

# Making credit work better for all



# Introduction

## Welcome to Lowell's first Sustainability Report.

In 2021, we worked together to define our Sustainability Strategy to support our mission to 'make credit work better for all', and address wider societal needs for a more inclusive and sustainable future. To achieve these aims, we have set out clear goals and ambitions across four key areas, covering our customers and clients, colleagues, communities, and the environment.

When debt becomes unmanageable, everyone should have access to the support they need to become debt free. So, we take the time to fully understand our customers' circumstances, and work with them to help them take control of their money and improve their financial health. For our clients, we work in partnership, tailoring our approach to commercial and customer communications to suit their business and provide a seamless customer journey. For our colleagues, we offer a rewarding and challenging career that provides fulfilling work and personal growth.

This first Sustainability Report highlights our progress in 2021 against our strategy and sets out our plans for the future so we can be held accountable for our impact. We hope it offers insights into the way we work and shines a light on how we have supported all of our stakeholders through the challenges of the last year.

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# Our CEO's perspective



“Sustainability is embedded right across the organisation – from governance processes to metrics and performance. Our dedicated Sustainability Development Group drives the agenda, but we all have a role to play.

Colin Storrar, Group CEO

## I am delighted to welcome you to Lowell's first Sustainability Report.

Sustainability is something we hear a lot about, and it's a word that gets used in many ways, so we have sought to define what it means for Lowell. For us, a sustainable business is a better business, delivering better returns for all of our stakeholders. To achieve this, we rely on the three foundations upon which Lowell is built: Resilience, Efficiency, and Delivery. Together, these values place sustainability at the heart of what we do, and underpin our mission to make credit work better for all.

I'm proud of Lowell's long track record of operating as a responsible company and member of society. We have always placed an emphasis on trust and integrity, supported by good governance and sound risk management. Because of this, we have been able to grow strongly, regardless of economic cycles and even, more recently, pandemics.

Over the last few years we have increased our efficiency and delivery through digitalising our processes, like our new mobile app and online options for customers. Using technology to continually improve our offering means a better and more personal service for our customers and clients. We make these developments based on

what our customers and clients tell us they want. We also strive to treat everyone with respect, ensuring our impact in society is a positive one, and that any harmful impacts, such as our carbon footprint, are minimised. In doing so, we not only do the right thing, we also deliver a resilient and consistent performance – both financial and non-financial. This gives us, I believe, a huge opportunity to grow stronger as a business in the future.

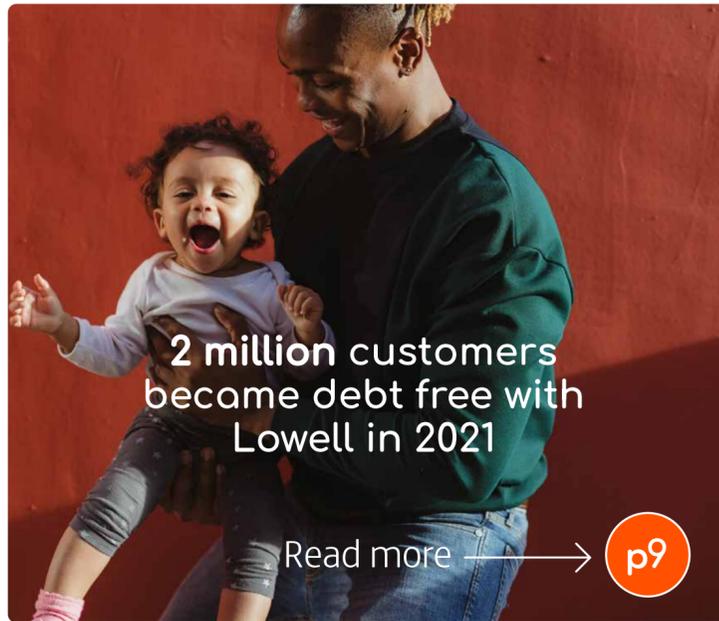
All of this is embedded in our Sustainability Strategy, which acts as an umbrella and guide for the effective management of our ESG issues. Since launching the strategy in 2021, we have found that our work to embed and communicate sustainability throughout Lowell has driven even greater alignment across the business with our aims and Values, such as being Better for Customers. This has been especially important during the pandemic. This report highlights some of the ways in which customers – especially those in vulnerable situations or affected by COVID-19 – have received support from us during this difficult time.

Our Performance Scorecard demonstrates that environmental matters are non-negotiable. While our carbon footprint may not be as large as some businesses, there are areas where we can and do make a difference, and we aim to lead our sector on our social impact.

Lowell has a good history as a responsible and ethical collections business. In a world in which sustainability is more important than ever in building long-term resilience, I believe the way we work and behave as a business sets us apart.

This report shines a light on how we are doing this and how we have supported all of our audiences throughout the challenges of the last year. It demonstrates ways in which we are leading our sector to shift outdated perceptions about debt and help our industry make a positive impact on society. I am proud of the efforts of all our colleagues in these difficult times to help us achieve this and to build a truly sustainable, better business.

# 2021 highlights



**2 million** customers became debt free with Lowell in 2021

Read more → **p9**



Over half of our inbound customer interactions in the Nordics come through our digital customer services platform

Read more → **p9**



Helped improve sector insight and understanding to improve consumer outcomes

Read more → **p14**



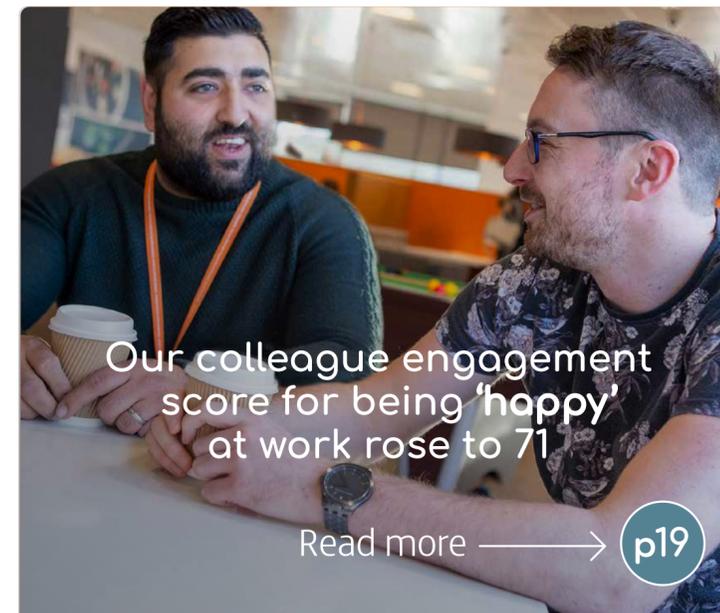
Our Group Sustainability Development Group was established

Read more → **p25**



Provided valuable insights to assist policymakers in understanding issues around financial vulnerability and the effects of the pandemic

Read more → **p17**



Our colleague engagement score for being 'happy' at work rose to 71

Read more → **p19**



Set our baseline for **Scope 1 and 2** Greenhouse Gas Emissions and a target for Net Zero emissions by 2030

Read more → **p25**



Raised consumer awareness of financial issues and support available, reaching over **10 million** people in the UK alone

Read more → **p19**

# About Lowell

## Making credit work better for all

### Our mission

Our mission is simple: it is ‘to make credit work better for all’. Our work is important, so it’s important to us that we do it well. We carry out responsible debt collection, helping customers to take control of their finances, get out of debt, and regain full access to the economy.

### Our Values

Everything we do is driven by our five Values, created in partnership with our stakeholders. Our Values are our compass, capturing the essence of who we are and how we operate with transparency and accountability. They are how we build trust with all of our stakeholders.

### Our Leadership Philosophy

Our Leadership Philosophy is based on our Values and explains the crucial role our leaders play in navigating an increasingly competitive business environment. It sets out our expectations that leaders create a workplace environment where colleagues can thrive and develop, so we succeed in delivering our company strategy and business goals. Our Leadership Philosophy asks each individual to:

- be accountable for our strategy
- have the courage to take the initiative
- take ownership to drive change
- be compassionate, authentic and empathetic
- be commercially focused

### OUR VALUES



**Pioneering** – we ensure future success by leading advances in statistical and behavioural science, and the way we work each and every day.



**Ambition** – we want to be the best. If there is a better way to do something, we will find it and make it happen. We want to set ourselves to be the leading example to others.



**Compassion** – we see and respect the individuals behind the numbers, staying helpful, principled, and fair in everything we do.



**Excellence** – we work together to exceed expectations, recognise success and deliver the best individual solutions. We strive for excellence every day; every one of us makes a difference, and has a personal responsibility to do so.



**Responsibility** – we earn trust by always being open, reliable, accountable, and beyond compliant. We simply go out of our way to do our best and take responsibility for our actions.

Our mission is simple – to make credit work better for all. We carry out responsible debt collection, enabling customers to take control of their finances.

# Our business at a glance

Lowell is at the forefront of the debt purchasing and debt servicing industry. Today we operate in eight countries and manage more than 22 million accounts, with one of the largest and most diverse portfolios of customer accounts in Europe.

### Our business model

As a credit management company, we deliver value in three ways: purchasing debt from companies, collecting debt repayments from customers, and making collections on behalf of our clients. We are proud of our customer-centric approach. We actively engage with our customers to help them take control of their debt and work with them to develop tailored solutions to achieve the best outcome for everyone. We also become a trusted, long-term partner to our clients, helping them succeed through a commercially flexible and ethical approach to debt purchasing and collections.

Across the countries where we operate, cultural attitudes towards debt vary considerably. There are different legal and regulatory frameworks, and varying splits between debt collection and debt recovery on behalf of third parties (3PC). Our sector expertise and experience enable us to adapt to these differences. By applying a local focus, and supporting it with Group-wide resources, we can offer personalised approaches that meet all of our customers' and clients' needs, wherever they are based.

### Our business plan

We are committed to continual improvement. Our three-year business strategy makes that a reality, through ongoing development of our processes, services, prudent additions to our portfolio, and offering a best-in-class client experience.

LOWELL HAS THREE OPERATING REGIONS

**NORDICS**  
Denmark, Finland, Norway, Sweden

**DACH**  
Austria, Germany, Switzerland

**UK**  
England, Northern Ireland, Scotland, Wales

**8**  
operating countries

**£1.8bn**  
gross collections<sup>1</sup>

**22.9m**  
accounts<sup>2</sup>

**£12.8bn**  
assets under management<sup>3</sup>

**£3.6bn**  
estimated remaining collections<sup>4</sup>

**£898m**  
cash income<sup>5</sup>

**3,901**  
colleagues<sup>6</sup>

**2m**  
debt-free<sup>7</sup>

<sup>1</sup> Sum of gross collections from owned debt portfolios and the gross collections on behalf of third party clients for the full year 2021.

<sup>2</sup> The number of active accounts we owned as at June 2021. Accounts being individual non-performing loans and receivables that form a debt portfolio

<sup>3</sup> Face value of assets under management on our third party servicing platforms as at December 2021.

<sup>4</sup> The amount we expect to collect on owned debt portfolios as at December 2021 across the next 120 months.

<sup>5</sup> Gross collections from owned debt portfolios plus fees and commissions from third party servicing.

<sup>6</sup> Colleague number includes 64 temporary workers

<sup>7</sup> The number of customers who became debt free with Lowell during 2021.

## Helping make the credit cycle work

Our economy relies on the cycle of credit to function. Affordable lending, or manageable debt, stimulates economic growth and investment. It creates opportunities for individuals and businesses.

But not all debt is manageable. When debt becomes unmanageable it's rare that anyone is at fault, but it still has a stigma attached to it – which we believe is unfair. We're working to remove this stigma through listening to our customers, wider discussion, and policy development.

Large, unmanageable debts can exclude people from the wider economy. This impacts their lives and their wellbeing. It can also restrict the amount of money available for businesses to invest elsewhere.

### Unlocking people from debt

In 2021, 2 million customers became debt free with Lowell, moving a step closer to accessing all forms of credit.

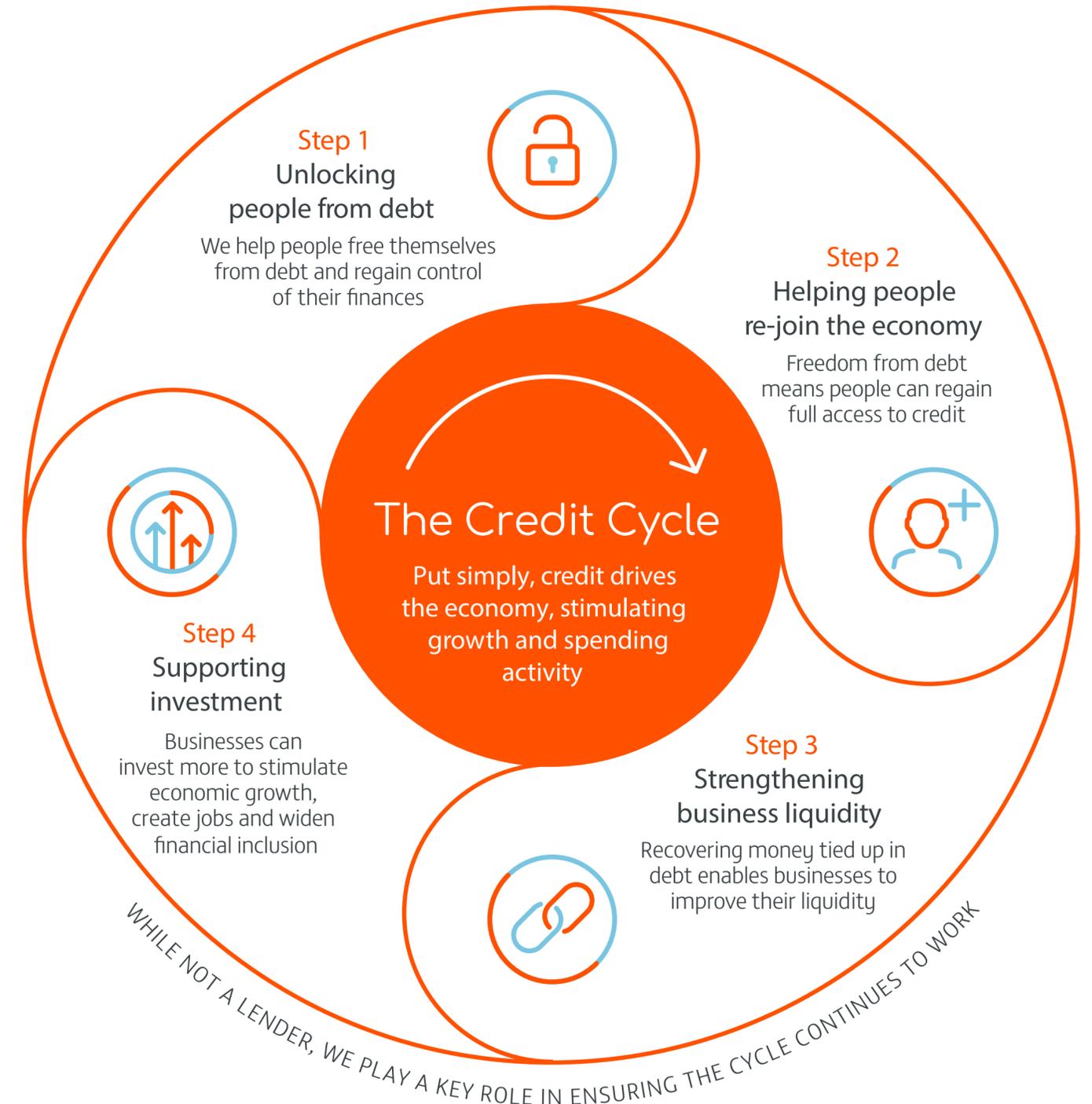
We do this by treating everyone as an individual, listening to and understanding their individual circumstances, and being flexible in our approach. We support this work by sharing the insights we gain from our unrivalled customer data to build understanding of the many causes of debt, both at an individual level and on a national scale.

At the same time, we help businesses that lend to improve their liquidity, and enable them to invest more in stimulating economic growth, providing employment opportunities, and widening financial inclusion.

### Supporting society

We play a key role in producing research to measure the ability of households to manage their daily finances and adapt to sudden economic changes, such as the loss of employment, sickness, and the impacts of the COVID-19 pandemic. The Financial Vulnerability Index, a joint venture between Lowell and US-based research organisation the Urban Institute, is using our extensive proprietary data to help policymakers understand where resources can be better targeted to make a difference for UK consumers.

Our work is important, not just to the credit management services sector or to the wider financial services industry, but to society as a whole. It provides invaluable data to policymakers to assist their decision making. This understanding – that debt is a societal issue – underpins everything we do.



# Our Sustainability Strategy

## Developing our strategy

Our Sustainability Strategy was developed through a rigorous process that identified and prioritised the key issues for our business, stakeholders and sector. It places sustainability at the heart of what we do. It is underpinned by a set of KPIs and a number of performance targets, that are regularly monitored and brought together for tracking through our [Sustainability Scorecard](#).

The Scorecard was developed following a thorough review of existing guidance, frameworks and best practice, including the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), the EU non-financial reporting directive, the UN Global Compact, the UN SDGs, and the Task Force on Climate-related Financial Disclosures (TCFD) standards. It supports the aims of the Glasgow Financial Alliance for Net Zero (GFANZ), formed in 2021 ahead of the COP26 Summit.

We benchmarked our Scorecard against our peers and other organisations in the wider financial services sector

and engaged our investors in its development. This enabled us to identify the most material issues and opportunities we wanted to address.

Through this thorough process, our Scorecard was created and aligned with the SASB framework sector guidance as well as our own business activities. This led to a natural weighting towards social elements, given our impact on consumers' financial health. However, we also place significant focus on environmental issues, continually seeking to reduce our carbon footprint, and we fully recognise that providing insight into our policies and governance can provide reassurance and clarity.

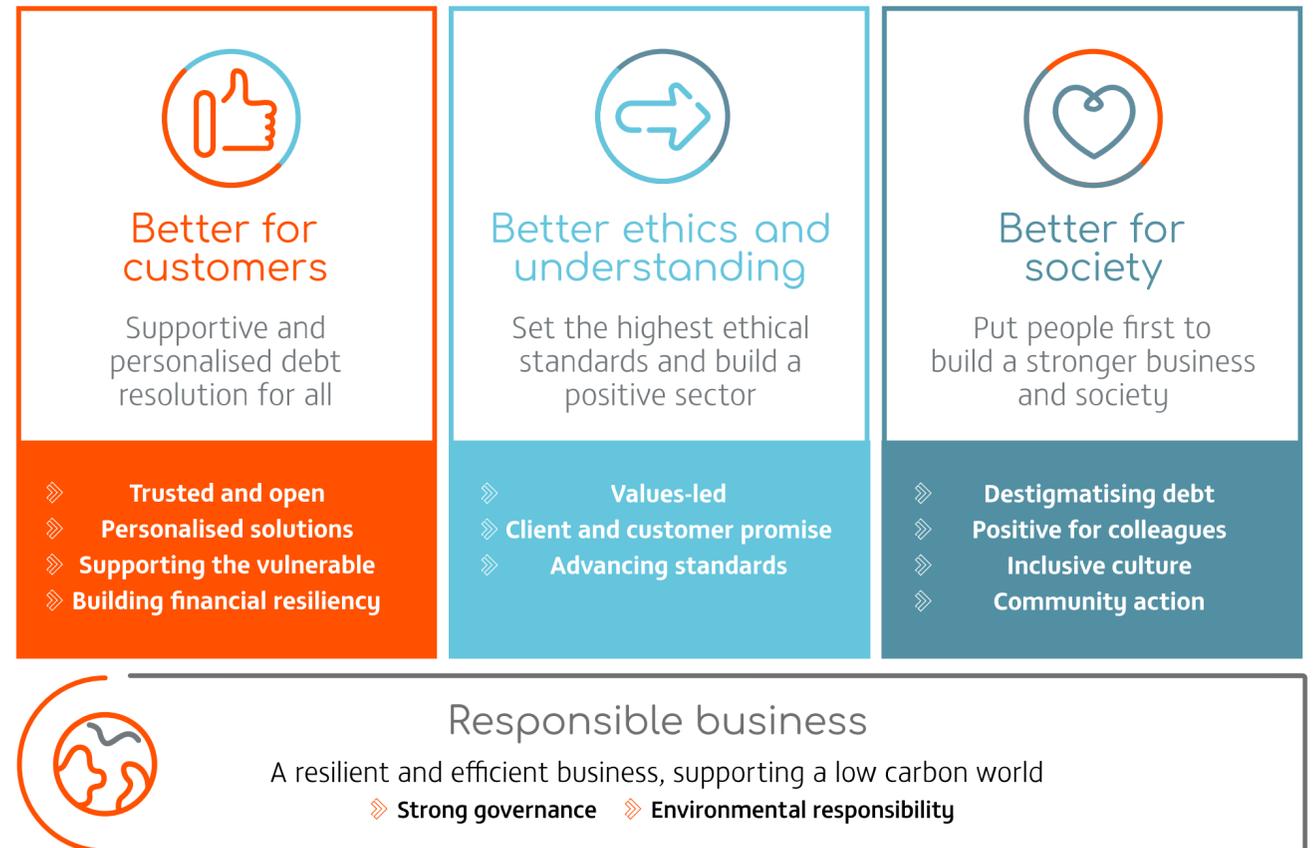
## Sustainable Development Group

Our Sustainable Development Group reports to the Executive Committee and is responsible for recommending, developing, embedding and communicating our Sustainability Strategy with impact. We are committed to sharing our progress openly via an annual report showing how we are delivering on our mission and Scorecard commitments; this is the first.

[Read more about the Group's work](#) → **p27**

Our Sustainability Strategy, launched in 2021, is based around four areas, each with a clear ambition and goals:

## Making credit work better for all



“Sustainability is embedded in our culture, our practices and our performance. Our strategy acknowledges our desired impacts on all major stakeholders – including our colleagues, customers and clients. We must all work together to make a real difference for each other, our communities and the environment.”

Bitte Ferngren, Chief People Officer

# Better for Customers

**Our ambition:** To help customers return to financial wellbeing. We do this by delivering tailored and supportive solutions designed to help them take control of their debt.

## How we'll get there:



We ensure debt repayment is simple, accessible and supportive.



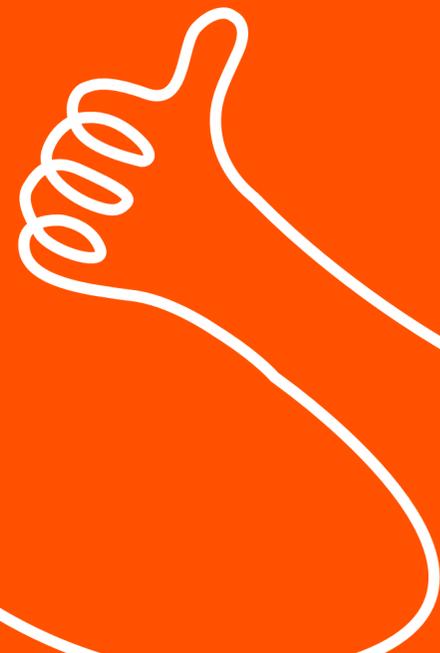
We treat every customer individually and work with them to resolve their debt issues.



We ensure all customers in vulnerable situations are protected and respected.



We develop leading tools and services to help customers build financial resilience to avoid problem debt in the future.

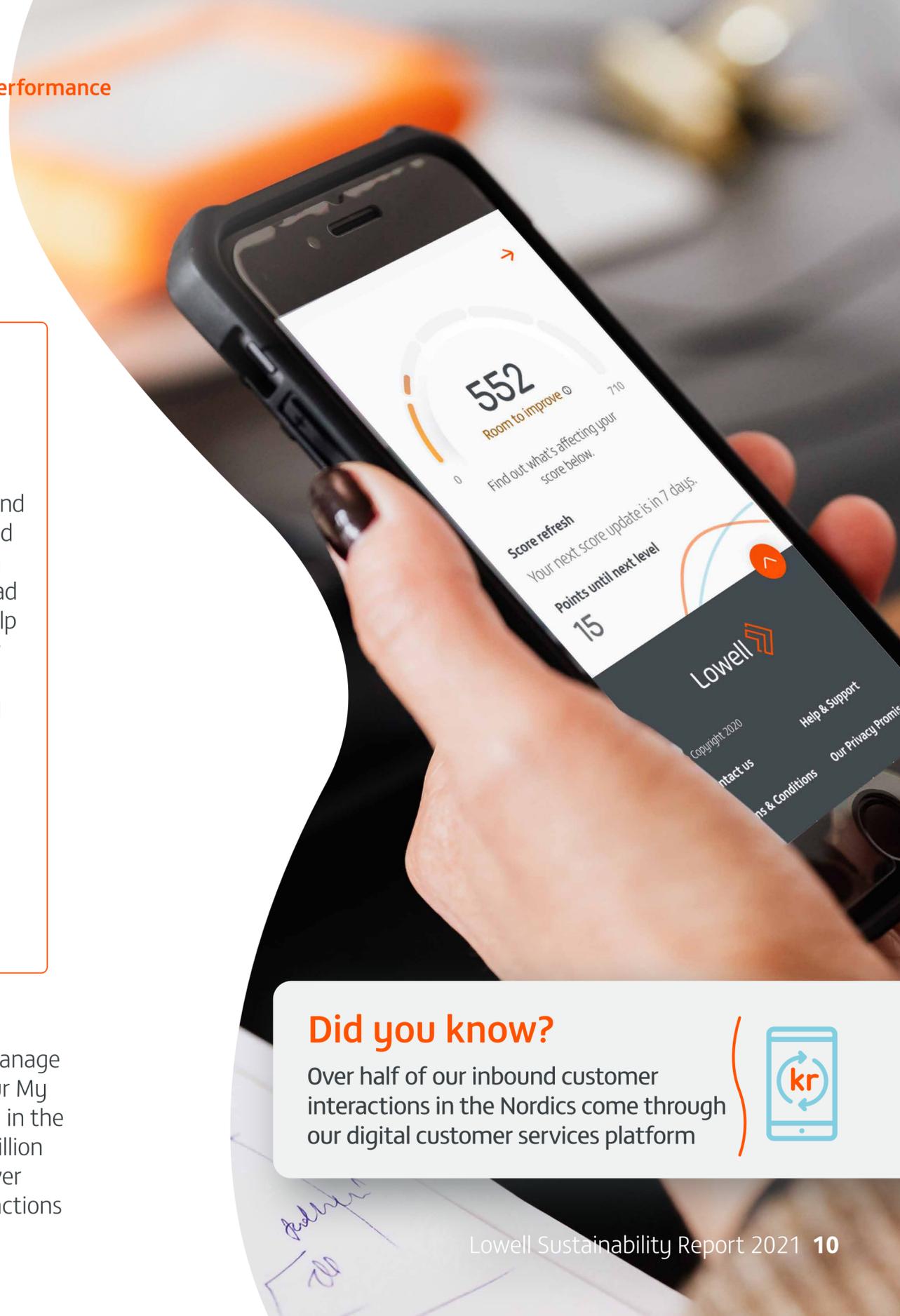


### Did you know?

2 million customers became debt free with Lowell in 2021.



# Achievements and progress



## Our KPI Stats 2021



### Customer Net Promoter Score

67 NPS UK 51 NPS NORDICS

### Group Client Customer Treatment Score

97%

### Debt Free Customers

2m

Through this difficult year we've continued to develop new ways to help our customers. We want people to feel safe to take the first step with us, whichever channel they choose, and make sure they get the right support. We measure our progress through regional Customer Net Promoter Scores (NPS) and a Group Client Customer Treatment Score to ensure we are meeting their expectations.

## Trusted and engaging

Whether our customers want to deal with us in writing, on the phone, or online, we're here to help in a way that suits them.

For people taking the first steps to get out of debt, speaking to someone about it isn't always easy. And for most, the idea of picking up the phone to a debt collector feels scary. This can lead to people avoiding dealing with their debts.

Our new digital solutions set out to tackle that fear of first contact that stops people from getting the support they need, by making it simple and easy to access our services. Customers can now choose to set up their accounts online, create a plan that works for them, and contact us more easily.

## DIGITAL HIGHLIGHTS

- Our UK **mobile app**, offering easy access
- Our UK **customer panel** was established to help us understand our customers' needs better and involve them in our proposition development. We've already had more than 2,000 customers help with research and test out new initiatives like our app
- A common portal for all DACH customers with **live chat**
- **LiveChat** functionality launched in the UK
- New **digital servicing solution**, enabling Swedish customers to acknowledge receipt of important communications online

Over a million customers are now registered to have the option to manage their accounts online in the UK. Our My Lowell self-service customer portal in the Nordics attracts more than one million logins each year, accounting for over half of all inbound customer interactions in the region.

## Did you know?

Over half of our inbound customer interactions in the Nordics come through our digital customer services platform



## Our KPI Stats 2021



### Support for Customers in Vulnerable Situations

We disclose our Group Policy and Pledges for Customers in Vulnerable Situations externally. [\[link\]](#)

### Enabling Broader Financial Health

We offer a range of debt support tools and services by region:

- **UK:** 33,000 customer app registrations since July launch, 1-in-4 accessed free credit score.
- **DACH:** 17% of our inbound customer interactions came through our digital enquiries process.
- **Nordics:** 55% of our inbound customer interactions in the Nordics come through our digital customer services platform.

## Supporting people through a hard year

Before the pandemic, it was estimated that just over 8 million people in the UK alone were in debt. People all over the world find themselves in financial difficulty for many reasons. Poor physical or mental health, domestic abuse, lack of support, poor financial or digital literacy, separation, and job loss can all put people into situations that means they need extra financial support. Understanding the multiple pressures our customers face is a critical part of how we deliver on our mission to 'make credit work better for all.'

In 2021, at a Group level we introduced eight Pledges for Customers in Vulnerable Situations supported in the UK by commitments to those affected by COVID-19. These measures are designed to make sure customers who find themselves in particular difficulty know they will be treated with dignity and care and can trust that we will find the right help for their needs.

**“ I ran into difficulties after leaving an abusive relationship. Lowell never once pressured me, and a payment plan was set up. Lovely customer service.**

Joanne, UK customer reviewer  
(Trustpilot 5-star rating, March 2021)

### Personalised approach

We know some customers prefer more traditional methods of engaging with us, such as phone or post, and we've improved our support for them too. At a Group level we are focused on First Touch Resolution for our customers, and we've continued to develop our colleagues' skills in awareness and showing empathy, especially for customers in vulnerable situations. Our colleagues receive regular coaching, support, and access to feedback from the customers they've helped so they can see the impact of their work.

### Building confidence through knowledge



In Finland, we're working with the National Public Services and Information portal to provide advice and information on debt collection and settlement and to promote financial health.

### Enabling broader financial health



Alongside debt recovery, we develop leading tools and services to help customers build financial resilience. This includes accessible money advice on our websites and a free credit score function on our UK app – we're the first company in our sector to offer this.

# Viewpoint

Through 2021, our practical support and digital innovations helped customers across our business and beyond.

### CASE STUDY

## A socially responsible approach to disaster in Germany

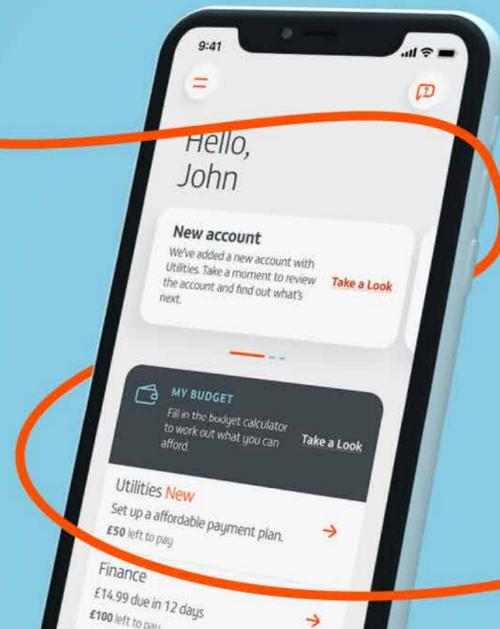
When flooding caused widespread devastation in Germany in 2021, a quick response was required. Our immediate focus was on the safety of our colleagues, ensuring they had the support they needed, including additional paid time off to deal with the personal impact of the floods.

In addition to the direct impact of the flood, we knew that thousands of our customers could also be facing financial difficulty. So, we suspended all collections in the worst-hit postcode areas and ensured they were all treated in line with our Customers in Vulnerable Situations Policy. Additionally, we reached out to local charities and relief groups to make financial donations to support their work.

### CASE STUDY

## New consumer portal

Our digital innovations are enabling an increased take-up of online support from our customers. Our new mobile app in the UK enables customers to access their account information, contact us, link to our website, and make repayments. The app also includes free access to credit scores, making us the first company in our industry to offer this valuable tool to help customers control their finances.



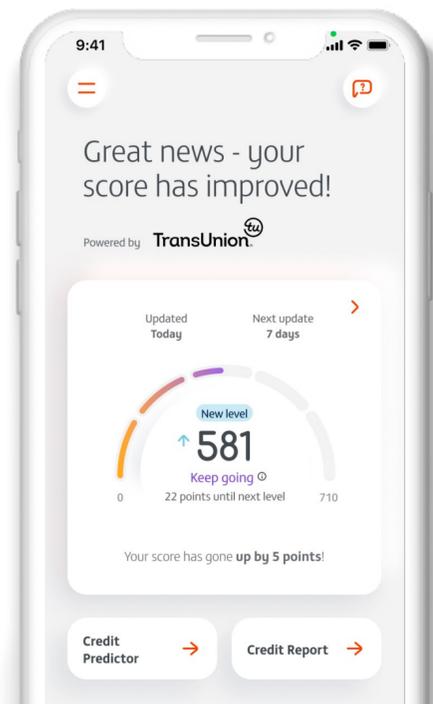
Over a million customers in the UK are now registered to have the option to manage their accounts online.

### CASE STUDY

## Digital innovations

Our digital innovations are enabling an increased take-up of online support from our customers.

During 2021, over half of our inbound customer interactions in the Nordics came through our digital customer services platform, and 17% of inbound customer interactions in DACH came through our digital enquiries process. In the UK, over a million customers are now registered to have the option to manage their accounts online.



### CREDIT STRATEGY AWARDS

Collections and Recoveries Service Provider of the Year – Winner

Credit Services Association Customer Engagement Centre Award – Winner

**AMEX Power of Blue Award** (for ‘outstanding work and performance’ by Mona Isene, Advisor, Norway, and Matilda Ripendal, Case Handler, Sweden). Power of Blue award recipients are selected for delivering best-in-class results and demonstrating a superior ‘will to win’ within their organisation.

### CUSTOMER INDICATORS

# 415,000

Number of UK customers who were given additional support due to being in vulnerable situations (circa 5%)

# 55%

Nordic inbound customer interactions through digital servicing platform

# 4.4

Our average UK Trustpilot score has risen from 3.7 (Oct 2019) to 4.4<sup>4</sup>. We have the most reviews in our sector, over 18,500

<sup>4</sup> Rating as at 15.02.22, based on 18,736 reviews

# What's next?

## Our targets



### Customer Net Promoter Score

- Establish a standardised process for collecting customer NPS across all regions by end of 2023 and achieve above market rates ongoing

### Client Customer Treatment Score

- Maintain excellent score of above 85%

View our full KPI scorecard → **p34**

## Continued digitalisation

We will continue to develop the digitalisation of our processes in all regions during 2022 to offer our customers more choice in contact methods.

## Innovating to engage

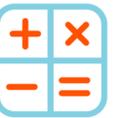
Following an approach that has worked well for customer communications across our Group, in the DACH region, we will introduce updated customer letters, which have been rewritten with the help of a behavioural psychologist. Future communications will focus more on detailing the range of support available and the wider benefits to all aspects of customers' lives from tackling debt repayment.

We will continue to use the knowledge gained from our customer panels in the UK, and our online feedback platforms in the UK and DACH, which capture the voice of our customers. One planned development focuses on the foundation of setting affordability repayment, which is how we establish what our customers can afford to repay. We plan to streamline our Income and Expenditure assessment processes to make them easier and more accessible for customers.

## Supporting customers in vulnerable situations

From December 2021, all colleagues in all roles will receive a training package on the new Group Policy and Pledges to support Customers in Vulnerable Situations. The aim is to refresh awareness and understanding of the principles we follow, using interactive activities to embed the key learning points. This sits alongside the ongoing coaching and support our customer-facing colleagues receive across all key skills, including listening, empathy, understanding, and tailoring solutions. Our approach varies in each region: in DACH, each colleague receives a minimum of six coaching sessions, tailored to their individual needs, strengths, and development areas, every year. Training considers customer treatment, use of words and language, understanding the customer's situation, finding the right solution based on their needs, and technical knowledge.

## Providing financial education



In the Nordic countries, we are supporting moves to add financial literacy to the curriculum to help young people better understand how to avoid falling into the debt trap. In Sweden, we're working to reduce the burden of debt – currently, the country has £6 billion of 'invisible' debt, held by collection agencies. We are encouraging politicians and regulators to set up a voluntary national debt register to identify and support those at risk of becoming over-indebted. We are also advocating an Opt Out of Credit platform to enable people to choose not to receive credit-related marketing. In the UK, we work with the Centre for Social Justice to help ensure the most vulnerable in society do not become trapped in debt.

Read more → **p18**

# Better Ethics and Understanding

**Our ambition:** To be an industry leader in ethics and standards; build a wider understanding of what our industry does; and promote improved outcomes for all consumers.

**How we'll get there:** Lowell is committed to developing sector-leading standards and operating transparently.



We are defined by our colleagues – they are the heart and soul of our business and bring our Values to life every day through their positive interactions with each other, our clients, and our customers.



Our customer policies and practices set out our leading standards for how we support our customers and guide our actions every step of the way.

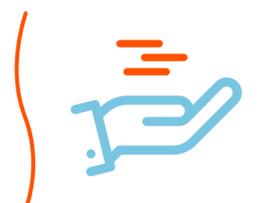


We help improve sector insight and understanding, by working with clients, partners, regulators, and policymakers to improve consumer outcomes.



## Did you know?

The share of adults in the UK claiming social benefits is 15% (Financial Vulnerability Index, Q1 2021).



# Achievements and progress

## Our KPI Stats 2021



Clear Values and ways of working

Developed a Group Code of Conduct and People Policy

Group colleague engagement score

69

Group colleague engagement survey response rate

81%

## Our Values and ways of working

In the financial services industry, trust is vital. The best way to build trust is to deliver what we say we will, and to be transparent at all times – and our sustainability reporting is key to this.

We have a range of established and embedded policies and practices relating to Lowell’s way of working, our conduct, ethics, and professional standards. Given the sensitivity of our work and the vulnerable situations in which many of our customers find themselves, such behaviour is central to our business DNA and essential to our licence to operate. All colleagues receive regular feedback, coaching and support to embody our Values; our Let’s Talk Performance Evaluation process assesses a colleague equally against both the ‘what’ and the ‘how’ they demonstrate, and policies are in place to guide the specific treatment of our key stakeholders, including our colleagues, customers and clients.



**Top Employer of the Year – Lowell received this accolade in Germany for the 16th consecutive year in 2021**

Just as our ways of working are embedded in our organisation, they are embedded into our Governance structure too – so rather than having a separate Ethics Committee, accountability sits with our Group and Regional Executive Committees. Visibility and regular assessments of our performance are provided through our Risk Management framework and at our Group Risk Committee, where ‘Ethics & Governance’ and ‘Conduct’ are two of Lowell’s top ten key risks.

### Client and customer promises

Through our business-to-business relationships we partner with a wide range of organisations and sector types. Each client is allocated a dedicated Lowell contact who will work to develop bespoke commercial and customer solutions. Whether it’s providing cash flow at times to suit their business schedule, developing unique service offers – such as helping them verify contact details for their consumers – or tailoring the customer journey so it follows on seamlessly when they move to Lowell, each offering is unique to our client. As part of our regular client audit programme, we also offer our clients full access to our in-house business experts to facilitate best practice sharing.

### Code of Conduct

In 2021, as an additional layer to our current policies and practices, we developed our colleague Code of Conduct. Designed to capture the essence of our well-embedded culture and existing practices and policies, it sets out how we work as a company, and how we expect everyone to do their personal best to embody our Values and follow our guidelines. It is an umbrella policy that aims to present a lot of existing information in one place. We’ll be rolling out Group-wide training on the Code of Conduct to all colleagues in 2022.

We have continued to develop new training on our mission and Values, including a special section for new joiners as part of their onboarding programme. Living our Values is a key element in the design of our colleagues’ reward package, and performance is regularly assessed and recognised. Additional coaching and support are provided where required.

### Group People Policy

We want our colleagues to feel that Lowell is a place where they are valued and can grow, develop and have a fulfilling career. Our Group People Policy sets out what our colleagues can expect from Lowell throughout their time with us and our promises and commitments on key employment-related areas, as well as how the policy will be monitored to ensure its effectiveness.

## Our KPI Stats 2021

### Group client satisfaction score

8.6

### Help improve sector insight and understanding

- Membership of debt collection associations and business networks in all our operating countries
- Key partnerships that deliver better debt understanding and education
- Funding for the free debt advice sector in the UK

# 8.6

**Our average client satisfaction score for the Group, demonstrated how we are recognised as a trusted partner**

### Listening to our colleagues

Our annual colleague engagement survey, completed by more than 80% of our team every year, is one of the many ways in which we listen to our colleagues. In 2021 our Group engagement score was 69. A specific area of focus, fast-tracked by the pandemic, has been our approach to ways of working. This has been shaped by colleague feedback and has resulted in colleagues scoring us 81<sup>5</sup> when asked if they have the opportunity to work flexibly and to better balance work and personal life.

### Advancing standards

#### Raising standards together

In the Nordics, we have introduced a new Supplier Code of Conduct that outlines the ethical behaviour and standards that we require from our suppliers. The Code's principles will be used in all new contracts with suppliers, and we plan to include environmental and sustainability questions in future third-party audits of suppliers. We have also introduced responsible selection of clients and portfolios, ensuring that the clients we work with share our Values and commitment to good business ethics. By working closely with clients in this way, we can provide them with a range of services and solutions, including third-party collections, debt purchase, or different challenges. Under our One Nordic banner, in 2021 we successfully integrated our debt purchase and third-party collections, enabling us to offer a more streamlined service to our clients.

### Improving incomes through partnership

We are members of all the respective debt collection associations in all countries where we operate. Lowell is an affiliate member and sponsor of the Federation of European National Collection Associations (FENCA).

In the UK, we work closely with our industry trade body, the [Credit Services Association \(CSA\)](#). We are members of the BDIU (Federal Association of Germany Debt Collection Companies) in Germany, the Associations for Finnish, Danish and Swedish debt collection companies, and the Association of Trade and Services in Norway. Through such bodies, we take a strong leadership role within our sector, working closely with peers and regulators to set standards for fair collections, develop codes of conduct for the industry, and inform policymakers through our research and data.

In 2021, our UK Operations Director, Kathryn Morgan, was appointed to the CSA board and we also represented all CSA members on a UK Treasury Working Party, focusing on VAT-related issues for credit management organisations. In Nordics, Lowell is represented at Board level in the respective debt collection associations in Finland, Sweden, Norway and Denmark. Johan Agerman, Nordic CEO, sits on the Board of Svensk Inkasso, Geir Inge Skålevik, Legal Director Nordics and Managing Director Norway, on the Virke Inkasso Board, Keld Hvolbøl, HR and Communications Director in Denmark on the Dansk

Inkassobrancheforening Board and Seppo Lahtinen, Director in our Nordic Commercial Unit, on the Suomen Perimistöimistöjen Liitto (SPL) Board.

In Germany, as part the Federal Association of German Debt Collection Companies (BDIU) we worked in 2021 to create a Code of Conduct for the industry, ensuring customers across the country will get the support they need. Anke Blietz, our DACH Operations Director, is a member of the BDIU Board, Holger Rampe, our Managing Director of Analytics, is at the Präsidium of BKS Bundesvereinigung Kreditkauf und Servicing e.V. and our Head of Quality and Complaints Management, Thomas Schauf, chairs the BDIU's committee for data protection.

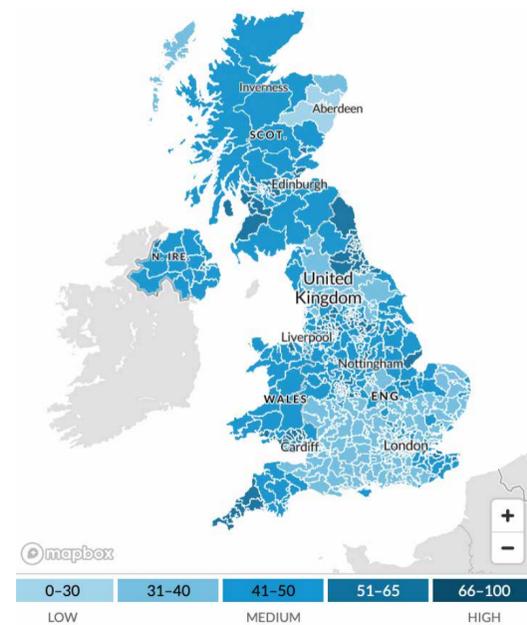
We also partner with organisations that guide policymakers and help to prevent people falling into debt. Read more about our work with the [Centre for Social Justice](#). Our [Payment Indicator](#) and our [Financial Vulnerability Index](#) provide valuable tools to assist policymakers in understanding issues around financial vulnerability.

**Lowell helps to fund the UK free debt advice sector through Fair Share Contribution (FSC). In 2021, we paid over £3.3 million into FSC, helping to ensure free, independent debt support is available to those in need.**

<sup>5</sup> Average score taken from our annual colleague engagement survey

# Viewpoint

## Financial Vulnerability Index



In 2021, we launched the first UK Financial Vulnerability Index to provide detailed insight into the long-term profile of financial vulnerability across the UK. Combining anonymised Lowell data and publicly available data, we have built a recognised index for policymakers, charities, and the wider sector that provides a unique understanding of the UK's financial health and informs decision making.

### Improving financial education

Using insights from the Financial Vulnerability Index, we have been assessing routes to combat the long-term rise in household financial vulnerability across the UK. Working alongside the Centre for Social Justice, we are supporting a project to identify financial education solutions and policy recommendations that can make a real impact, by improving young people's money management skills to prevent persistent, harmful debts. We are building a pilot in one parliamentary constituency prior to wider engagement.

As a central part of this project, we are supporting a local youth charity in Blackpool, one of the country's most financially vulnerable areas. The charity, Boathouse Youth, specialises in improving financial skills through residential courses. The project is due to report in the first half of 2022.



**“ We are concerned about our nation's financial health. With COVID support falling away, we can already see vulnerability ticking up. This has been rising since 2017 and we need to have an honest conversation about why.**

*John Pears, UK Managing Director, Lowell*

### CASE STUDY

## Sharing insights on financial stability in the UK

The Financial Vulnerability Index has provided valuable insights into the financial resilience of UK households in the wake of Brexit, the pandemic and other economic impacts by looking at national, regional and parliamentary constituency levels. Now with its second iteration released and two further releases planned for 2022, we have held meetings with the Government, regulators, policymakers and other influential stakeholders to dig into the data and see where national and local interventions can support better outcomes for consumers in the UK.

The most recent research highlighted, for example, a 7.9% rise in average credit use in 2021. Credit use rose especially sharply in Q3, following the reduction in financial support for households during the pandemic. Information like this can help policymakers better understand the nation's true financial health and inform judgments on the levels of support required.

# What's next?

## Our targets



### Colleague training on our Code of Conduct

- ⦿ All existing colleagues to participate in launch training during 2022 and all new joiners to receive new welcome content

### Colleague engagement

- ⦿ Increase our Group colleague engagement survey score and align to the global benchmark of 75 by December 2025

### Colleague engagement survey response rate

- ⦿ Maintain 80% plus participation in our annual colleague engagement survey

### Client satisfaction score

- ⦿ Maintain excellent satisfaction score of above 8.5

### Developing our policies

We'll be continuing to embed our Code of Conduct and People Policy through 2022, extending training to all of our colleagues and new joiners. We also aim to introduce a new Group-wide Customer Charter, which will build on the commitments we made to customers during the pandemic and will set the standard for how we support our customers.

### Addressing financial vulnerability

One of our core partnerships is with the Centre for Social Justice (CSJ), a leading UK think tank focused on delivering social justice to the most disadvantaged in society. We are a founding member and long-term supporter of the CSJ's Financial Inclusion Unit, which looks at ways to ensure the most vulnerable in society do not find themselves excluded or trapped in financial debt. The Unit has sought to provide policy insight across various areas including illegal money lending, hidden debt, and poor public sector debt practices.

On public sector debt collection, a CSJ report revealed that 42% of debt problems stem from Government-originated debt<sup>6</sup>, such as student loans and Council Tax bills. To help address this, we will continue to work with the CSJ to support and provide best practice insight into a Government

Debt Management Bill seeking to significantly improve standards of public sector debt collection practices and extend the protections and standards in the private sector to the public sector, helping those in debt.

**We recognise the continual need to develop new, more agile solutions – such as our new self-service management system.**

### Improving access to affordable credit

We see access to affordable credit as a key component of preventing people falling back into harmful or persistent credit. Working with the think tank Demos, we have mapped the Financial Vulnerability Index onto the Good Credit Index to understand where and why the most vulnerable areas of the UK also lack access to affordable credit. The project is due to report in January 2022 and will provide further recommendations on how to tackle these dual difficulties in society.

### Self-service for clients

In 2022, we will launch a new self-service system for our 3PC clients in our DACH region. Clients will be able to see a complete picture of their accounts altogether in one place – including money paid and outstanding, customer numbers, and much more

– as well as share information directly with our system. This will not only provide greater visibility of key data, but also make communication between us and our clients more streamlined and efficient.

### Sharing market insights with our clients

As part of our partnership approach, we offer our clients full access to in-house business experts to enable sharing of best practice. We proactively offer deep-dive sessions on hot topics, such as the introduction of new breathing space regulation in the UK. Our face-to-face offering is supported by webinars, the most recent topics being our Financial Vulnerability Index and Payment Indicator in the UK and Nordics respectively.

View our full KPI scorecard → **p34**

<sup>6</sup> tbc

# Better for Society

**Our ambition:** To create a stronger society through fostering better financial wellbeing, promoting inclusive work opportunities, and providing support for our communities. We aim to always put people first and believe this will build a stronger business and a fairer society.

## How we'll get there:



We actively engage customers and wider society to improve debt management and build financial resilience.



We want to be a great place to work. We want our colleagues to feel valued and know there are opportunities to grow, develop and enjoy a fulfilling career, balancing work and personal life.



We want to be a community where everyone is free to be themselves and feels welcome and valued. We're committed to raising awareness of the importance of diversity and creating an inclusive culture.



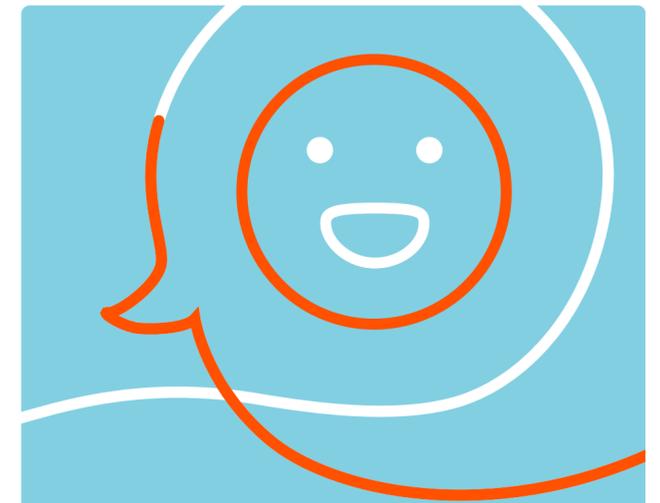
Through education, community engagement and partnerships, we will work to share knowledge on how to make credit work better for all.

### Did you know?

56.2% of UK adults have no emergency savings (Financial Vulnerability Index, Q1 2021).



# Achievements and progress



## Speaking out about debt

**In the UK,** we combined our research findings with tips and advice on topics relevant to our customers. In partnership with StepChange, we looked at challenges such as hidden debt and what people fear most about money. Our advice stressed the importance of speaking out about such debt, and ways for people to avoid or manage being in such situations.

Other issues we addressed during the year included how comfortable people are at managing their finances, debt following specific events from Christmas to divorce, and ways to remove the stigma of debt.

### Our KPI Stats 2021



#### Raise consumer awareness of financial issues and support available

- 10 million consumers reached in the UK alone
- 2021 campaigns included managing hidden debt, removing the stigma of debt, and campaigns to promote consumer debt solutions and financial education
- Nordic campaign proposing solutions to issues identified by the payment indicator research, including 'opt out of credit' platform

#### Contribute to wider system knowledge through new insights

- Financial Vulnerability Index launched in the UK
- Payment Indicator research continued in the Nordics

### Improving debt understanding

We aim to create a stronger society through fostering better financial wellbeing, promoting inclusive work opportunities, and providing support for our communities. A better understanding of debt, its effects, and how to manage it, is integral to this. Using our unique database and bespoke research, we share insights that are valuable for customers, clients and policymakers.

In 2021, we ran a number of campaigns in the UK and Nordics to raise consumer awareness of financial issues and the support available. We estimate our campaigns reached 10 million consumers in the UK alone.

### Researching the effects of the pandemic

Our Payment Indicator (PI) is an annual survey-based research programme run by Lowell in the Nordics. It began in Sweden in 2017, expanding to all of our Nordic countries in 2020. The research provides insights into topics such payment ability and financial vulnerability as well as perceptions of credit and consumers' consumption patterns.

In 2020 and 2021, the research explored how the pandemic affected financially vulnerable households, especially in the hardest-hit Nordic countries: Sweden and Finland. It has provided a database of real value to politicians, government agencies, and policymakers on issues around indebtedness in the region and has given clients an additional perspective. PI also informs our website, a hub for knowledge around over-indebtedness as well as learning and advice to help develop financial health.



**of people don't discuss their debt, with over half (53%) too embarrassed to talk about it (UK)**



**of households in Norway state that they have been negatively impacted by the pandemic**

**In the Nordics,** we have launched a campaign running across the media and targeting government. Our campaign focuses on providing solutions to problems identified by our Payment Indicator research. These include campaigning for an 'opt out of credit' platform and providing greater support for financial education, budgeting, and debt management.

### Our KPI Stats 2021



#### Number of employees

3,901

- Full-time – 3,244
- Part-time – 657

#### Temporary and contract colleagues

- Temporary – 64
- Contract (fixed term contract) – 90

#### Gender diversity

- Company-wide:  
39% male and 61% female
- Our senior team:  
67% male and 33% female

#### Employee turnover

22% (of which 17% is voluntary)

## Positive for colleagues

### Positive for colleagues

We want to be a great place to work. That means helping our colleagues to feel happy and valued, with opportunities to grow.

### Colleague development and wellbeing

We want our colleagues to enjoy fulfilling careers with us. We encourage and support all of our colleagues to plan their career and consider any development needs as part of our Let’s Talk performance evaluation process. Through feedback, we understand what our colleagues want and need. We set our People agenda based on what they tell us is most important to them, and appropriate for us to be a sustainable business.

Since the start of the pandemic, we have expanded wellbeing activities offered to colleagues, and invited external specialists to run digital, as well as face-to-face, sessions on mental health, self-care and financial wellbeing. Our underlying focus on each person’s development and wellbeing means we focus on the whole individual.

Employment turnover at call centres is generally quite high, and our figures are in line with the norm. Globally, the turnover trend is increasing as working from home has opened up wider opportunities and demand. Our focus to address this is, therefore, on making Lowell a great place to work.

### Building a diverse and inclusive culture

Diversity is all the visible and invisible differences that make us unique, including our personalities and life experiences. Inclusion means embracing all colleagues regardless of their differences when we collaborate, solve tasks, develop, innovate, and make decisions. We want to be a community where everyone is free to be themselves, and feels welcome and valued.

Working towards our Diversity and Inclusion (D&I) Vision, in 2021 we created a D&I Council, which reports directly to our Executive Committee. Each region also has a D&I plan, with awareness-raising activities, targets and KPIs, and survey measures in place to assess progress and gather data. In 2021, our company-wide gender split was 39% male and 61% female, and our senior team was 67% male and 33% female. We aim to improve the gender balance in senior roles by 2025.

We also created a series of ‘Involve groups’ in 2021. Including colleagues from across the business, these groups do just what their name suggests – involve our colleagues directly in how important societal issues such as D&I and colleague wellbeing are managed within the company, and how we select the charities we support. As the groups become established, they’ll be making a real contribution to how we evolve as a responsible company, and better reflect the communities we serve.



### Our KPI Stats 2021



Group colleague engagement survey scores for 'happy'

71

Group colleague engagement survey scores for 'opportunities to learn'

64

### Leadership Philosophy

Our new Leadership Philosophy was established in 2021. Based around four leadership capabilities – Clarity, Energy, Success and Resilience – the philosophy will guide how our business is led and managed in the coming years. This will include the creation of our Leadership Development Programme, launching in 2022, in which all of our people managers will participate.

### A new hybrid working model

The pandemic showed the world that working from the office doesn't have to be the only option. Flexible and remote working is now the preference of more than 80% of our colleagues. So, we've enhanced our offering and are committed to retaining a hybrid model that will help colleagues to continue to benefit from the increased flexibility to suit their own needs and circumstances, something that we know they value.

## Community engagement

Wherever we operate, we aim to support local communities.

In the UK, since 2015 we have donated £450,000 to the Leeds Hospital Charity, which supports hospitals across the city. This includes £50,000 for the charity's Capital Appeal to raise funds for a new hospital, due to open in 2026. In 2021, we donated

over £100,000 to local charities, including shelters for domestic violence victims and the homeless, food banks and those helping people improve their mental health. Money was raised through colleague fund raising, match funding, and our Lowell Giving donation pot.

In DACH, we partnered with the Westdeutsche Allgemeine Zeitung newspaper in 2020. WAZ donate newspapers to two local schools to help promote financial literacy and education, and linked to this, we are now offering internships and educational training at Lowell Germany. In 2021, 530 school students benefited from this programme.

Support for our annual Wish Tree campaign continues to bring deserving children a little bit of seasonal joy. In Essen, we provide gifts for a local kindergarten run by VKJ, which supports young people in socially deprived areas. In Ratingen, our colleagues organised a Wish Tree in 2021 in aid of the Burgholz Children's and Youth Hospice in Wuppertal, while colleagues from our Wuppertal office donated gifts for several local social institutions. Lowell DACH also donated €25,000 to Aktion Deutschland Hilft, a global emergency relief charity.

In the Nordics, we support a wide range of causes within the countries we operate. In 2021,



this included significant donations supporting cancer research. In Finland, we are long-standing supporters of a local hospital's children's intensive care ward and provide support for cancer research and mental health, as well as financial literacy amongst schoolchildren. Since 2011, we have organised a Christmas Wish Tree campaign to donate Christmas gifts to deserving children. In Sweden, we support Stadsmissionen, an organisation that helps, among others, the homeless and low-income families.

**We aim to create a stronger society through fostering better financial wellbeing, promoting inclusive work opportunities and providing support for our communities.**

# Viewpoint

## Knowledge sharing through webinars and blogs

We publish a range of vlogs, blogs and webinars across our company websites and manage a regular client newsletter in the UK. During 2021, we shared findings from Lowell research - including our Financial Vulnerability Index, Payment Indicator, and how customers manage their finances – and insights gleaned from our 2000-strong customer panel in the UK. We also share examples of ways we fulfil or exceed our regulatory framework requirements, to drive best practices across our industry. During 2022, our schedule will feature more insights from our customer panel, further primary research findings, and updates relating to our digital capabilities.

## Sharing insight on financial stability in the UK

Our Financial Vulnerability Index (FVI), created in partnership with research group the Urban Institute, is shedding new and valuable light on the impact of debt on society in the UK. Our research shows, for example, that credit use is rising once more following the pandemic, and changes to the Universal Credit top-up. As a result, people could be at greater risk of missed payments or having no savings for emergencies. In December, our research was used by the BBC as part of a feature to highlight problems around debt, particularly around Christmas, and is also available to support charities like StepChange that work to prevent poverty.

### CASE STUDY

## Caroline's story

We run a reverse mentoring scheme that pairs senior managers and junior members of the team together to help build relationships, and a deeper understanding of how we run the company. These unique partnerships unearth helpful insights into how our colleagues see Lowell and what they think we could do better. Caroline Marsh, non-executive director, shared her experience.

“I was paired with a much younger colleague – a mum in her 20s from a different ethnic background to me. She really helped me to understand, in a safe and confidential environment, how working at Lowell looks and feels through her eyes. Our conversations were informal but full of learning for me, especially on ways we can improve our colleague experience. It's really helped me to feel more connected to the business.”



### CASE STUDY

## Helping families in local communities

Based in Blackpool, Boathouse Youth provides educational and recreational activities such as summer camps for children and young people living in the area's most deprived communities. We have funded a research programme, in partnership with the CSJ, which will explore how the financial education provision they offer benefits young people and their ability to manage their money, and we will then share the insights with politicians and policymakers to help them make decisions about where to best target their resources.

## Activity days

In May 2021, we held our first Diversity and Inclusion Day. Activities ranged from sessions with female leaders and how to have effective conversations around D&I, to a 'meet the D&I Involve group' event and external speakers. Many colleagues got involved across all of our regions, and based on the positive feedback we plan to make this an annual event. D&I awareness training is also embedded in our Explore Leadership development programme.



In the UK, we also celebrated Black History Month in October, hosted a LGBTQ+ event in June, and provided training to provide better understanding of the menopause.

# What's next?

## Our targets



### Group colleague engagement 'happy' score

- ⦿ Increase our colleague score year-on-year from colleagues when asked 'How happy are you working at Lowell?', to reach at least 75 by December 2025

### Group colleague engagement 'opportunities to learn and grow' score

- ⦿ Increase our colleague score year-on-year from colleagues when commenting on 'I have good opportunities to learn and grow', to reach at least 70 by December 2025

### Gender diversity

- ⦿ Improve gender balance in senior roles at Lowell, aiming for 40% female by December 2025

### Colleague volunteering

- ⦿ All colleagues will be given the opportunity to volunteer for a community cause in their region using Lowell time by December 2023

### Protecting people from debt

The credit cycle is essential to a functioning economy, but if people are given more credit than they can manage they are saddled with debt that they can't repay. In Sweden, we are establishing ourselves as thought leaders in this area, through a campaign aimed at politicians, regulators and policymakers to raise awareness of this issue. We are showing how stigma is upheld and reinforced, and are calling for ways to help people opt out of receiving credit for fixed periods if they wish. This will remove them as targets for marketing, and empower them to take control of their money. We are also aiming to see the establishment of a national debt register that would help identify and support people at risk of becoming over-indebted.

### Building a diverse and inclusive culture

We want to be a community where everyone is free to be themselves, and feels welcome and valued, and we're committed to raising awareness of the importance of diversity and creating an inclusive culture. As a company with a majority of female colleagues, we are placing a particular focus on improving gender diversity among our senior management and executive levels. In 2021, 33% of our Group executives and 40% of our UK Board were women. We are looking to get more women into positions of leadership in 2022 and will have at least one female successor to consider for all senior roles by December 2023. We also aim to increase our diversity against other key metrics, and will

be developing our Involve groups, which provide the vehicle for ensuring our colleagues can drive initiatives to make us even more inclusive.

Actions like these reinforce the importance we give to inclusion. In our most recent colleague survey, 82% of respondents believed that Lowell makes it easy for colleagues from diverse backgrounds to be included.

Following the creation of our Leadership Philosophy, in 2022, we will launch our Group-wide Leadership Development Programme. We have partnered with Deloitte to create the content, which is based around the pillars of Clarity, Energy, Success and Resilience. A pilot in 2021 had 21 participants, and the full programme will target all of our people managers across each region. All leaders have the option of working with a coach to further support their personal development.

### Engaging with communities

We have always supported our local communities. During 2022, we will be working with our colleagues to offer them volunteering opportunities using Lowell time, giving everyone the opportunity to volunteer for a community cause aligned with our Values by December 2023.



**We will have at least one female successor to consider for all senior roles by December 2023.**

# 84%

**Proportion of colleagues who believe Lowell makes it easy for colleagues from diverse backgrounds to be included**

# 75%

**Proportion of colleagues who believe that, regardless of background, everyone at Lowell has an equal opportunity to succeed**

# Responsible Business

**Our ambition:** To be a resilient and ethical business that also takes responsibility for the environment. We maintain the strongest foundations of responsible business through robust and transparent disclosure, and continuous improvement.

## How we'll get there:



We seek to uphold the highest standards within our business. We know that our leading sustainability programme will only thrive on the strong foundations of good governance.



We are adapting the business for a carbon-neutral world – minimising emissions and resource waste to help combat climate change.



### Did you know?

From 2022, supporting the overall Sustainability and Diversity & Inclusion agenda is part of all executive and senior management objectives.



# Governance

Embedding good corporate governance practice is fundamental to Lowell in creating and building internal and external stakeholder value.

Collective responsibility for the long-term success of the Group and the delivery of sustainable value to shareholders rests with the Investor Board. To assist, the Board has appointed Board Committees, each of which have defined roles and objectives, and specific levels of discretion within which they can operate.

## Group Audit Committee

Assists the Investor Board in discharging its responsibilities relating to the disclosure of the Group's financial affairs.

## Group Risk Committee

Provides oversight and advice to the Investor Board relating to the Group's current and potential future risk exposures, future risk strategy, risk appetite and tolerance. It is also responsible for promoting a risk awareness culture across the Group.

## Group Remuneration Committee

Responsible for the overview of the Group remuneration policy and the directors' remuneration policy, ensuring that arrangements are designed to promote the long-term success of the Group.

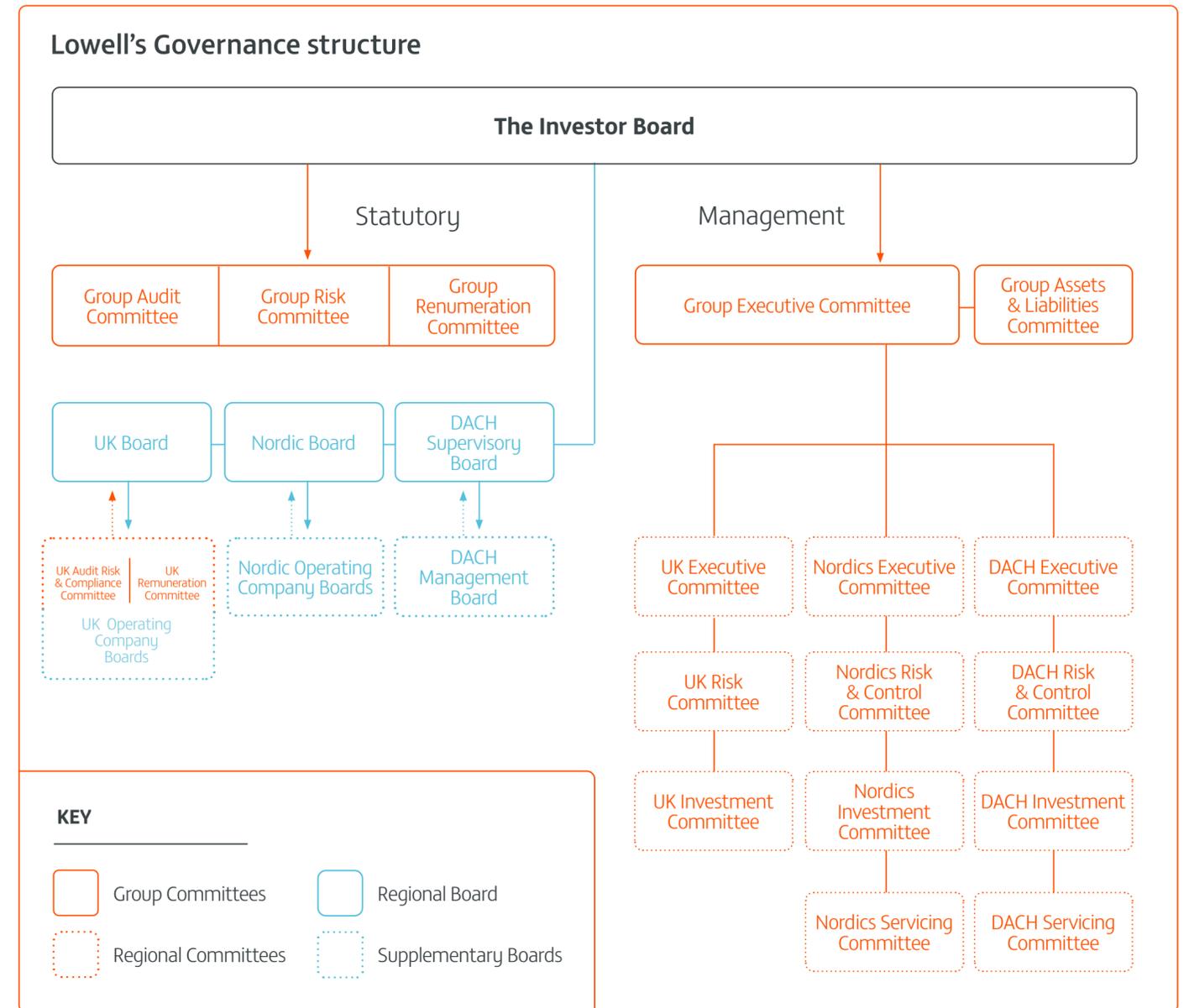
The **Group Executive team** supports the Group Chief Executive Officer in managing the Group's businesses. The team reviews, challenges and discusses relevant items and supports the Group Chief Executive Officer in forming recommendations to the Investor Board. Matters discussed include strategy, financial performance, capital, risk and operational issues affecting the Group. The team also monitors the implementation of cultural change and executive succession planning, and actively promotes Lowell's culture, Values and purpose through setting the tone from the top.

## The Regional Risk & Control Committees

(attended by Regional Executives and Risk Compliance leadership) play a hands-on role in ensuring all regional risks are managed in accordance with Lowell's Risk Framework and risk appetite and that all relevant regional laws and regulations are adhered to.

“The Group Risk Framework describes Lowell's approach to risk management and day-to-day management of risks. It is designed to create a culture of informed risk taking and decision making within the bounds of sound risk management practices and organisational appetite.

Eva Eisenschimmel, Group Chief Risk Officer



## Our KPI Stats 2021

### Creation of a formal Sustainability Development Group (SDG)

- Formed in August 2021
- Access the Terms of Reference (TOR) for our Sustainability Development Group [here](#)

### Sustainability performance metrics part of all executive management and senior management objectives

- Top 60 managers have a performance objective stating: You are responsible for developing relevant actions within your area of responsibility to support the overall Sustainability and D&I agenda in Lowell

### Group Risk Framework supported by local policies relative to data security, protection and privacy, and training stats

- Summaries of our approach to risk management and data protection [are available here](#)
- 94% of colleagues completed training relating to data security, protection and privacy during 2021

## The role of our Sustainability Development Group

In 2021, we launched our Sustainability Development Group (SDG) to play a pivotal role in the successful delivery of our Sustainable Strategy. Chaired by our Group Chief Risk Officer, supported by our Group Sustainability Manager, the SDG reports to the Executive committee and is responsible for recommending, developing, delivering, embedding and communicating our Sustainability Strategy to deliver on our impact and leadership ambitions.

The SDG membership includes senior representatives from shared functions of Risk, People, Investor Relations and Marketing. Each of our three regions have a nominated senior sustainability representative who supports our work on a day-to-day basis and is also empowered to act and speak on behalf of the region and represent the topic at a regional executive level at the SDG. Important external representation is provided by our UK non-executive director, Caroline Marsh, and our Sustainability partner, BRODIE.

Meeting monthly, the SDG focus during the final quarter of 2021 has been on working with the business to co-create the targets for 14 areas of our sustainability scorecard, and reviewing performance against those targets. Working to the brief that we wanted our targets to be both stretching and ambitious but also achievable, the SDG has collated and reviewed a wide range of external research and internal data to ensure the targets will stretch us in the right areas, and in the right ways.

## Three Lines of Defence Model

To ensure alignment to our Group Risk Framework and appetite for risk, we organise risk management along the three lines of defence principle. Each line has clearly defined roles, responsibilities and accountabilities.

1 <b>First line of defence</b> Own and manage risk	2 <b>Second line of defence</b> Oversee, challenge and report risk	3 <b>Third line of defence</b> Provide independent assurance
<ul style="list-style-type: none"> <li>— Functions maintain the register of risks and controls associated with core business processes</li> <li>— Risk and controls are subject to regular assessment and testing to identify any areas where controls require strengthening to ensure they are managed in accordance with Lowell's risk appetite</li> <li>— Management is responsible for reporting and managing risks and incidents promptly as and when they occur, ensuring that such incidents are addressed, and that any underlying control failures are identified via root-cause analysis, and addressed to minimise the risk of reoccurrence</li> </ul>	<ul style="list-style-type: none"> <li>— Overseen by Group Risk Committee</li> <li>— Strong risk leadership via Group Chief Risk Officer and three Regional Chief Risk Officers (all members of Group/Regional Executive Committees)</li> <li>— Around the equivalent of 60 full-time colleagues across the Group</li> <li>— Risk Experts in place for all key risks including cybersecurity, data privacy, model risk management and strategic risk</li> </ul>	<ul style="list-style-type: none"> <li>— Overseen by Group Audit Committee</li> <li>— 10 FTE colleagues with co-source support</li> <li>— Strong leadership via Group Head of Internal Audit and Regional Heads of Audits</li> </ul>



**Our Sustainability Development Group was created in 2021**

Regular horizon scanning is also performed to ensure that broader external factors that can impact Lowell's strategic ambition are identified and built into the company's plans.

We use an enterprise risk management system across our Group to capture our appetite relating to risks and our controls as well as monitor any issues and incidents that occur.

**Governance structure**

Our governance structure provides strong risk oversight through a series of committees:

Committee	Areas of oversight
Group Risk Committee	Leading risks across the business including internal risks and broader horizon risks.
Executive Committees	Strategic risk (including horizon risks) and material regional risks, as escalated by Regional Risk & Control Committees.
Assets & Liability Committee (ALCO)	Balance sheet, funding and liquidity risks.
Regional Risk & Control Committees	Regional risks: <ul style="list-style-type: none"> <li>— Operational (including conduct, IT, people, change and resilience risks)</li> <li>— Information and data risk (including data privacy, data management, information and cybersecurity risks)</li> <li>— Compliance risks</li> <li>— Financial risks</li> </ul>
Regional Investment & Service Committees	Risks associated with pricing new business and with outcomes of due diligence on new portfolios.

collect, use, maintain, store and protect customer information.

Our data management practices and processes align to the relevant regulatory requirements, legislation and standards within the regions where we operate. Details of our approach are addressed in our Group Information Security and Information Classification and Handling Guidelines.

Regional policies are in place covering data governance, information risk, data use, and information retention.

All colleagues are provided with training on data security and privacy within six months of joining, with refresher training provided on an annual basis.

Due to its prominence, the topic of data security is captured across three of Lowell’s top ten residual risks: data privacy, data management, and information and cybersecurity.

**Regulator complaints**

Whatever their nature, we see complaints as an opportunity to learn. Resolving the complaint is of course our priority, but we work hard to ensure the root causes of any issues are thoroughly understood and any learning is adopted within the relevant business areas to prevent a recurrence.

In 2021, there were 16 customer complaints upheld by regulators relating to data privacy or data protection matters. We share additional information on complaints in line with regional requirements, where they exist.

An ongoing risk education and awareness programme is maintained across Lowell to ensure risk awareness remains embedded in day-to-day business practices.

**Data security**

Lowell is trusted by its customers to store, manage and process their data safely. This trust must be earned; something we do primarily through our everyday actions, but also by giving complete transparency to our commitments, as conveyed by our privacy notices available on our customer websites. In the UK, we have created a shorter and easier to digest Privacy Promise, which sets out nine clear commitments relating to how we will

**Our KPI Stats 2021**

Number of substantiated complaints received concerning breaches of customer privacy and losses of customer data across our Group

16 customer complaints raised with and upheld by regulators relating to data privacy or data protection matters

Number of colleagues who have received training on Lowell’s anti-bribery and corruption policies and procedures

94% of colleagues completed training relating to anti-bribery and corruption

**Our targets**



**Data security and privacy training**

We will provide all Lowell colleagues with training on data security and privacy within their first six months, and refresher training will be provided at least every two years with a completion rate of 100% of in scope active colleagues with more than six months service

**Anti-bribery and corruption training**

We will provide all Lowell colleagues with training on anti-bribery and corruption within their first six months, and refresher training will be provided at least every two years with a completion rate of 100% of in scope active colleagues with six months service

View our full KPI scorecard → p34

# Environment

## Our KPI Stats 2021

Greenhouse Gas Emissions – tonnes of carbon dioxide equivalent

### 2019

Group Scope 1 – 735 tCO<sub>2</sub>e

Group Scope 2 – 2,243 tCO<sub>2</sub>e

### 2020

Group Scope 1 – 500 tCO<sub>2</sub>e

Group Scope 2 – 1,491 tCO<sub>2</sub>e

Environmental protection is woven into our Sustainability Strategy, and climate action has been identified as one of the five UN Sustainable Development Goals where our actions can make an impact.

### Our climate commitments

We are proud of the fact that none of our waste in the UK goes to landfill, and we are using 100% renewable energy to power our Leeds offices – well ahead of our 2025 target. In 2021, two of our Danish offices switched to certified green electricity, and over the next two years we aim to switch to 100% green electricity for all of our DACH sites where we control electricity purchasing.

To reduce our carbon footprint further, we have set three key Group-wide targets:

- ⦿ To be carbon neutral by 2025
- ⦿ To use 100% green electricity by 2025
- ⦿ To achieve Net Zero emissions by 2030

In 2022, we are working on energy reduction plans for all of our regions and taking steps to phase in increased green energy as part of our commitment to 100% green electricity in every office where Lowell has control by 2025.

## Our Carbon Footprint

	2019	2020
	Tonnes CO <sub>2</sub> e	Tonnes CO <sub>2</sub> e
DACH <sup>1</sup>	630	408
Nordics	1	1
UK <sup>2</sup>	104	91
<b>Group Scope 1</b>	<b>735</b>	<b>500</b>
DACH	659	853
Nordics	476	362
UK	1,108	276
<b>Group Scope 2<sup>3</sup></b>	<b>2,243</b>	<b>1,491</b>
<b>Group Total Scope 1 &amp; 2</b>	<b>2,978</b>	<b>1,991</b>

1 In the DACH and Nordic regions where actual consumption data was available, this has been used. Where data was not available, we have worked with third-party consultants to calculate emissions based on floor space and best practice conversion factors. Estimates are based on office area (m<sup>2</sup>) and average energy consumption. This is likely to mean estimated data is higher than actual consumption as office occupancy was lower than usual during 2020.

2 UK data for the Bradford site is based on estimated data.

3 We are reporting market-based emissions for electricity as part of our Scope 2 emissions.

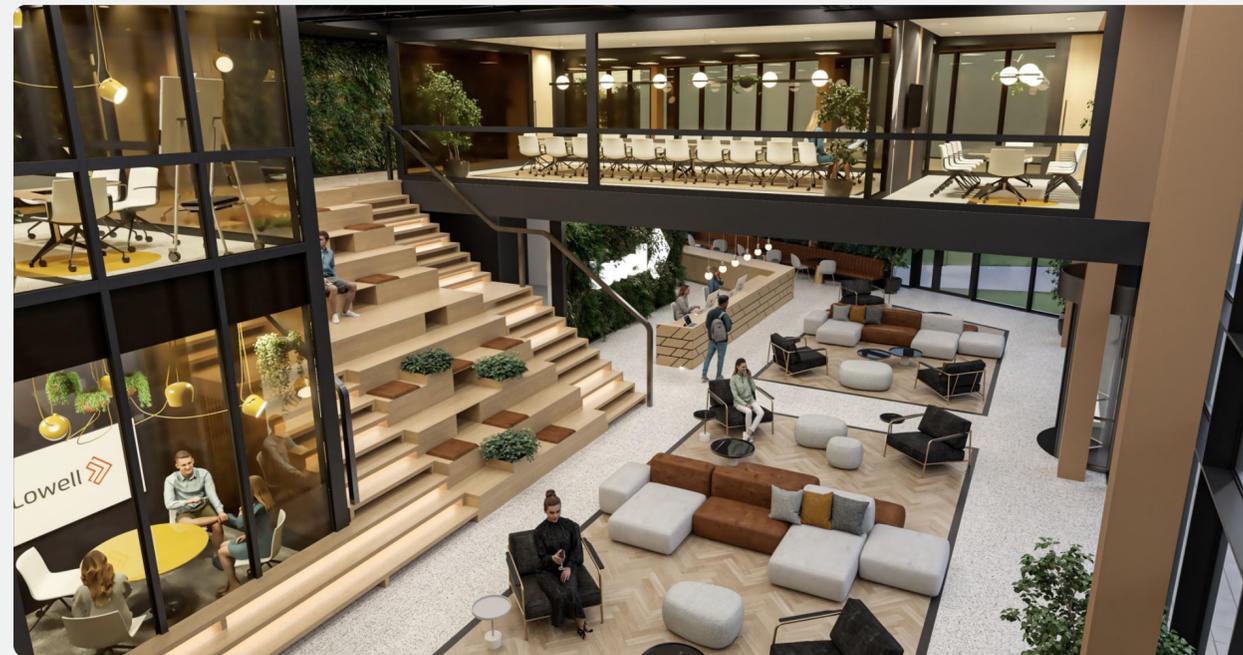
### Reducing our emissions

Because of the nature of our business, our largest environmental impact is in the energy used to run our 26 offices. We also have a fleet of 100 cars in Germany. In 2021, we collected historic data on our current emissions and waste levels. Our overall Group Scope 1 & 2 emissions were 2,978 tCO<sub>2</sub>e in 2019. This will be used as our baseline against which to measure our future progress, and help us identify where we can reduce the energy and fuel we consume. The reduction in our Scope 2 emissions in 2020 can mostly be attributed to our shift to 100% certified renewable electricity at our UK office. Other reductions are due to the impacts of COVID and home working.

In 2022, we are beginning the process of defining and understanding our Scope 3 emissions, and will begin collecting Scope 3 data in 2023. Our Scope 3 emissions include purchased goods and services, waste, business travel, colleague commuting, leased assets and investments. Activities such as colleague commuting are likely to have reduced due to remote working over the past two years, but as colleagues return to offices we could see emissions rise. However, we have confirmed a permanent hybrid working model that will help keep emissions from colleague commuting below their pre-pandemic levels. We also aim to optimise all of our business travel and avoid any unnecessary travel.

Our overall ambition is to set emissions reduction targets for Scope 1, 2 & 3, in-line with climate science, that will shape our roadmap to becoming Net Zero by 2030.

### CASE STUDY



*Architect's impression of our new office*

## Creating a destination, not just a place to work

Due to open in 2023, our new 133,000 ft<sup>2</sup> office in Leeds is targeting a BREEAM Excellent rating. High environmental standards will include measures to ensure efficient use of energy and water, and responsible sourcing of construction materials. The building has also been designed along the WELL Standard for Healthy Buildings principles.

Running on green energy, our new space will include a 'wellbeing floor' with a gym and an indoor garden, day care facilities, 90 charging points for electric cars, and more efficient heating and electricity systems. Chosen with the environmental impact of travel in mind, the new site enjoys better public transport links, with buses running to the city centre every six minutes, and a new railway station scheduled for opening in 2024. We're in discussion with Leeds City Council to explore opportunities to influence travel routes and timetables to the site, and provide our colleagues with an individual travel plan. We'll be continuing our support for car-sharing schemes when the new office opens too.

### CASE STUDY

## Achieving carbon neutrality

Our office in Linz, Austria, is already climate neutral. Since 2020, we have offset CO<sub>2</sub> emissions generated through the purchase of emission rights. This was made possible by our membership of the Climate Neutrality Alliance 2025, which has seen almost 200 companies in Austria join forces.

Offsetting like this supports environmental activities around the globe. One such project is in Icoataria, Brazil, where, with the help of NGO myclimate, our offsets are helping fund a project to switch electricity production from diesel to FSC woodchips.



**Our KPI Stats 2021** 

Waste to landfill

Zero UK

**Total waste in the UK (tonnes):**

2019	2021
115	54

**Percentage of waste recycled in the UK:**

2019	2021
86%	87%

**Achieving zero waste**

In the UK, we have already achieved our goal of sending zero waste to landfill. By 2023, we will have completed an audit that will enable us to set targets focusing on waste reduction, paper consumption, and increased recycling across all regions. Due to the different levels of control we have over waste, for example in tenanted buildings, our biggest influence will be through focusing on the root causes of waste, looking at how we use less material in the first place, and ensuring we use materials that are widely recyclable. Our Norway office, for example, is BREEAM certified and benefits from very high national standards of recycling and energy recovery, with 80% of national waste diverted from landfill in 2020.

**Planting trees for a greener world**

We may live in the digital age, but some things still rely on paper. We've calculated that, each year in the UK, we have to produce printed documents for legal reasons that require the equivalent of four acres' worth of trees.

Our work with the Leeds Hospital Charity has uncovered a way for us to help patients and the environment at the same time. The charity was recently gifted four acres of land near to their site. Working with the People's Woodland, our colleagues will plant trees on this land to create a space for recovering patients to enjoy. We'll be able to plant enough trees to offset the amount of paper we use each year for work that we are unable to produce digitally, such as notice of assignments, which must be shared in hard copy.

**Engaging our colleagues**

Our colleagues will play an important role in achieving our environmental ambitions. We will develop a number of initiatives each year to engage colleagues on climate change and resource efficiency in offices. We know this is a topic that our colleagues care about, and want to drive positive change. In 2021, we shared tips for how colleagues could make greener choices in their personal life, generating great interest and debate on our internal communication platforms.

Sustainability performance metrics are being built into all executive and senior management objectives from 2022.

**Working with our peers**

Ahead of the 2021 COP26 summit, the Glasgow Financial Alliance for Net Zero (GFANZ) was formed. GFANZ brings together existing and new net-zero finance initiatives into one sector-wide coalition. We support and welcome the establishment of GFANZ, as it provides a vital forum for leading financial institutions to accelerate the transition to a net-zero global economy.



Working with the People's Woodland we've paid for and planted 4,000 trees so far. This will go a long way towards offsetting the paper we used during 2021 for work that we were unable to produce digitally.

We saved paper by managing over 1 million customer letters digitally in the Nordics during 2021.



## Our targets



### Greenhouse Gas Emissions – carbon dioxide equivalent

- ⦿ Carbon neutral by December 2025, for Scopes 1 & 2 and business travel
- ⦿ Net Zero emissions by December 2030 across Scopes 1, 2 & 3
- ⦿ 100% green electricity by 2025 in all owned and controlled locations

### Waste to landfill

- ⦿ Commit to continued zero waste to landfill in the UK and develop waste and paper consumption targets by December 2023, focused on reducing paper, reducing waste, and increasing recycling

### Colleague engagement on the environment

- ⦿ % of colleagues engaged on environmental impact

[View our full KPI scorecard](#) → **p34**

### Going green with DHL logistics

Each year, we have to send about 12 million letters in Germany alone, despite the ongoing digitalisation of our processes. In 2021, we joined forces with our DACH logistics partners, DHL, to support their new Go Green initiative to achieve carbon neutrality. After one year, the emissions caused by sending out these letters will be quantified. Once the amount of emissions is known, we will offset them through climate protection programmes paid for by a small charge for each mailing – and become a fully certified Go Green company! We are also working with DHL to explore digital solutions to avoid physical mailings where we can.

### What's next

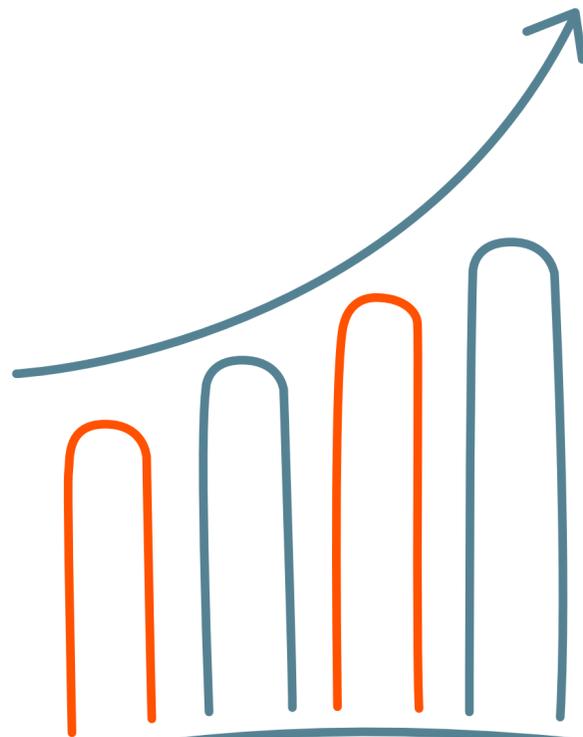
We are committed to minimising our environmental impact. While this report highlights many of the steps we are taking to achieve this, we know there is more to do. In the coming years, we will work to achieve our goals of carbon neutrality and green electricity across our Group by 2025, and Net Zero by 2030. We have set out a detailed roadmap that will enable us to achieve these goals, and will provide regular updates on our progress, both in future reports and in our quarterly results announcements. This will drive our own progress and demonstrate our environmental leadership within our sector. We look forward to sharing our progress with you.

The emissions caused by sending out letters in Germany will be quantified, after which we will offset them through climate protection programmes in partnership with DHL as a certified Go Green company.



# Performance

To know if we are succeeding in meeting our goals, we need to carefully measure our progress against our KPIs and targets. We do this through our Performance Scorecard, which includes both our 2021 data and new, future targets. As well as showing how they support our pillars and ambitions, the Scorecard also details how our measures align with the SASB Standards and the UN Sustainable Development Goals, providing a clear and concise measurement of our success.



“ When it comes to performance, our stakeholders care about more than just financial growth. Reporting financial and sustainability measures side-by-side is key to building trust and confidence and will make us more attractive to our colleagues, partner organisations, customers and investors.

Jamie Wilson, Group Chief Financial Officer

## Did you know?

We measure our progress through 26 KPIs tracked through our Performance Scorecard.



# Performance Scorecard

Pillar and ambitions	Sub-topics	Key Performance Indicators	2021 Performance	Future targets from 2022 onwards	SASB	
 <b>Better for Customers</b> To help customers return to financial wellbeing. We do this by delivering tailored and supportive solutions designed to help them take control of their debt.	<b>Trusted and engaging</b>	Customer Net Promoter Score <sup>1</sup> (NPS)	67 NPS UK (Q1: 73 / Q2: 69 / Q3: 65 / Q4: 62) 51 NPS Nordics (Q1: 55 / Q2: 53 / Q3: 49 / Q4: 50)	Establish a standardised process for collecting customer NPS across all regions by end of 2023 and achieve above market rates ongoing <sup>6</sup>		
		Group client customer Treatment Score <sup>2</sup>	97%	Maintain excellent score of above 85% <sup>7</sup>		
	<b>Personalised approach</b>	Debt-free customers <sup>3</sup>	2 million			
		Support for customers in vulnerable situations <sup>4</sup>	We disclose our <a href="#">Group Policy and Pledges for Customers in Vulnerable Situations</a> externally.			
		Enabling broader financial health <sup>5</sup>	We offer a range of debt support tools and services by region: <ul style="list-style-type: none"> <li>UK: 33,000 customer app registrations since July launch, 1-in-4 accessed free credit score</li> <li>DACH: 17% of our inbound customer interactions came through our digital enquiries process</li> <li>Nordics: 55% of our inbound customer interactions came through our digital customer services platform</li> </ul>			
 <b>Better Ethics and Understanding</b> To be an industry leader in ethics and standards; build a wider understanding of what our industry does; and promote improved outcomes for all consumers.	<b>Lowell Values and ways of working</b>	Clear Values and ways of working <sup>8</sup>	Developed a Group Code of Conduct and People Policy	All existing colleagues to participate in launch training during 2022, and all new joiners to receive new 'welcome content'. <sup>13</sup>	✓	
		Group colleague engagement score <sup>9</sup>	69	Increase our Group colleague engagement survey score and align to the global benchmark of 75 by December 2025. <sup>14</sup>	✓	
		Group colleague engagement survey response rate <sup>10</sup>	81%	Maintain 80% plus Group participation in our annual colleague engagement survey.		
	<b>Our promise to clients and customers</b>	Group client satisfaction score <sup>11</sup>	8.6	Maintain excellent satisfaction score of above 8.5.		
	<b>Advancing standards and understanding</b>	Help improve sector insight and understanding <sup>12</sup>	<ul style="list-style-type: none"> <li>Membership of debt collection associations and business networks in all of our operating countries</li> <li>Key partnerships that deliver better debt understanding and education</li> <li>Funding for the free debt advice sector in the UK</li> </ul>			

Pillar and ambitions	Sub-topics	Key Performance Indicators	2021 Performance	Future targets from 2022 onwards	SASB	
 <b>Better for Society</b> To create a stronger society through fostering better financial wellbeing, promoting inclusive work opportunities and providing support for our communities.	<b>Improve debt understanding</b>	Raise consumer awareness of financial issues and support available <sup>15</sup>	<ul style="list-style-type: none"> <li>10 million consumers reached in the UK alone</li> <li>2021 campaigns included managing hidden debt, removing the stigma of debt and campaigns to promote consumer debt solutions and financial education</li> <li>Nordic campaign proposing solutions to issues identified by the payment indicator research, including 'opt out of credit' platform</li> </ul>			
		Contribute to wider system knowledge through new insights <sup>16</sup>	<ul style="list-style-type: none"> <li>Financial Vulnerability Index launched in the UK</li> <li>Payment Indicator research continued in the Nordics</li> </ul>			
	<b>Colleague development and wellbeing</b>	Group colleague engagement survey scores for 'happy' <sup>17</sup>	71		Increase our colleague score year-on-year from colleagues when asked 'How happy are you working at Lowell?', to reach at least 75 by December 2025.	✓
		Group colleague engagement survey scores for 'opportunities to learn' <sup>18</sup>	64		Increase our colleague score year-on-year from colleagues when commenting on 'I have good opportunities to learn and grow', to reach at least 70 by December 2025.	✓
	<b>Diverse and inclusive culture</b>	Number of employees <sup>19</sup>	3,901	Colleagues: <ul style="list-style-type: none"> <li>Full-time – 3,244</li> <li>Part-time – 657</li> </ul> Temporary and contract colleagues: <ul style="list-style-type: none"> <li>Temporary – 64</li> <li>Contract (fixed term contract) – 90</li> </ul>		✓
		Gender diversity <sup>20</sup>		<ul style="list-style-type: none"> <li>Company-wide: 39% male and 61% female</li> <li>Our senior team: 67% male and 33% female</li> </ul>	Improve gender balance in senior roles at Lowell, aiming for 40% female by December 2025.	✓
		Employee turnover <sup>21</sup>	22% (of which 17% is voluntary)			✓
		Colleague volunteering	Not collected in 2021		All colleagues will be given the opportunity to volunteer for a community cause in their region using Lowell time by December 2023.	

Pillar and ambitions	Sub-topics	Key Performance Indicators	2021 Performance	Future targets from 2022 onwards	SASB
 <b>Responsible Business</b>  To be a resilient and ethical business that also takes responsibility for the environment - through robust processes, transparent disclosure and continuous improvement.	<b>Governance</b>	Creation of a formal Sustainability Development Group (SDG) <sup>22</sup>	<ul style="list-style-type: none"> <li>Formed in August 2021, sits each month</li> <li>Access the Terms of Reference (TOR) for our Sustainability Development Group <a href="#">here</a></li> </ul>		
		Sustainability performance metrics part of all executive management and senior management objectives <sup>23</sup>	Top 60 managers have a performance objective stating: You are responsible for developing relevant actions within your area of responsibility to support the overall Sustainability and D&I agenda in Lowell		
		Detailed policies and colleague training ensures we collect, use and store customer data in accordance with relevant regulatory requirements, legislation and standards. <sup>24</sup>	<ul style="list-style-type: none"> <li>A summary of our approach to protecting data is <a href="#">available here</a></li> <li>Data security is captured across three of Lowell's top residual risks: Data Privacy, Data Management and Information and Cyber Security. A summary of our approach to risk management is available here</li> <li>94% of colleagues completed training relating to data security, protection and privacy during 2021</li> </ul>	We will provide all Lowell colleagues with training on data security and privacy within their first six months, and refresher training will be provided at least every two years with a completion rate of 100% of active colleagues with more than six months service.	✓
		Number of substantiated complaints received concerning breaches of customer privacy, and losses of customer data across our Group <sup>25</sup>	16 complaints upheld by regulators relating to data privacy or data protection matters, representing 0.00012% of our customer base.		✓
		Number of colleagues who have received training on Lowell's anti-bribery and corruption policies and procedures <sup>26</sup>	94% of colleagues completed training relating to anti-bribery and corruption	We will provide all Lowell colleagues with training on anti-bribery and corruption within their first six months, and refresher training will be provided at least every two years with a completion rate of 100% of active colleagues with six months service.	✓
	<b>Environment</b>	Greenhouse Gas Emissions – tonnes of carbon dioxide equivalent <sup>27</sup>	2019 <ul style="list-style-type: none"> <li>Group Scope 1 – 735 tCO<sub>2</sub>e</li> <li>Group Scope 2 – 2,243 tCO<sub>2</sub>e</li> </ul> 2020 <ul style="list-style-type: none"> <li>Group Scope 1 – 500 tCO<sub>2</sub>e</li> <li>Group Scope 2 – 1,491 tCO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>Carbon neutral by December 2025, for Scopes 1 &amp; 2 and business travel.</li> <li>Net Zero emissions by December 2030 across Scopes 1, 2 &amp; 3.</li> <li>100% green electricity by 2025 in all owned and controlled locations.</li> </ul>	
		Waste to landfill <sup>28</sup>	Zero UK	Commit to continued zero waste to landfill in the UK, and develop waste and paper consumption targets by December 2023 focused on reducing paper, reducing waste and increasing recycling.	
		Colleague engagement on the environment	Not collected in 2021	% of colleagues engaged on environmental impact.	

# Footnotes

 Better for Customers	 Better Ethics and Understanding	 Better for Society	 Responsible Business
<p>1 The extent to which our customers are willing to recommend our services to others, based on an average annual score. Currently establishing the NPS process in our DACH region.</p>	<p>8 Launching in 2022, a Group Code of Conduct that builds on established regional policies and practices that embed our ways of working, conduct, ethics and professional standards. Colleague performance is measured through our 'Let's Talk' Performance Evaluation process.</p>	<p>15 Activity designed to raise consumer awareness of financial issues and support, available through PR and digital campaigns during 2021, including estimated reach for our UK activity.</p>	<p>22 Our SDG meets monthly and its role is defined in the Terms of Reference (TOR).</p>
<p>2 The extent to which our clients think we treat our customers in the right way. The % shown is an aggregation of our regional scores. In DACH, the % includes those clients who rated us as 7+ for 'treating customers fairly in a way that protects our clients' reputation' In the UK and Nordics, it includes those clients who answered 'yes' to the question 'Do you believe Lowell does the right thing by the customer?' There is no direct external benchmark for this specific question. Based on looking at top quartile data across core KPI metrics captured by our UK Customer Experience partner, TLF Research, any score of over 8.5 is often deemed excellent.</p>	<p>9 A reflection of how positively our colleagues experience our Values and ways of working based on average scores relating to how happy they are working at Lowell and how likely they are to recommend us. For alignment to SASB, this is stated as 64% of colleagues respond favourably on the topic of engagement.</p>	<p>16 Initiatives by Lowell that seek to share insights and educate more widely on financial vulnerability and debt management.</p>	<p>23 Senior managers are required to add specific objectives to demonstrate their progress and performance in this area for review on a regular basis with line managers, and formal evaluation twice a year with ratings allocated that are linked to remuneration.</p>
<p>3 The number of customers who became debt free with Lowell, including customers who paid off all their accounts with Lowell and those customers whose accounts we wrote off during the year.</p>	<p>10 The proportion of colleagues who engage with our optional Group annual survey.</p>	<p>17 A reflection of how happy colleagues are working at Lowell, based on average scores, to demonstrate that we are building a positive workplace within society.</p>	<p>24 Our approach to collecting, using and storing customer data is covered across a range of policies that align to the relevant regulatory requirements, legislation and standards within the regions where we operate, such as data protection law. These include: Data Governance, Information Risk, Information Security, Information Classification and Handling Guidelines. Opportunities to standardise our reporting mechanisms and monitoring of mandatory learning completion across the Group have been identified through our recent risk and controls self assessment. This improvement project is actively being scoped for delivery in 2022.</p>
<p>4 Our Group Policy for Customers in Vulnerable Situations defines vulnerable situations and outlines the principles and standards that we adhere to when identifying and interacting with a customer who we believe to be in a vulnerable situation.</p>	<p>11 The average satisfaction score derived from the combination of separate scores from our three regions when asking clients to rate their overall satisfaction with Lowell's performance. The measure is assessed on a 1-10 scale. Anything over 8.5 is deemed excellent (based on data provided by our UK Customer Experience partner TLF Research using their B2B benchmarking data using client data that has been captured over the last 25 years)</p>	<p>18 A reflection of whether colleagues believe they have good opportunities to learn and grow, based on average scores, and that we are building a positive workplace within society.</p>	<p>25 Complaints that have been upheld by any regulator in any of our operating countries as a % of our customer base. We are open and transparent with our regulators and co-operate with them whenever we are contacted about complaints raised with them by customers in relation to privacy or data protection matters. In 2021, this engagement resulted in 16 complaints being upheld in the customer's favour (by the UK Information Commissioner's Office, the UK Financial Ombudsman Service and the Austrian Datenschutzbehörde). Just under half of the complaints, 7, related to issues with responses to Subject Access Requests, other matters included customer communications being sent to incorrect contact details and incorrect information being reported on customer credit files.</p>
<p>5 UK numbers are based on the app take up since launch in July 2021.</p>	<p>12 How we actively improve sector insights and understanding, working with clients, partners, regulators and policymakers to improve consumer outcomes.</p>	<p>19 Number and breakdown of colleagues as at 31 December. Employee number includes 64 temporary workers.</p>	<p>26 Opportunities to standardise our reporting mechanisms and monitoring of mandatory learning completion across the Group have been identified through our recent risk and controls self assessment. This improvement project is actively being scoped for delivery in 2022.</p>
<p>6 'Above market rates' is defined as scores above the financial services sector average for NPS in all the countries we operate.</p>	<p>13 Refresher training focused on embedding specific elements of our Code of Conduct will be rolled out each year from 2024.</p>	<p>20 Gender of Lowell colleagues shown as a % as at 31 December 2021. Our senior team is defined as the top 60 colleagues in our organisation, specified by their position and influence within our business structure. We do not currently collect data on ethnic diversity in our workforce. This is due to regulatory restrictions in some of our markets. In 2022/23, we will be improving our data on ethnic diversity in the UK.</p>	<p>27 Data covers Scope 1 and 2 emissions in 2019 and 2020 for the UK, DACH and Nordic Regions. This year is our first year of GHG reporting so we have focussed on gathering historic data and will use 2019 (pre-covid) as our baseline against which to set reduction targets. Estimates are based on office area (m2) and average energy consumption. This is likely to mean estimated data is higher than actual consumption as office occupancy was lower than usual during 2020. We are putting in place data management processes to ensure we can regularly report on our GHG data going forward.</p>
<p>7 Whilst there is no direct external benchmark for this specific question, 'excellence' is based on looking at top quartile data across core KPI metrics captured by our UK Customer Experience partner, TLF Research, any score of over 85% is often deemed excellent.</p>	<p>14 Benchmark data for Global companies provided by our colleague engagement survey partners Glint as at May 2021.</p>	<p>21 Attrition data is calculated on a 12-month rolling period as at the effective date and excludes temporary workers.</p>	<p>28 Total waste generated in UK offices, excluding our Bradford site which was acquired in 2019. Waste data is not available in our DACH and Nordic regions as we do not have control over waste management in these offices.</p>



# Alignment to SASB

We have aligned the Lowell Group Sustainability Scorecard with the Sustainability Accounting Standards Board (SASB) Professional and Commercial Services sector guide.

[View our full KPI scorecard](#) → **p34**

SASB Topic	SASB Code	Metric	Lowell Disclosure	Lowell Measure	Footnotes
Data Security	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Responsible Business	→ Group Risk Framework supported by local policies relative to data security, protection and privacy	Our Group Risk Framework and Information Security Policy outline our approach to identifying and addressing data security risks and vulnerabilities.
				→ % of colleagues completed training relating to data security, protection and privacy during 2021	Lowell provides a range of training programmes across our regions on the identification and management of data security risks.
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Responsible Business	→ Detailed policies and colleague training ensures we collect, treat and store customer data according with relevant regulatory requirements, legislation and standards.	Our approach to collecting using and storing customer data is covered across a range of policies that align to the relevant regulatory requirements, legislation and standards within the regions where we operate, such as data protection law, to set out our overarching approach. These include: Data Governance, Information Risk, Information Security, Information Classification and Handling Guidelines.
	SV-PS-230a.3	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Responsible Business	→ Number of substantiated complaints received concerning breaches of customer privacy and losses of customer data	We are open and transparent with our regulators and co-operate with them whenever we are contacted about complaints raised with them by customers in relation to privacy or data protection matters. In 2021, this engagement resulted in 16 complaints being upheld in the customer's favour (by the UK Information Commissioner's Office, and the Austrian Datenschutzbehörde). Just under half of the complaints, 7, related to issues with responses to Subject Access Requests, other matters included customer communications being sent to incorrect contact details and incorrect information being reported on customer credit files. Additional information relating to SASB: <ul style="list-style-type: none"> <li>Each complaint related to personally identifiable information impacting one individual customer.</li> <li>2 of the 16 complaints related to personal data breaches (neither of these were reportable to the regulator)</li> </ul>
Workforce Diversity & Engagement	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Better for Society	→ Gender diversity	We do not currently collect data on ethnic diversity in our workforce. This is due to regulatory restrictions in some of our markets. In 2022/23, we will be improving our data on ethnic diversity in the UK.
	SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	Better for Society	→ Employee turnover	We monitor and report both voluntary and involuntary turnover for our employees.
	SV-PS-330a.3	Employee engagement as a percentage	Better Ethics and Understanding	→ Group colleague engagement score (overall)	We run an online Group colleague engagement survey twice a year via a third-party provider. Our overall Group colleague engagement score is based on the average score from the question 'How happy are you working at Lowell?' and 'I would recommend Lowell as a great place to work'. Our survey uses an average score metric. 64% of colleagues respond favourably on the topic of engagement.
Better for Society			→ Group colleague engagement 'happy' scores	Our Group colleague engagement survey asks 'How happy are you working at Lowell?'.	
Better for Society			→ Group colleague engagement 'opportunities to learn' scores	Our Group colleague engagement survey asks colleagues to comment on whether 'I have good opportunities to learn and grow'.	
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Better Ethics and Understanding	→ Clear Values and ways of working	Our approach to ensuring professional integrity includes the implementation of our externally published Code of Conduct and People Policy. Accountability sits with our Regional Executive Committees. Colleague performance is measured through our 'Let's Talk' Performance Evaluation process.
			Responsible Business	→ % of colleagues completed training relating to anti-bribery and corruption	Anti-bribery and corruption training is an important aspect of how we ensure professional integrity.
SASB Activity Metric	SV-PS-000.A	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Better for Society	→ Number of employees	Number of colleagues employed by Lowell as at 31 December 2021.

# Supporting the Bigger Picture

View our full KPI scorecard → p34

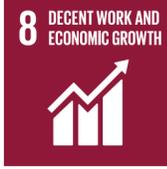
## Maximising impact

As part of our ESG processes, we will continually benchmark ourselves through market reviews against both our peers and acknowledged business leaders, as well as wider best practice and standards. The insights we gain will help us to set and adapt key metrics to underpin our social and environmental goals.

We recognise that only by working together will we be able to respond swiftly to meet the largest external challenges such as climate change.

## Sustainable Development Goals

We have aligned our Sustainability Strategy with the five UN Sustainable Development Goals (SDGs), and five SDG targets, where we can make the most impact. Our priorities and Values – such as treating customers as individuals to help them get out of debt and developing tools to achieve broader financial health – enable us to take real, positive actions to support the SDGs.

How we support the SDGs	SDG Target	Lowell focus area	Lowell KPI
 <p><b>SDG 1: End poverty in all its forms everywhere.</b> Lowell's initiatives that improve financial security and tackle debt for vulnerable customers can contribute to reduced levels of poverty and increased economic stability.</p>	1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	<b>Better for Customers</b> Supportive and personalised debt resolution for all.	<ul style="list-style-type: none"> <li>The number of customers who became debt free with Lowell in 2021.</li> </ul>
 <p><b>SDG 5: Achieve gender equality and empower all women and girls.</b> As a company with a majority of female colleagues, we are focussing on improving gender diversity among our senior management and executive levels to ensure that women have equal participation in decision making.</p>	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	<b>Better for Society</b> Put people first to build a stronger business and society.	<ul style="list-style-type: none"> <li>Gender diversity across the organisation.</li> </ul>
			<ul style="list-style-type: none"> <li>Gender diversity in senior management.</li> </ul>
 <p><b>SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.</b> Lowell enables broader financial health for customers through the services and support we provide.</p>	8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.	<b>Better for Customers</b> Supportive and personalised debt resolution for all.	<ul style="list-style-type: none"> <li>Offer a range of debt support tools and services by region.</li> </ul>
 <p><b>SDG 13: Take urgent action to combat climate change and its impacts.</b> Lowell's ambition to become Net Zero by 2030 and use 100% green electricity by 2025 demonstrates our commitment to combat climate change.</p>	13.2: Integrate climate change measures into national policies, strategies and planning.	<b>Responsible Business</b> A resilient and efficient business, supporting a low carbon world.	<ul style="list-style-type: none"> <li>Greenhouse Gas Emissions (Scope 1 &amp; 2).</li> </ul>
			<ul style="list-style-type: none"> <li>% green electricity in owned and controlled locations.</li> </ul>
 <p><b>SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development.</b> By contributing to wider financial knowledge and improving sector standards, Lowell encourages partnerships and sustainable financial development.</p>	17.17: Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.	<b>Better Ethics and Understanding</b> Set the highest standards and build a positive sector.	<ul style="list-style-type: none"> <li>Improve sector insight and understanding.</li> </ul>
		<b>Better for Society</b> Put people first to build a stronger business and society.	<ul style="list-style-type: none"> <li>Contribute to wider societal knowledge on financial vulnerability and debt management.</li> </ul>

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