started the partnership in 2017. Apart from the environmental savings, Kivra is also a more secure and cost-efficient communication channel.

# Our values

## Engagement

We create personal relationships by being accessible, receptive and maintaining a focus on the customer's business.

## Competence

We share our experience, knowledge and innovation and guarantee high quality in our services.

## Drive

We act consistently to create business value for the customer and are always flexible and solution-oriented.

# Sustainable governance

Our business affects the society around us in the markets where we operate, and we strive to create the best possible impression. Partly by contributing time, knowledge and financial resources, partly by the fact that all of our employees must observe our ethical guidelines and the laws and regulations in force in each country.

## Governance and responsibility

The Board has ultimate responsibility for the administration of Svea Ekonomi. For a description of the company's delegation of responsibility and governance, see the Corporate Governance Report for 2018.

# Svea Ekonomi's Sustainability Report

## Regulatory compliance and data security

There were no complaints in respect of the loss of customer data from external parties during 2018. Svea Ekonomi did, however, have eleven incidents during the year relating to the loss of customer data, eight of which involved personal data. Two of these incidents were reported to the data protection authority in the country where the data subjects are registered.

The background to these incidents is in certain cases related to external criminal activity and attempted intrusion, a couple of the incidents are related to deficiencies in systems and finally there are some incidents resulting from handling errors. Our ability to discover and identify incidents has increased, partly through increased knowledge and awareness among our employees, and also because we have invested in tools to trace and identify suspected activity and any possible data leaks.

All incidents have been dealt with in accordance with our Information Security Policy and the Data Protection Policy, which includes but is not limited to identifying the cause of the incident, identifying the data loss and informing the persons concerned and the authorities.

**No breaches  
of laws and regula-  
tions**

**0**

There were no breaches of laws and regulations in 2018. This information has been compiled in accordance with the GRI Standard for socio-economic compliance, 2016.

**No known losses  
of customer  
data caused by  
inadequate data  
security**

**0**

Legitimate complaints relating to the loss of customer data.

**11**

Identified leaks, theft and loss of customer data.

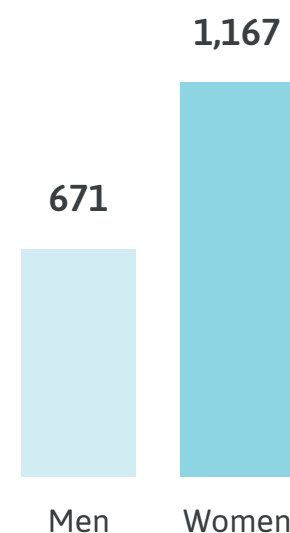
## Group

Personnel category	Gender		Age		
	Men	Women	Below 30	30–50	Over 50
Board of Directors	88%	12%	0%	36%	64%
Management teams	67%	33%	5%	63%	32%
Managers with personnel responsibility	46%	54%	26%	58%	16%
Employees	32%	68%	48%	45%	7%

We strive to achieve an even gender distribution within the companies, and the goal is to even out the gender distribution within certain personnel categories.

**Sick leave**  
**3.7%**

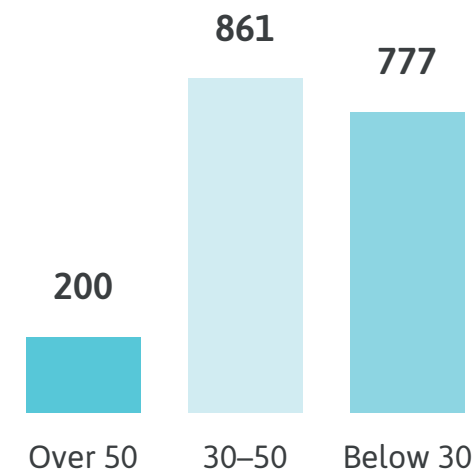
## Gender



Our goal is that the gender distribution in the Group shall be as even as possible.

## Age distribution

Number



We are largely satisfied with the age distribution within the Group.





## CSR

Svea Ekonomi makes donations and supports various charities, for example during 2018 to the Swedish Brain Foundation. The company has long had a rewarding collaboration with Junior Achievement Sweden (UF). UF is an independent, non-profit-making organisation that aims to promote entrepreneurship by helping schools collaborate with industry. Education has also become part of our contribution to society. The subject in this area is, for natural reasons, finance. Our education team visits upper secondary schools all over the country and talks about things that are worth bearing in mind when you step out into the adult world.

A number of educational sessions were given in schools during 2018, and our own 48-page document "The Dream of a Life of Your Own" was distributed to students. We have also held seminars on the subject of finance around the country on 28 occasions during the year.

## Sponsorship

The company has for many years been deeply involved in football, as a sponsor and partner of AIK and Sollentuna FK. Another area of involvement for Svea Ekonomi is Swedish sport of trotting. This takes the form of sponsoring, for example, the Elitloppet and Jubileumspokalen events and the trotting driver Örjan Kihlström. Team Rynkeby is a Nordic charity project that collects money every year for the Swedish Childhood Cancer Foundation, which Svea Ekonomi helps to support. The initiatives mentioned here are examples from Sweden, and there are similar ones in other local markets within the Group.

# Outlook for

Our sustainability report serves as a platform for our continued work, the focus of which shall be on the areas where we in the business believe that we can contribute to sustainable development.

The goals include helping people to create sustainable everyday finances and helping companies to grow.

In 2019 we will continue our work to develop goals, key indicators and engagement by promoting health, skills development and gender equality issues. We want to increase awareness and create healthy discussions about how we interact with each other.

Work to combat crime is under way continuously, and we want to develop and improve all flows by working ceaselessly on issues of security.

# Signatures of the Board

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**Arne Liljedahl**  
Member of the board  
Chairman

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**Lennart Ågren**  
Member of the board  
CEO

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**Anders Hedberg**  
Member of the board

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**Anders Ingler**  
Member of the board

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**Mats Kärsrud**  
Member of the board

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**Mats Hellström**  
Member of the board

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**Anna Frick**  
Member of the board

# Auditor's opinion

## **The auditor's opinion in respect of the statutory sustainability report**

To the general meeting of shareholders in Svea Ekonomi AB (publ), co. reg. no. 556489-2924

### **Mandate and delegation of responsibilities**

The Board of Directors is responsible for the Sustainability Report for 2018 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

### **Scope and emphasis of the review**

Our review was carried out in accordance with FAR's recommendation RevR 12 Auditor's Opinion on the Statutory Sustainability Report. This means that our review of the Sustainability Report has a different aim and is of significantly smaller scope than the aim and scope of an audit as per the International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides a reasonable basis for our statement.

### **Statement**

A sustainability report has been produced.

Stockholm 30 April 2019

BDO Mälardalen AB

Johan Pharmanson  
Authorised Public Accountant

