



Making credit work better for all.

Sustainability Report 2022



About this report

Welcome to Lowell's second Sustainability Report.

Our second annual Sustainability Report details our activities over the course of the year, from 1 January to 31 December, 2022. This report, with our Performance Scorecard, shows progress, key actions and other examples of how we work with our stakeholders to progress our Sustainability Strategy and Commitments and SASB indicators. We also set out our sustainability plans for 2023 and beyond in line with our commitment to transparency and accountability. Further information is available on www.lowell.com.

Navigating the report



Case study page



Our plans for 2023



Progress in 2022



Our targets

Contents

Overview

- 3 Our Mission
- 4 Our CEO's perspective
- 5 Customer Awards
- 6 Our business at a glance
- 7 Sustainability progress
- 8 Our Sustainability Strategy

Better for Customers

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.

Go to section →



Better for Ethics and Understanding

Ambition:

To be an industry leader in ethics and standards, building a wider understanding of what our industry does, and promote improved outcomes for all consumers.

Go to section →



Better for Society

Ambition:

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

Go to section →



Responsible Business

Ambition:

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

- 35 Governance
- 45 Environment

Go to section →



Performance

We measure our performance against clear commitments, indicators and targets to provide transparent progress against our strategy.

- 53 Performance scorecard
- 59 Sustainability Accounting Standards Board (SASB) alignment
- 60 Supporting the Sustainable Development Goals
- 61 ESG Index

Go to section →

Making credit work better for all

Lowell plays an important role in the credit cycle. Economies rely on the cycle of credit to function. Affordable lending, or manageable debt, stimulates economic growth and investment, creating new opportunities for individuals and businesses. While not a lender, we help to ensure that this cycle continues to work.

From this economic setting springs our mission – to make credit work better for all. This mission drives us well beyond our narrower business activity of collecting debt repayments. As well as pioneering responsible collections, we aim to make a positive difference by working with our partners to improve financial education and prevent people falling into debt to begin with.



Unlocking people from debt

We help people free themselves from debt and regain control of their finances.



Helping people re-join the economy

Freedom from debt means people can regain full access to credit.



Strengthening business liquidity

Recovering money tied up in debt enables businesses to improve their liquidity.



Supporting investment

Improved liquidity means businesses can invest more to stimulate economic growth.



See more of Colin's reflections on 2022 and the year ahead in this [video](#).

“

Our mission acts as a solid anchor to guide us as we continue to build better business with a sustainable future.”

COLIN STORRAR,
GROUP CEO

Our CEO's perspective

Welcome to Lowell's second Sustainability Report.

Our mission is simple: to make credit work better for all.

In difficult times, it's even more important that we achieve this. Following the pandemic, the last twelve months have witnessed new challenges, including rising over-indebtedness and the Ukraine War, as well as record-breaking heatwaves, drought, and devastating wildfires, bringing home the reality of climate change.

As a responsible business, and a good neighbour in the communities and countries where we work, we have a duty to support our customers, colleagues, and clients, play our part in mitigating climate change, and help build a sustainable future. That's why we continue to work hard to listen, and to act on what we hear. Doing so helps us to be better for our customers, better for society, and with better ethics and understanding, enables us to support people when they most need it.

In 2022, we have continued to invest in the range of channels our customers use to engage with us. This has been supported with greater customisation of our responses to ensure we listen to and understand individual circumstances and respond with respect and empathy.

By understanding customers' stories, offering better and more targeted support, and using technology to continually improve our services, we continue to put our customers' needs first.

As a colleague-focused business we have continued to listen to our people to understand the topics that matter most to them, at both Group and regional levels. Their inputs shaped the development of our new Employer Value Proposition, one key element of which is embedding a new hybrid working culture that works for our people and our business. Alongside this we have invested in career development and initiatives to boost diversity and inclusion across our business. We've also increased financial assistance for our colleagues in these difficult times.

We listen to our clients too, always striving to be a stronger partner, sharing knowledge and best practices, and completing bespoke deals, such as our customers in vulnerable situations portfolio purchase.

We also continue to engage with our environmental targets at Executive level, to make sure we are working towards working towards our Net Zero goal.

In 2022, we were delighted to join the UN Global Compact, publicly committing to continue to align our operations and strategies with their 10 universal principles and working with other participants to build a more sustainable world.

Throughout the year, we have continued to grow responsibly as a business. We have strengthened our corporate governance and risk and compliance culture and maintained careful and responsible investment in our portfolio that protects our investors and shareholders. I am proud of the number of awards Lowell won in the year, providing external recognition of our work.

This report highlights some of the many ways in which we have achieved or worked towards our aims in the last twelve months. It showcases the talent, drive, and resilience within our business, and demonstrates how Lowell continues to be an industry leader and a major influencer in changing perceptions about debt. Our goal is to be a better, more sustainable business. I am proud of our efforts to make a positive impact on society and to support people when they most need it, and of the hard work of all our colleagues to achieve this.

Colin Storrar, Group CEO

Customer Awards in 2022

CCS AWARDS

Finalist, Best Vulnerable Customer Support Initiative

Winner, Debt Purchaser of the Year

Winner, Company Award for Sustainability



Robin Miller, Group Data Officer was a winner of the INFORMATICA CDO Awards for Operational Optimizers, recognising data & analytics Leaders who prioritise increasing productivity and efficiency, process optimisation, and automation through their data strategies.



Finalist, Best Use of Voice of the Customer



Neil Costello, Lowell's Group Marketing Director, was named in Marketing Week's Top 100 most effective marketers, recognising his work to upgrade branding and the user experience as well as expand the range of complementary services to support customers.



Winner, AMEX Power of Blue Award for 'express excellence', delivering best-in-class results – won by our Gothenburg Customer Contact team under Team Leader Suzanne Kordon.



Award, Silver winner, Employer of the Year (non-creditor category), Women in Credit Awards



Winner, Best Flexible Benefits Strategy, Workplace Savings and Benefits Awards



Recognised as Top Employer in Germany for the 17th consecutive year in 2022

“

I am proud of the volume and range of awards that Lowell continues to win, providing external recognition of our work.”

COLIN STORRAR, GROUP CEO

Our business at a glance

At the forefront of credit management

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

Our business model

We use our skills and experience to turn non-performing debts or loans into performing debt/loans – either by purchasing the accounts from companies or by making collections on their behalf. We have a customer-centric approach, engaging with our customers to create personalised solutions that help them take control of their debt.

As a trusted, long-term partner, we help free up liquidity for our clients, provide deep expertise, which they often lack, and protect their reputations through a flexible, ethical approach to debt purchasing and collections. Our expertise and experience enable us to operate successfully in different legal and regulatory frameworks across our regions.

2022 BUSINESS HIGHLIGHTS

Resilient financial performance with growth across key metrics.

2m
Debt-free¹.

£971m
Cash income² up 8%.

£569m
Cash EBITDA³ up 7%.

£473m
portfolio acquisitions⁴,
up 17%.

Significant deals that supported our further expansion in important sectors such as banking and Ecommerce.

£146m
Excess cash generated to fund growth after Replacement Rate⁵.

Issuance of publicly rated asset-backed security, further diversifying sources of funding and strengthening liquidity.

Release of our second annual Sustainability Report.

Recovered from a cyber incident⁶ in DACH.

75
Score for colleague happiness⁷ – higher than ever before (as measured in our annual survey). Up 4 points, achieving our target 3 years early.

3,960
Colleagues⁸.

LOWELL HAS THREE OPERATING REGIONS



¹ The number of customers who became debt-free with Lowell during 2022.

² Gross collections from owned debt portfolios plus fees and commissions from third party servicing.

³ Cash generated from collections (from owner Debt Purchase investments and third party commission received) less total operating costs.

⁴ The amount that was spent buying portfolios of debt comprising individual non-performing loans and receivables from creditors and service providers during 2022.

⁵ Estimated free cash generated after interest, capex, taxes paid and Replacement Rate (being the estimated amount of purchases required to maintain 120m ERC).

⁶ Cyber attack – See page 43 for more details.

⁷ Colleague happiness score – 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.

⁸ Colleague number includes 64 temporary workers.

Sustainability progress 2022

Better for Customers



- **2 million** customers became debt-free with Lowell in 2022.
- **99%** Group client customer treatment score.¹
- Strong Net Promoter scores in UK and Nordics.
- **334,234** UK customers received additional support due to being in vulnerable situations.
- **55%** of UK App users explored our free credit score offering.
- **18%** of interactions in DACH came through our digital enquiries process.
- **60%** of inbound customer interactions came through our digital platform in the Nordics.
- **97%** of colleagues across UK and Nordics completed mandatory training on helping customers in vulnerable situations.

Better Ethics and Understanding



- **73** Group colleague engagement score² with a 79% Group colleague engagement survey response rate.
- **97%** of eligible employees completed Group Code of Conduct and People Policy training.
- Launched our Employer Value Proposition and hybrid working principles.
- **8.2** Group client satisfaction score³, confirming our recognition as a trusted partner.
- **92%** of colleagues' performance was evaluated against our Values during 2022.
- Supported the launch of a new regulatory Enforcement Conduct Board (ECB) in the UK.

Better for Society



- Our colleague engagement score for being 'happy at work'⁴ rose to **75**.
- **80%** of colleagues believe that, regardless of background, everyone at Lowell has had equal opportunity to succeed.
- **42%** of senior leadership roles have a female successor identified.
- Women's Networks established in UK and Nordics.
- **54%** of colleagues offered the chance to volunteer.
- Worked with the Centre for Social Justice to highlight the need for better financial education.
- Raised consumer awareness of financial issues and support available, reaching over **11.5 million** people in the UK alone.

Responsible Business



- Sustainability Development Group completed first full year of operation.
- **95%** of colleagues completed training relating to data security, protection, and privacy.
- Top 60 senior managers have a performance objective stating responsibility to support the overall Sustainability and D&I agenda in Lowell.
- Have renewable electricity tariffs for ten office locations, and **61%** of our total electricity consumption is from renewable sources.
- Zero waste to landfill in the UK.
- **57%** reduction in Scope 1 & 2 emissions since 2019.
- Joined the UN Global Compact.

¹ Measures the extent to which our clients think we treat our customers in the right way.
² Measures 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.
³ Measures how satisfied our clients are with Lowell's performance.

⁴ 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.

Further details of the terms used can be found within the relevant section of the Report and/or in our Performance Scorecard – page 58.

Our Sustainability Strategy

Our strategy places sustainability at the heart of everything we do. Developed through a rigorous process that identifies the key issues for our businesses, stakeholders, and industry sector, it is underpinned by a set of KPIs and performance targets, with progress regularly monitored and measured. The results feed into our Sustainability Scorecard, which tracks how we are doing against our commitments.

In 2022, our Sustainability Development Group (SDG), which reports to our Group Executive Committee, completed its first full year of operation. The SDG plays a key role in embedding our Sustainability Strategy throughout our operations and driving our work to achieve our sustainability goals.

Already aligning to the UN’s Sustainable Development Goals, we were pleased to formalise our support of the UN Global Compact principles by joining their network in 2023.

“ This year we’ve developed our Employer Value Proposition – it’s our promise to colleagues on what we aim to do as a business, together. We’ve called out sustainability as a key pillar so new and current colleagues can see our commitment to building a sustainable future together.”

**BITTE FERNGREN,
CHIEF PEOPLE OFFICER**

“ We only have to look at events around the world to see that sustainability is not a nice to have, it’s a necessity. Every one of us, individuals, and businesses, has a role to play in building a sustainable future that will benefit us all. At Lowell, we are driving real, lasting progress towards this.”





**ANDY GREEN,
CHAIRMAN**

“ Stakeholders want businesses to do more than make a profit. They want to see companies operate with responsibility, honesty and transparency. That’s as true for our investors and business partners as it is for our customers and colleagues.”

**JAMIE WILSON,
GROUP CHIEF
FINANCIAL OFFICER**

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

Making credit work better for all

 <p>Better for customers</p> <p>Supportive and personalised debt resolution for all</p> <ul style="list-style-type: none"> Trusted and engaging Personalised approach Supporting the vulnerable Enabling financial health 	 <p>Better ethics and understanding</p> <p>Set the highest ethical standards and build a positive sector</p> <ul style="list-style-type: none"> Values-led Client and customer promise Advancing standards and understanding 	 <p>Better for society</p> <p>Put people first to build a stronger business and society</p> <ul style="list-style-type: none"> Improving debt understanding Positive for colleagues Inclusive culture Community engagement
 <p>Responsible business</p> <p>A resilient and efficient business, supporting a low carbon world</p> <ul style="list-style-type: none"> Strong governance Environmental responsibility 		

View our full KPI scorecard → **53**

View our alignment with SASB and the SDGs → **59**

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.



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.



334,234

Number of UK customers receiving additional support in 2022 due to being in vulnerable situations (circa 5%).

PROGRESS IN 2022

NPS⁵ score:

UK: 59

Nordics: 52

TARGET

Establish a consistent NPS process across all regions by end of 2023

99%

Group Client Customer Treatment Score

TARGET

Maintain above 85%

2m

Debt-free customers

⁵ A widely used market research metric based on how people rate the likelihood that they would recommend a company, product, or service.

Achievements and progress

The cost of living increase has hit many people in 2022 and impacted an economy still fragile after the Covid pandemic. Throughout, we have continued to build on our approach of being trusted and engaging, making ourselves even more accessible to customers by continuing to invest in our communication channels.

This helps us ensure they really can manage to pay, and identify any challenges they might be facing, so we can offer more support through this difficult period. As high inflationary pressures may be maintained well into 2023, we will continue to monitor the impact on our customers and colleagues through the year ahead.

Maintaining high customer ratings

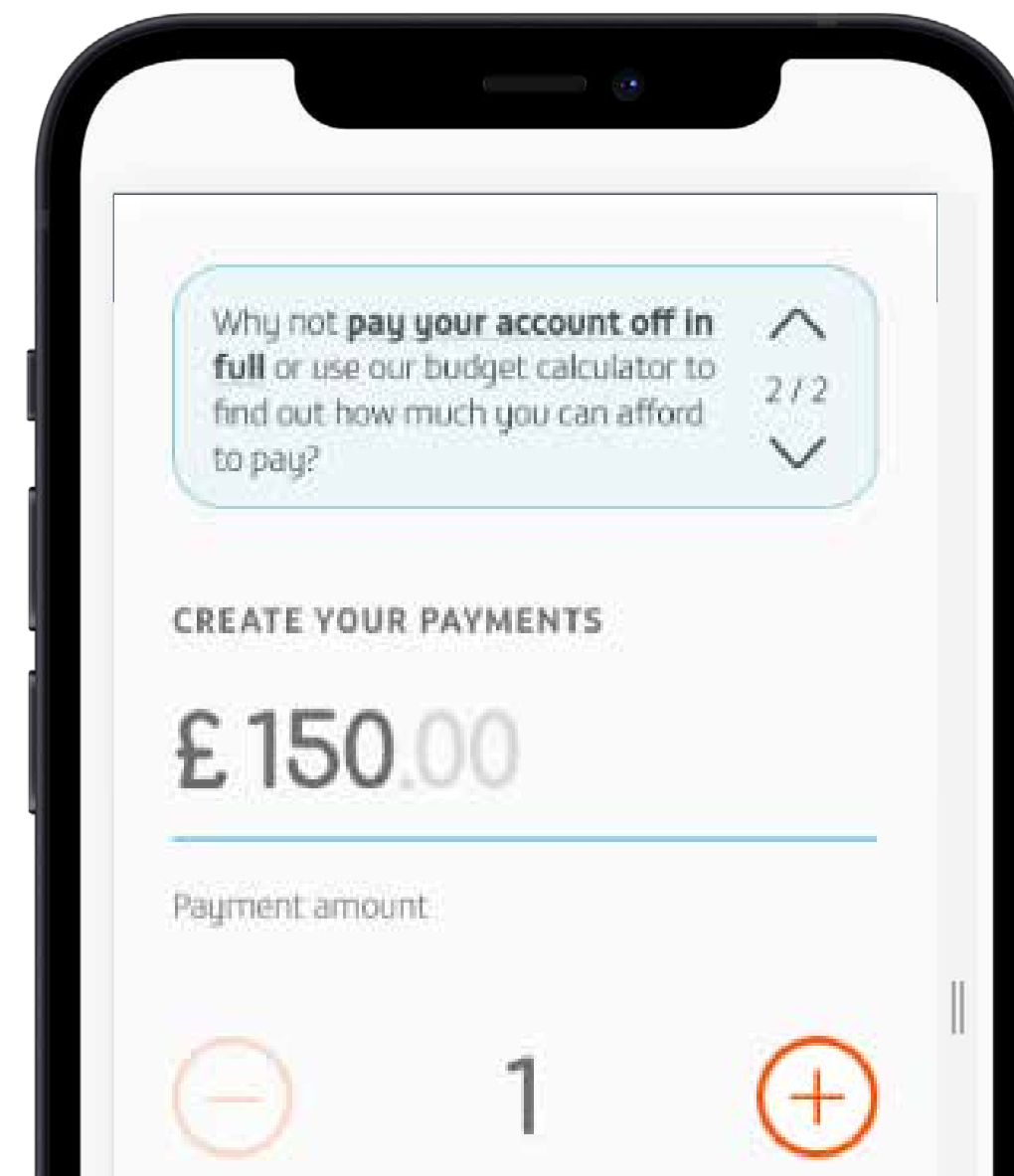
Our ratings validate this approach. Despite turbulent times for our customers, our UK customer scores on Trustpilot and our Net Promoter Score (NPS)⁵ have remained consistently high throughout 2022 – showing that our customer approach is the right one. Our consumer satisfaction survey in DACH currently asks customers to rate the friendliness of agents, how effectively they resolved issues, and how fairly the customers felt they were treated. The average score across these three metrics in 2022 was 89%. Given our industry, and that our customer relationships are instigated by the business rather than customer account owner, these high satisfaction rates are not something we take for granted.

We will continue to monitor and invest in activities to retain these leading scores. Subject to client approval, by the end of Q1 2023 we will add the standard NPS question to the DACH survey, which will provide us with a comparable metric across all regions.

Engaging with customers in the way they choose

The impact of the cost of living increase makes holding conversations with our customers in the right way, and offering choice, more important than ever.

Our customer preferences differ across our regions and based on how their debt originated. Telephone conversations remain popular in the UK, where digital engagement is already well established and accounted for 73% of incoming customer engagements during the year. Digital channels are growing in popularity in DACH and Nordics.



Whatever channel our customers prefer, we want to ensure that we offer support to those customers who need more help by maintaining regular contact with them – an approach that has stood the test of time.

In the UK, we’re looking to support customers in a wider range of ways. We’re talking more frequently with customers who pay lower amounts to offer appropriate help and support and have stopped taking payments of under £1 as it’s clear that customers in that position need additional support. To help customers better understand what they can afford to pay, we’ve made things more visible and accessible. We’ve launched a new online payment plan stepper, which shows the impacts that changes in regular repayments have on repayment times, and introduced a streamlined income/expenditure process that asks just seven questions to help customers understand how much they can afford to pay. This shorter process enables our colleagues to focus on building broader relationships with customers. Of course, we still offer a more detailed process for those customers who need more help to calculate the right plan for them.

“

Honestly can’t fault this company, having and dealing with debt can be quite daunting but they are very accommodating and won’t let you pay what you can’t afford.”

TRUSTPILOT REVIEW, OCTOBER 2022

Broader range of payment methods

In DACH and the Nordics, we are closely monitoring the impact on customers of the cost of living increase. Our customer feedback and behaviour suggest this is currently having less of an effect than in the UK, but our own specially commissioned research in DACH indicates it could be starting to cause issues for consumers more broadly. We're focusing on making things as straightforward as possible and offering greater choice of repayment methods in response to customer feedback.

In DACH we've listened to customers and enabled payments using platforms including PayPal and Klarna Payments – making it quicker and easier to make instant payments via our website. We will expand this further in 2023.

Empowering customers through knowledge

Our aim is to empower our customers as much as possible, giving them access to what they want to know through a channel and timing of their choosing. During 2022, almost 300,000 new customers signed up to manage their account online using My Lowell Nordics. In 2022, we launched My Lowell FAQs in all four of our Nordic countries, to enhance the information and support available online. Customers are asked to rate the usefulness of articles and we combine this feedback with analytics to inform our future development and expansion of our library.

Customer Panel

If we are to help our customers, listening to them and adapting to their feedback is essential. Our UK Customer Panel now numbers nearly 3,500 members and they've played a crucial role in helping us develop tools such as a new [Benefits Calculator](#) and refine our [Pledges for Customers in Vulnerable Situations](#). The insights we gain from our Customer Panel are making a real difference to the support we can offer. Following the UK panel's success, we're piloting a similar initiative in the Nordics as we continue to revamp our customer communications.

“

Helping people, and encouraging them to get help, is the biggest incentive to do this for me. Just being there to help others, it's worth 20 minutes of my time – even if it was longer, it would be worth my time.”

MEMBER OF UK CUSTOMER PANEL



Making it easier to complain

We want all our customer journeys to be positive ones. Sometimes though, complaints do arise. Our new online complaints portal, launched in the UK during 2022, enables customers to track the progress of their complaints in real time and to receive the resolution via our App. Now that it's live, we are moving to highlight the portal on our website as a benefit to customers. We will also add it as a feature to our Lowell App and improve the management information to enable us to view customer touchpoints along the complaints journey.

So far, the portal is averaging 465 views per month, and we expect this to increase significantly as it is rolled out further.

Digitalising the court process

There will also be cases where involving the courts is the right course of action. Historically, this has been a heavily manual process. In DACH, we've replaced parts of our letters with emails via our consumer portal and developed a digital engagement platform for courts, streamlining processes and offering greater visibility to customers on the status of their accounts.

Improving the customer journey

Following a successful pilot in Norway, we are rolling out a 'next-generation' call centre offering in Sweden, Finland, and Denmark. We continue to have a human-manned live chat function in all countries and have enabled customers to 'self-serve' a further nine processes through our My Lowell Nordics customer portal. These include accessing digital copies of all the letters they have been sent, making it easier for our customers to complete these transactions at a time that suits them.



Customer Awards in 2022



- Finalist, Best Vulnerable Customer Support Initiative
- Winner Debt Purchaser of the Year
- Winner Company Award for Sustainability



- Robin Miller, Group Data Officer was a winner of the INFORMATICA CDO Awards for Operational Optimizers, recognising data & analytics Leaders who prioritise increasing productivity and efficiency, process optimisation, and automation through their data strategies.



- Finalist, Best Use of Voice of the Customer



- Neil Costello, Lowell's UK Marketing Director, was named in Marketing Week's Top 100 most effective marketers, recognising his work to upgrade branding and the user experience as well as expand the range of complementary services to support customers.



- Winner, AMEX Power of Blue Award for 'express excellence', delivering best-in-class results – won by our Gothenburg Customer Contact team under Team Leader Suzanne Kordon.




**PROGRESS
IN 2022**

UK
102,110

customers downloaded
our UK App (July-Dec
2021: 33,000)

UK
73%

of customer
engagements came in
through digital channels
(2021: 69%)

DACH
18%

of interactions came
through our digital
enquiries process
(2021: 17%)

NORDICS
60%

of inbound customer
interactions came
through our digital
platform (2021: 55%)

Personalised approach

Since launching our **Groupwide Policy and Pledges for Customers in Vulnerable Situations**, we've continued tailoring our support for our customers who find themselves in particularly difficult times, improving our processes to ensure they get the best experience.

Training our colleagues

Across all of our regions, we continue to train our colleagues to give even greater support to customers in vulnerable situations.

All customer-facing colleagues are provided with coaching and training that relates to our policy and pledges and covers how to identify and manage customers in vulnerable situations. Where a particularly vulnerable situation is identified, for example, a debilitating situation that will have long-term effects, we have a specialist team with additional skills and knowledge to handle such cases. In addition to our customer-facing training, all colleagues in all roles across UK and Nordics have been trained on our policy. In DACH the policy training was integrated into coaching sessions.

New support matrix

Additionally, we are piloting a new support matrix to help our agents provide better, faster, and more consistent solutions to customers. Covering many different situations in which customers can find themselves, from unemployment to bereavement, this tool provides examples of behaviour that agents

might meet and the types of support that can be offered, to better equip our colleagues to respond to customers' needs. It also reduces colleagues' stress, by providing them with more confidence and support in guiding customers to specialist organisations for help when the agents cannot reasonably be expected to have the answers themselves.

Developed in the UK, the findings of the pilot will help to inform a wider rollout across this region, where it will be assessed for use in DACH and the Nordics.

Monitoring performance against our pledges

In the UK, we've introduced new internal metrics to measure our effectiveness against our Pledges, which guide how we interact with and support people in vulnerable situations, and developed targets and controls to ensure we meet those metrics.

55%

of UK App users
explored our free
credit score offering.
(July-Dec 2021: 25%)



Customer Support Hub

In the UK, our new hub, launched in November, offers 24/7 online help and support and will build customer confidence in how we can support them when they are in a difficult situation. As well as raising awareness of our Pledges, the hub provides links to relevant external organisations that can offer specialist support and encourages customers to engage with us. We continue to develop our range of content, starting with cost of living increases, and now including debt guidance, life events (such as job loss, divorce and separation), and mental health.

Managing financial abuse

Financial abuse can cause enormous harm to people, especially those who may already be in vulnerable situations. In the UK, the law now recognises financial abuse as a form of domestic abuse. We are training our agents to recognise the signs of such abuse so we can provide the best support to customers in this situation. We are also sharing best practices with our clients to help them understand financial abuse and its impact, and better support their own customers.

Enabling broader financial health

Lowell is constantly seeking innovative ways to provide tools and services that help customers better understand and manage their finances.

Helping people find a route out of debt

Our research has shown that, every year, a huge amount of benefit payments in the UK go unclaimed – money that could help people in need. In response to this insight, we've launched an online [Benefits Calculator](#) so people can find out what they are entitled to, with information on how to claim it.

Helping households manage their budgets

We've teamed up with two great apps that help people take control of their finances. In the UK, the award-winning [Snoop](#) helps people connect all their bank account and credit card information in one place, making it easier for them to track spending. It also alerts them to ways of saving money, such as better broadband or utility deals. In DACH, [Fabit](#) is a digital coach and money management App packed with tips, advice, and challenges to help people become financially fitter. Both Apps are free to use and we're promoting them to our customers to help them stay on top of their finances in the cost of living crisis and beyond.

Key partnerships

We believe that effective partnerships can deliver better debt understanding and education. In the UK, we work with the Money Advice Trust's [Vulnerability Academy](#), which works with firms to help protect customers in vulnerable situations by embedding vulnerability in everything from product and service design to customer service, data recording, and analytics and collections. Through this partnership, we also participate in the Academy's Practice Network, which runs a monthly focus group on key topics.

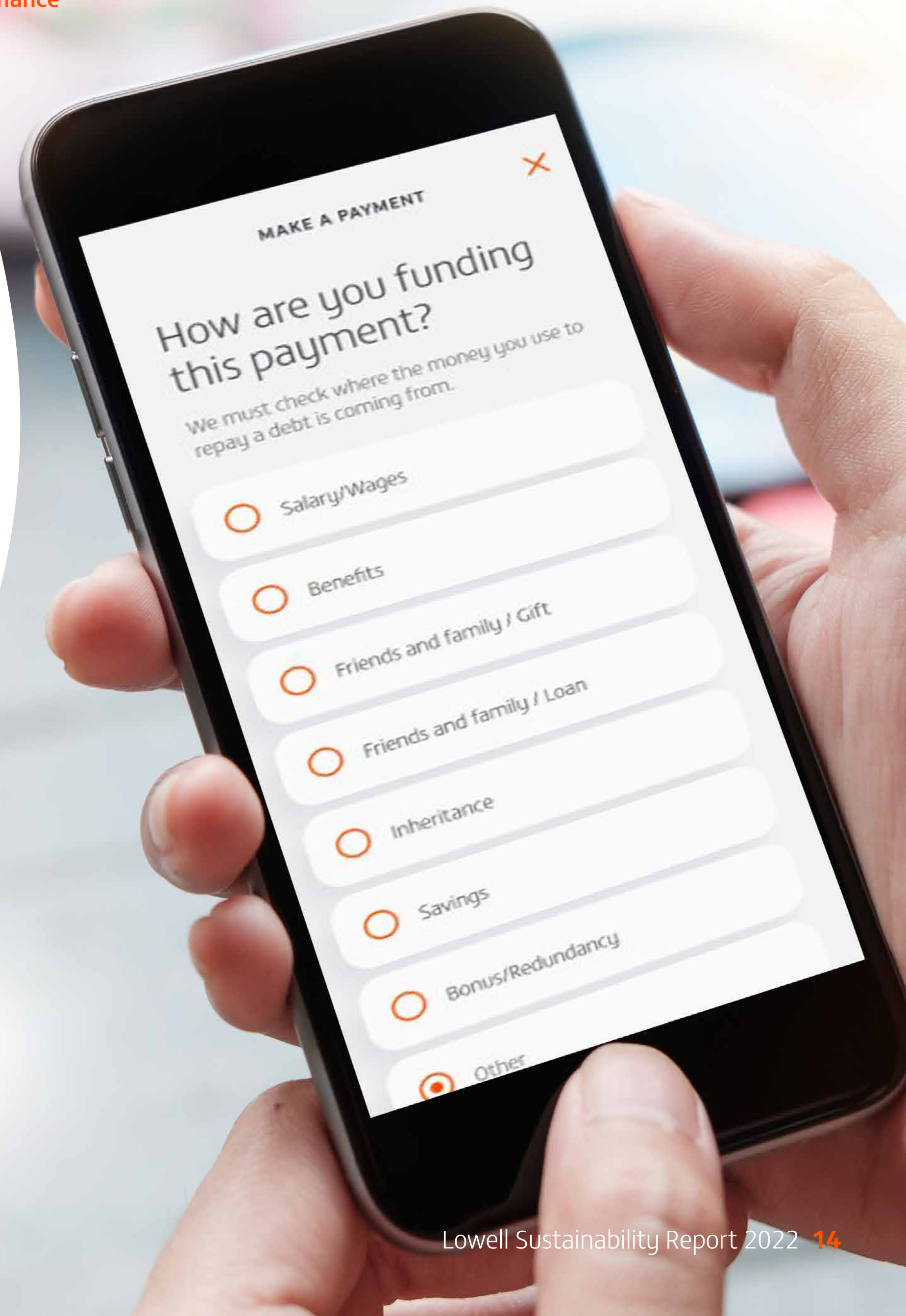
We are also a member of the [Collaboration Network](#), which shares learning on topics such as vulnerability, complaints handling, diversity and inclusion, and much more and enables participants of the [Extra Support Club](#), to seek out best practices to support the needs of customers in vulnerable situations.

672,000

UK App
log-ins during
2022.

1.6m

visits to
My Lowell
Nordics
in 2022.





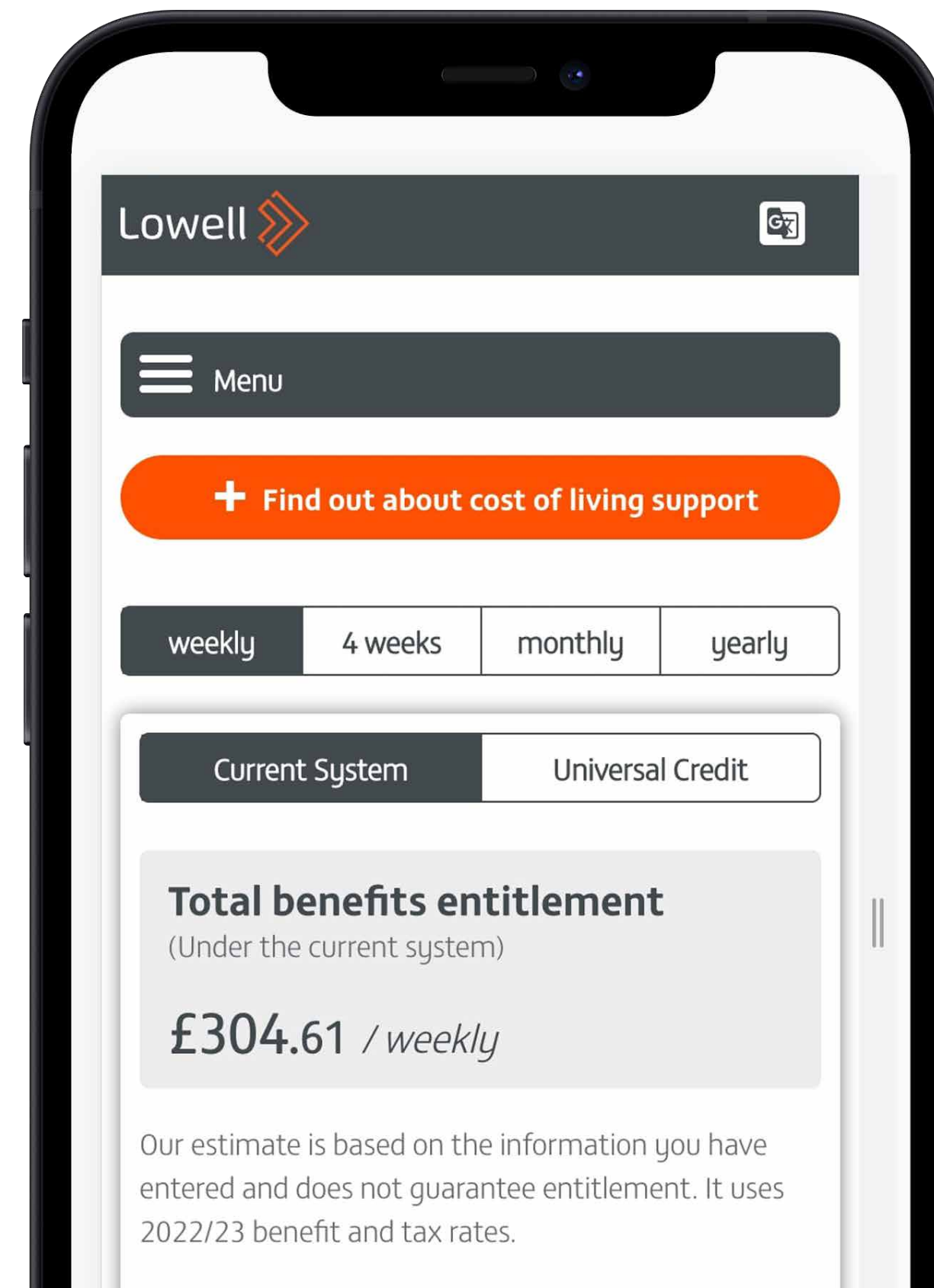
New Benefits Calculator

Every year in the UK, £15 billion of benefits go unclaimed – money that could make a big difference to those entitled to it. We've launched an innovative way of helping our customers find out if they are missing out.

Launched in July 2022 with input from our Customer Panel, a new online Benefits Calculator provides a quick and easy way for our customers to check what financial support might be available to them. By inputting data about their incomes and households, they can find out what benefits they might be entitled to – and how to claim it.

We used our Panel to test customer appetite for Lowell to provide such a service, helping us decide where and how to promote it, and check it was easy to use. One-third of Panel members told us they had never checked their benefit eligibility before, citing reasons such as lack of time, being unsure about where to look or what to do, and a belief that they earned too much. An overwhelming majority, 81%, welcomed the Benefits Calculator idea, saying it would save people time searching elsewhere, help those who were frightened to look elsewhere, and would be a good way of helping people unaware that they may be entitled to benefits. The vast majority also said they found the test version very or quite easy to use. More than half of panel members who participated also said the calculator would improve their perception of Lowell.

Based on this feedback, the Lowell-branded calculator is now available to everyone on www.lowell.co.uk (the location favoured by 62% of respondents). Since its launch in July 2022 we've identified £133,749 worth of benefits our customers are entitled to, with an average of £205 entitlement per customer.



Lesley's story



Lesley is a UK Lowell customer. When she and her husband separated after twenty years of marriage, she found herself in a vulnerable situation, before turning to Lowell for help. Her story illustrates how our approach can help people, as well as the potential value of a Benefits Calculator.

“My husband had always looked after the household finances, so I was a bit naïve. When the family home was sold, I had to move into rented accommodation and the equity from the house didn't last that long.

“

Lowell took time to understand my vulnerable situation, how I got into it, and why I'd ignored the problem.”

LESLEY, UK CUSTOMER REVIEWER

I wasn't aware that I could have claimed benefits, so I was struggling along with my son and I ended up taking out a doorstep loan, which I couldn't afford at the time. I didn't know what to do, so I ignored it.

Lowell took time to understand my situation, how I got into it, and why I'd ignored the problem. They didn't judge or blame me, they just tried to help me. They can help you with your finances, and with your mental health – basically, help you with your future.”



What's next

Progressing our digital journey

Offering our customers more choice through digitalisation remains a key part of our business strategy of being accessible. Going digital brings many benefits for customers, who can access more information and support, more quickly. We are focused on four key themes:

- Personalising customer engagement journeys.
- Industry-leading client interfaces.
- Intelligent automation to increase consistency and collection efficiency.
- Agile deployment of technology.

For our customers, we aim to ensure that their journey is available across all channels, driving a better experience and collection improvements, helping them have the best experience.

Specific digital initiatives planned for 2023 in the Nordics include:

- Continued development of My Lowell Nordics FAQ with content focused on utility-specific guidance.
- Continued focus on the usability and accessibility of our websites.
- Continuing to add self-service features online for our customers and clients.

In the UK, we will continue to add new content to our Customer Support Hub, focused on illness, accessibility and inclusion. We've also created a bespoke e-learning package for all of our customer-facing colleagues to help them understand the possible impacts on our customers of different events or situations and ensure they have the knowledge and skills to offer the best support.

Customer voice to direct and shape our future

Based on the success of our Customer Panel in the UK, we are piloting a similar initiative in Nordics. In DACH, we continue to invest in customer research methods and are scaling up our Product Management Team following the recruitment of a Head of Product Management in 2022. The ever-growing team is focused on expanding the collection and integration of these insights into our business.

Developing our workforce management approach in DACH

Giving the best service to customers means having the right people with the right skills to help customers. Extending our current workforce management system, already effective in our contact centre, to all customer-facing teams will help us ensure our customers get the best support as we continue to adapt our communication channel mix.



Better Ethics and Understanding

Our ambition

To be an industry leader in ethics and standards, building a wider understanding of what our industry does, and promoting improved outcomes for all consumers.



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.



92%

of colleagues' performance was evaluated against our Values during 2022.



Achievements and progress

PROGRESS IN 2022

79%

Group colleague engagement survey response rate
79% (2021: 81%)

TARGET
80% plus

73

Group colleague engagement score
73 (2021: 69)

TARGET
75 by 2025



Top Employer of the Year – Lowell received this accolade in Germany for the 17th consecutive year in 2022

Our values and ways of working

Trust is vital in our industry. However, it can't be claimed – it has to be earned, and is built through ethical behaviour and engaged colleagues. Across our business, we have established and embedded policies and practices that govern our conduct, ethics, and professional standards.

Given the sensitive nature of our work and the vulnerable situations in which many of our customers find themselves, ethical behaviour is simply non-negotiable and embedded in our values. In everything we do, we are guided by our five values: Pioneering, Ambition, Compassion, Excellence, and Responsibility. They provide the framework by which we work together to achieve our mission of making credit work better for all. All our colleagues receive regular feedback, coaching, and support, to embody our values. Let's Talk, our performance evaluation process, assesses colleagues against 'what' they achieve and 'how' they demonstrate our values. Robust policies guide the specific treatment of our key stakeholders, including our colleagues, customers, and clients.

Our ways of working are set out across specific policies and also embedded in our Governance structure. Instead of having a separate Ethics Committee, accountability for good conduct rests 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 our Key risks.

Our key policies

In 2022, we rolled out our new Groupwide Code of Conduct to build on existing regional policies. The Code sets out how we work as a company, and how we expect every colleague to do their personal best to embody our values and follow our guidelines. Training for all colleagues across the Group, including new joiners, is currently in progress, and will be completed in 2023. Our Group People Policy sets out what our colleagues can expect from us and our promises and commitments to them on key employment-related areas, as well as how the policy is monitored to ensure its effectiveness.

Colleague health and safety

As a responsible employer, we support the wellbeing of our colleagues. At the most basic level, this means providing a safe and supportive workplace. Our Group Code of Conduct sets out our approach to managing colleague Health and Safety (H&S). We adhere to all relevant local laws and regulations and additional Lowell-specific policies are in place in each of our regions. Training is organised and managed as required by our regional H&S experts, who also manage the completion of health and safety assessments for our offices, equipment, and relating to remote working. H&S reporting is provided to our investors on a monthly basis. During 2022, we reported 4 lost time incidents, all but one occurred during the commute to work.



97% of Nordic colleagues completed training on our Group Code of Conduct in 2022, and this is being rolled out in the UK and DACH in 2023.

“

Our Code of Conduct applies to everyone in the Group. We took our colleagues' thoughts and opinions on board when we developed this Code, to ensure that everyone has a voice. If we all play a part, it will help us nurture the levels of trust, reliability and influence we have with clients, customers and society in general.”

COLIN STORRAR,
GROUP CEO

Together, we go further

Our Employer Value Proposition

We are proud to have an average tenure of six years and ten months for our colleagues. This shows that Lowell is a place people want to stay and commit to long-term. We continue to listen and act on colleague feedback. In 2022, we sought to build on the well-established Values framework by introducing a new Groupwide Employer Value Proposition (EVP) – Together, we go further.

Our starting point was to carry out detailed research, including interviews with colleagues, to find out what it's really like to work at Lowell and what makes us special and unique. We also incorporated data from a survey conducted by people specialists Glint and carried out external benchmarking to identify our strengths and differentiators, as well as what people are looking for from us.

The result is a promise to our colleagues on what we aim to do as a business, together. Our EVP is supported by four pillars that reflect what makes us proud to do our work.

~7 years

The average tenure of a Lowell colleague is 6 years 10 months.



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.



Responsibility – we earn trust by always being open, reliable, accountable, and beyond compliant.

Having identified hybrid working as a key pillar within our EVP, we worked to establish some Core Group Principles. These included a guide to managing people in hybrid ways of working, and were launched in October 2022. Now it's in place, our EVP will continue to shape our policies and actions to continually improve, develop, and offer the best career experience we can.

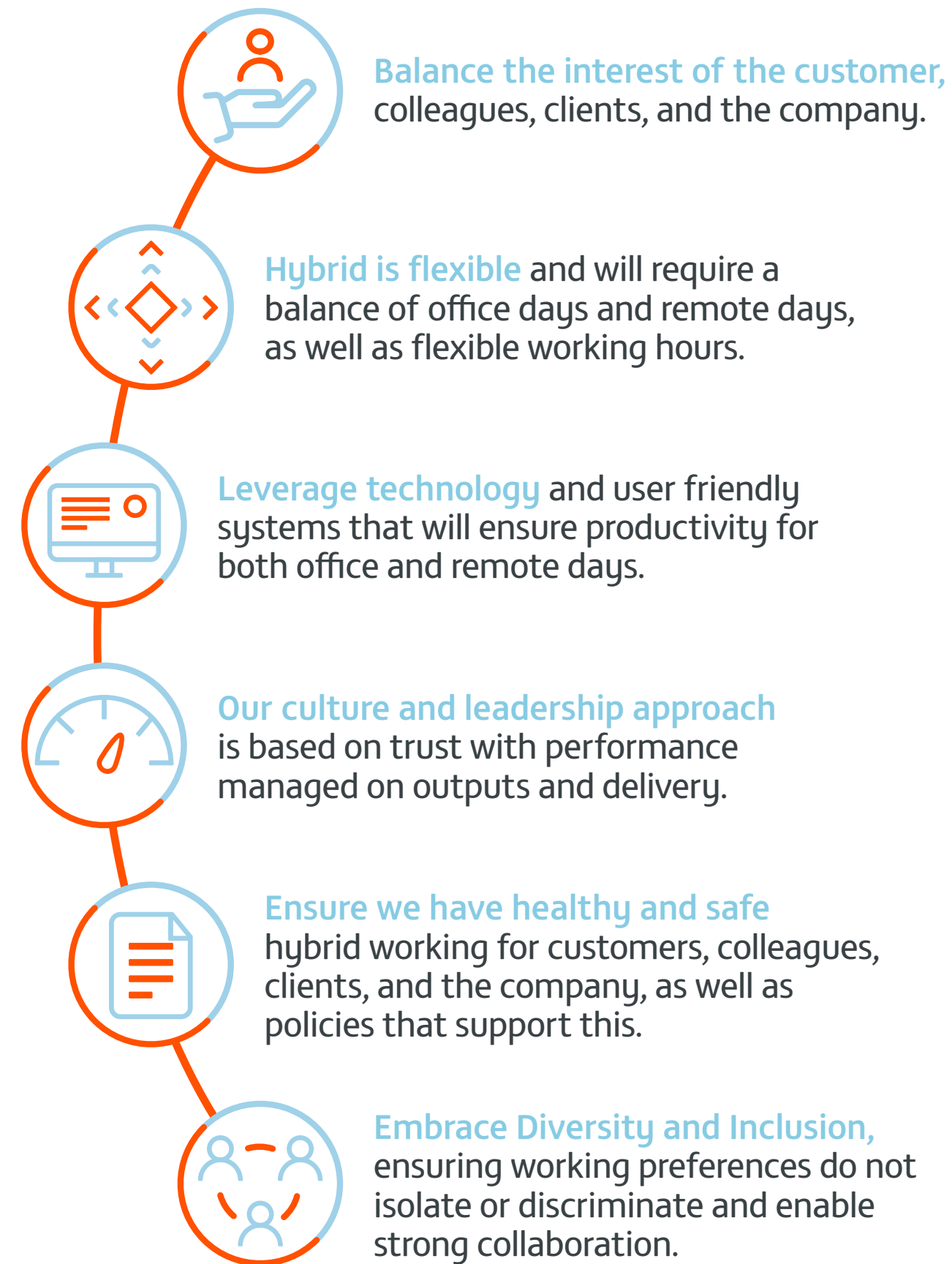
Looking ahead, our EVP will help us maintain an attractive offering, helping us stand out in the market. It will also drive improvements in how we work, from improving our recruitment and broadening the demographics among our workforce, to improving our succession planning and embedding diversity and inclusion in our processes.

Colleague engagement

Participation in our Colleague Engagement Survey fell slightly in 2022, to 79% from 81% the previous year. However, this remains high and shows our survey scores are very representative of the business. Our Colleague Engagement score went up from 69 in 2021 to 73. We believe this both reflects and validates our approach of listening to colleagues and adapting to support their needs, as enshrined in our EVP.

Core Group Principles – hybrid working culture

The Group-wide hybrid working culture principles ensure consistency and alignment across functions, countries, and regions as we grow together to create a successful hybrid working model.



Improving debt understanding

Sharing insights

Lowell is believed to be unique among our peers in having our own in-house research team in the UK, giving us access to knowledge and data that informs our work. Similarly, our established UK Customer Panel and in-development Nordics pilot, provides us with direct consumer feedback, ideas, and insights. This invaluable learning enables us to provide better customer experiences and is shared with clients, regulators, and governments to improve their own understanding of the debt market.

Combatting financial abuse

We regularly talk to clients about the most relevant and important topics in each region, especially on helping customers in vulnerable situations, statutory breathing space, and sustainability. In 2022, we focused on financial abuse following its incorporation by the UK government into domestic abuse law. By sharing our learning, we've helped many of our clients to accelerate their own understanding and introduce new policies.

8 roles

dedicated to understanding customer experience and customer satisfaction in the UK.



Supporting our clients

We are always seeking ways to share best practices and sector knowledge with our clients, helping to build stronger, resilient relationships. One way we do this is client webinars. In 2022, these covered changes in collection legislation, collection of private receivables, private person debt restructuring, and debt purchase. We also host breakfast briefings on business-specific topics. In 2022, our Nordics team trialled our first paid webinar, aimed at landlords and discussing what they can and cannot do to collect money they are owed. We also held a Lowell Day in each of our four Nordic countries, with face-to-face sessions on building relationships and sharing learning. Based on the positive feedback, we will run further Lowell Days in our Nordic countries in 2023. Our DACH Sales and Client team regularly speaks at industry conferences to promote understanding and awareness of our work.

Specialist and bespoke debt purchase arrangements

Key to our partnership approach is understanding the unique challenges our clients face and offering solutions. In 2022, we developed a bespoke approach for purchasing ring-fenced portfolios of customers in vulnerable situations, drawing on our skills and experience in working with such customers and offering innovative solutions for our clients.

Customer journey mapping

Sharing our knowledge and expertise also assists clients to better understand the customer journey and how to help customers avoid problem debt in the first place. Through our Customer Panel, client satisfaction surveys, and feedback from our Customer Engagement Centre, we can gain insights into the issues that matter most to customers and share this knowledge.

Parliamentary reception

In April, in the UK, we sponsored a special parliamentary reception to launch Credit Week 2022. Aimed at MPs, the event provided an opportunity to share insights from our Financial Vulnerability Index with legislators and discuss key issues and challenges for the credit industry. We were joined by nine clients, with discussions around key themes such as financial inclusion, debt management, and financial wellness. We will be staging a similar parliamentary event in 2023.

PROGRESS IN 2022

8.2

Client satisfaction score (2021: 8.6)

TARGET Above 8.5

Improving outcomes through partnerships

Working actively across the sector

We work with the Credit Services Association in the UK, the Federal Association of German Debt Collection Companies (BDIU) in DACH, and the Associations for debt collection companies in Denmark, Finland, Norway, and Sweden. Several of our colleagues sit on the Boards and committees of these and other bodies. Membership of associations such as these helps us take a leading role within our sector and to work with our peers and regulators to set and raise standards for fair collection and promote codes of conduct.

We also partner with organisations that advise and guide policymakers and work to improve debt awareness to prevent people falling into debt. We are members of the UK Financial Vulnerability Academy and the Collaboration Network and provide funding for the UK's free debt advice sector. In 2022, we contributed £3.2 million through Fair Share Contribution, helping to ensure free, independent debt support is available to those in need.

In Germany, we have helped shape the new debt collection guidelines issued by the BDIU. Through actions like this, we help to improve standards for debt collection and protect consumers across the sector.

Reforming UK court processes

As some customers choose not to engage with us about their indebtedness, we inevitably have to utilise Court services to recover some of these outstanding debts.

Lowell has an industry-leading, specialist law firm, Overdales Legal Limited, which provides debt recovery and litigation services to Lowell Financial Ltd and other UK companies. Overdales' Director of Legal Services and Business Development, Eddie Harrison, sits as an independent representative on the Policy and Reform Committee of the Civil Court Users Association, which focuses on litigation matters in the creditor sector in England and Wales. The committee aims to make the court service work better for everyone. Our submission on fee reform was a driving factor in the government decision in 2021–22 to limit the fee increase for Warrants of Control, as higher fees would ultimately have placed an even greater financial burden on customers.

Addressing the personal debt crisis

Working with the think tank, Demos, we have mapped our Financial Vulnerability Index onto Demos' Good Credit Index to identify those parts of the UK hardest hit by a lack of affordable credit and financial vulnerability. Research by Demos shows that the UK Government's Levelling Up priority areas – especially towns in the north of England – are the most at risk of being hit by personal debt problems. It offers a number of suggested initiatives to help, including bonds and grants to those on Universal Credit, interest-free loans in areas of high deprivation, reforming and digitalising the County Court system for improved efficiency, and building more affordable social housing in wealthier areas.

“

The UK has always been a leader in legal technology and processes and we want to help bring the Court system online. We continue to work closely with the Ministry of Justice and bodies such as the ECB, to drive fundamental changes, including the digitalisation of the court services. Not just for us, but to benefit all court users, including Lowell Customers.”

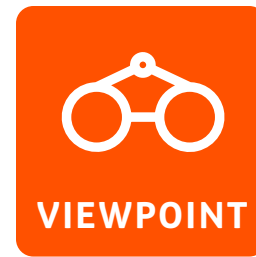
**EDDIE HARRISON,
DIRECTOR OF LEGAL
SERVICES AND BUSINESS
DEVELOPMENT,
OVERDALES**

Raising collection standards

We actively supported the launch in 2022 of a new Enforcement Conduct Board (ECB) in the UK.

The ECB aims to deliver a level playing field of standards and best practice for the bailiff industry, initially through voluntary membership but eventually, it is hoped, through achieving statutory footing from the government. Lowell works with the two largest enforcement agencies and has made it a contractual obligation for their agents to have body-worn video equipment, which is then regularly assessed for quality and standards. This has helped to provide Lowell with assurance over the processes, whilst offering the means to identify poor practice and training opportunities for agents. We are also making agencies take a more forbearance-based approach, including contacting Lowell before any escalation actions are taken. By introducing outcome-based checks, we have taken additional steps to ensure the right outcomes are being achieved across the board. In November 2022, Lowell, through Overdales, was the first to commit to only using enforcement agents who are members of the ECB.





Supporting better financial education

Lowell is supporting a radical rethink of financial education in the UK. A report from the Centre for Social Justice (CSJ), funded by Lowell, showed that a significant portion of the country's population lacks financial literacy and money management skills.

The report said nearly 14 million adults with experience of financial problems believe that low money management skills had contributed to their plight. Our Financial Vulnerability Index has also revealed poor financial education as a key driver of financial vulnerability, with 68% of young people saying a lack of money management skills was driving them into debt.

We've teamed up with the CSJ to launch the Financial Education Initiative, to gather data about the changing financial landscape, examine levels of financial literacy, review financial education, and make recommendations to government on actions to be taken. We've also released new research identifying where high financial vulnerability overlaps with poor access to credit in the UK. We will continue to obtain and share insights into this topic to help drive better understanding and more informed decision-making. (See [page 26](#) for how we are seeking to support consumers directly on this topic).



“

We need to look at radical change, over the course of people's lives, to ensure that everyone has the skills to manage their money and navigate modern financial products. We need to build proper financial resilience.”

JOHN PEARS, UK CHIEF EXECUTIVE, LOWELL





What's next

Self-service for clients in DACH and Nordics well underway

We've taken a staged approach to introducing a new self-service system for our third-party collection clients in our DACH region. It is now live for 19 clients, whose feedback has given us the opportunity to make some minor improvements before we roll out the system to further clients in 2023. Clients will be able to see a complete picture of their accounts in one place – including money paid and outstanding balance, 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.

In Nordics, our focus on enabling clients to self-service continues with three processes added during 2022 covering onboarding, reporting, and a collections dashboard.

Highlighting innovation

DACH will be hosting its first Lowell Innovation Day in 2023, sharing new market developments and offerings. Targeting top current and potential clients, the day will be aimed at sharing concepts and learning with C-level executives, especially in the insurance, financial services, e-commerce, and energy sectors. We are also hosting special client event days in each of our Nordics countries in 2023.



Bespoke offers to address client needs

Following the success of our specialist focus on debt portfolios from customers in vulnerable situations in the UK, we will continue to listen to our clients and develop specialist offerings that utilise our skills and help address their challenges.

Responding to client requests for ESG ratings

One trend we've welcomed during 2022 is that our clients are increasingly talking to us about Sustainability topics. Our Group Head of Sustainability is now a regular guest at client audits in the UK, as are our Regional Sustainability Representatives in the Nordics and DACH. At the end of 2022, Lowell worked with EcoVadis to complete our first formal and independent ESG rating in order to assess our progress so far and validate our future focus areas. An additional benefit is that the resulting rating will provide our clients with an independent view of our progress. We were pleased to achieve a Bronze rating in our first assessment in January 2023, with a score of 48 points, 3 points above the average for our industry (ISIC 8291 – Collections Agencies and Credit Bureaus). We will proactively share the resulting rating and findings of this process with clients during 2023 and look forward to continuing our debate and best practice sharing with clients, which has been so valuable to us during 2022.

ESG Rating achieved



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.



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.



11.5m

consumers reached with financial awareness campaigns in the UK alone.

Achievements and progress



Understanding debt and its implications is essential for tackling the challenges of debt in society. We seek to raise consumer awareness of financial issues and of the support available. By providing research and new insights, we are able to contribute to wider knowledge of debt.

TV first

Lowell created an industry first in the UK in 2022 with our TV advertising campaign, 'Find a Way'. The campaign, which ran in mid-summer in the northeast of England, also used radio and outdoor advertising and was designed to help customers take the first steps to find a way out of debt.

This is especially important in the current climate as people contend with post-pandemic challenges and the cost of living increase.

This media is the best way to reach non-engaged customers. TV especially helps to build emotional connections and trust, which can help break down the barriers caused by fear, shame, and embarrassment.

Supporting better financial education within society

In addition to our continued research work into financial and literacy and education as outlined on page 22, we are also seeking to support society directly.

In the UK we continue to work with the CSJ to identify issues around poor financial literacy and ways to address it. And we're partnering with The Money Charity, which helps people to manage their money well, on a pilot scheme to provide combined parent/child financial literacy education.

In the Nordics, we have developed a bespoke financial education pack for schools as one way to improve financial literacy.

The pack has been developed in such a way that it enables schools to run their own education programme on managing over-indebtedness, with a film, study cards, presentation deck, and teachers' guide. Following positive feedback from our Swedish launch in 2022, the pack will be launched across our three remaining Nordic countries in early 2023.

PROGRESS IN 2022

7.6m
views of our TV pilot in the North East

44%
of the population believe that more financial education would help to improve their financial situation.⁹

68%
proportion of young people in the UK saying lack of money management skills is driving them into debt.⁹

⁹ Opinium, 4,000 UK adults, for the Centre for Social Justice, December 2021.

Our campaigns

Across the UK and DACH, we have continued to commission and publish research on a wide range of debt topics and concerns, ranging from financial abuse and fraud, to retirement and student-related debt. Our aim is to cover the common ways in which people get into debt, with suggestions and support on how to become debt free or, better still, avoid getting into debt in the first place.

In the UK, the topic that reached the most consumers (more than 2 million) was our August financial abuse campaign. Our research, which featured in OK! magazine and was shared by the Domestic Abuse Alliance charity, found that despite one in five (20%) British adults experiencing financial abuse, one in six (17%) did not know the signs to look out for. The campaign's focus was to help break down some of the stigmas attached to this sensitive topic, and to signpost free and independent support.

Another successful campaign delved deep into the biggest worries Britons have regarding retirement. Our research, including insights from our own Customer Panel, found that 17% of Britons delaying retirement are doing so for at least five years because of debt, with one in eight (12.5%) delaying it for at least ten years. The retirement debt campaign was featured in MSN News, the Express, and the Independent, reaching an estimated 1.5 million people.

In DACH, we've not yet seen any suggestion from our direct customer feedback or behaviour that the cost of living increase is having an impact on their finances.



We commissioned broader consumer research to help us get a more detailed picture, and perhaps understand what challenges may face our customers in the future. This broader consumer research suggested that the cost of living increase is now starting to have a major impact on people's financial well-being in DACH.

With the price of utility bills and the cost of everyday necessities constantly rising, many people are not only cutting back on non-essential spending but also putting big plans on hold. Of particular concern is the number of people struggling to afford their bills and facing further debt due to increased living costs. Not only will we share these research findings more broadly, we will of course continue to closely monitor the impact on our own customers.

Highlighting financial risk

Following our 2021 study into financial fraud, and with searches for fraud seeing a rise of 47% in the following 12 months, we commissioned new research into how fraud affects Britons. Our research revealed that 40% have experienced payment card fraud, compared with 18% in 2021. Internet bank fraud (18%) and text fraud (17%) are also among the most common fraud methods, with 10% of people admitting they would be likely to click a link in a text claiming to be from their bank. The results highlight the need for further financial education to help alert people to the dangers of fraud and how to prevent it.

21%
of people in the UK are worried that their pension is not enough to live on in retirement.¹⁰

1 in 8
people in the UK are delaying retirement for at least ten years because of debt.¹⁰

40%
of people in the UK experienced payment card fraud in 2022.¹¹

77%
of students develop personal debt problems while at university.¹²



We launched campaigns in DACH, the Nordics, and the UK around financial education for young people

¹⁰ Censuswide, 1,000 UK adults, for Lowell, February 2022.

¹¹ TLF Panel, 1,000 UK adults, for Lowell, September 2022.

¹² TFL Panel, 1,000 general respondents, for Lowell September 2022.

Colleague development and wellbeing

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

Ensuring opportunities for learning and growth

Having opportunities for personal growth and development is essential for people to maximise their potential and enjoy fulfilling careers – and for talent retention. In 2022, we launched our new Learning and Development strategy, which will guide our efforts to support personal and professional growth, aligned with our Employer Value Proposition. Under the slogan, ‘Together, we support growth’, the strategy sets out to strengthen our competitiveness, help us be adaptable, facilitate higher productivity, and enable innovation. During the year, we assessed our Finance, People, and Risk departments across all regions to identify and understand any knowledge gaps and training needs.

We are also placing a focus on developing our people managers’ skills as a key enabler to providing a better experience for all colleagues. Early in 2022, we launched our Group-wide Leadership Development Programme, Explore, focused on creating clarity, generating energy, delivering success, and building resilience. Since its launch, 122 people managers have completed the programme. All attendees now self-assess themselves higher for the four focus areas and agree that the programme has inspired and motivated them to become better leaders and will improve their performance.

In DACH, Explore is complemented by a wider focus on improving our communications with all our people managers, including monthly virtual round tables and a newsletter. In the UK, we partner with training specialists, Raise the Bar, to run our Aspire programme, targeting all those who have aspirations to manage people. So far, 26 colleagues have commenced the programme, which gives them the necessary skills to manage people and a qualification from the Institute of Leadership and Management.

Providing opportunities for people to learn is one of our KPIs, as measured by scores in our Colleague Engagement Survey. In 2022, we achieved a score of 69%, an increase from 64% in the previous year.

“Explore has empowered me with the necessary perspective and tools to manage not only my direct reports, but also my stakeholders. The sessions have also allowed me to build my network with other leaders across the regions.”

RIEZA APRIANTO, LEAD MODEL RISK

 **PROGRESS IN 2022**

3,960
Number of employees (2021: 3,901)

40%
People leader population completed our Explore programme so far

69%
Group colleague engagement survey score for ‘opportunities to learn’ (2021: 64)

 **TARGET**
70% by end of 2025

Talent retention across the Group

Both the pandemic and the cost of living increase have impacted companies’ abilities to attract and, crucially, retain talent. People’s expectations have changed, and financial pressures are driving increased mobility in the job market as people seek to maximise their earnings. Aligned with our new Employer Value Proposition, we are focussing on attracting and retaining the best talent through a series of initiatives:

- **Talent Brand** – our recruitment initiative to attract bright new talent by identifying what makes Lowell special and different, and to recognise the individual and help them develop personally and professionally.
- **Improved succession planning** – our first Talent Forums were held in 2022 to identify talent and develop people faster. We want all our senior leadership roles to have both male and female successors identified through Talent Forums.
- **Let’s Talk** – our ongoing performance review offers structured conversations between colleagues and their managers to analyse skills gaps and identify development opportunities.
- **Careers Pathways** – offering colleagues clearer career progression opportunities.

85%

of all Senior Leadership Roles have at least one successor identified.

Creating happy workplaces

The support we offer colleagues in terms of wellbeing varies by region and in direct response to colleagues’ needs. In the UK, the cost of living increase has driven a focus on financial wellbeing, a topic identified by our research with the Centre for Social Justice as one where employers could provide further support. We have implemented measures such as a colleague support fund to provide short-term financial help, further canteen subsidies, and a ‘help yourself’ offering of food nearing its best-before date. We provide access to free debt support and discounts at more than 1,000 retailers, while quarterly sessions for colleagues have covered money management, pensions, finding cheaper energy, and managing fuel use.

In the UK, Lowell4me, our holistic employer benefits package, was the Best Flexible Benefits Strategy winner at the 2022 Workplace Savings and Benefits awards. It enables colleagues to choose the benefits that are best suited to their personal circumstances and life stages. It includes ways to support health and wellbeing with life assurance, income protection, healthcare, virtual GP services, mental health support, sick pay, critical illness cover, and dental insurance, as well as a generous holiday entitlement with the opportunity to buy more each year.

In DACH, we continue to offer our Employee Assistance Programme for colleagues and their families, providing counselling and financial guidance. Building on this, we have worked together with sports university IST to launch ‘Healthy Habit’, a digital wellbeing App focused on body, mind, and nutrition. Content is being created based on colleague feedback, with a resilience programme currently under development.

In the Nordics, our colleagues in Finland have been using the Cuckoo wellbeing App for some years. The App acts like an alarm clock for work days, helping colleagues to remember the importance of taking breaks and moving around, and making suggestions for healthy eating and exercising habits. Colleagues especially enjoy the competition element, through which achievements are rewarded. Based on positive feedback from our Finnish colleagues, we have rolled this out across Norway, Denmark, and Sweden.

We have increased our monetary support to colleagues across all our regions. Initiatives vary by region, with our initial focus being on the UK, where the impact was felt sooner than in our other regions. For UK colleagues, we completed our annual pay review six months early and gave a one-off cost of living payment to the majority of colleagues. We have also increased our minimum entry level wage in the UK and DACH and increased the frequency of bonus payments for customer-facing colleagues.



75

Group colleague engagement survey score for ‘happy’ (2021: 71)

TARGET
75 by end of 2025



Award winner, Best Flexible Benefits Strategy, Workplace Savings and Benefits Awards

Supporting mental health

The ongoing impact of Covid, rising living costs, and the war in Ukraine have placed mental health top of the wellbeing agenda for our colleagues in the Nordics. We listened to their feedback, and for Global Mental Health Day in October, we ran a whole week of activities across both Nordics and DACH around mental health and wellbeing, including meditation sessions and a mental health workout plan. We also provided additional guidance to people managers to help them spot the signs that could indicate a colleague was struggling or feeling stressed, as well as an overview of the support available, for example, through our occupational health partners and webinars.

Hybrid working

Post-pandemic, people now see hybrid working as a valuable, even essential, part of an employer’s offering. Working from home can bring a host of advantages, both for employees and employer, including reduced commuting and better work-life balance.

We have developed and implemented clear Group-wide principles and a Team Charter to embed hybrid working options permanently into our business. This includes providing our colleagues who wish to work from home with the tools and equipment to do so safely and securely. In DACH, this is underpinned by an agreement with our Group Works Council regarding mobile working.

Menopause Friendly Accreditation

We were proud to receive this accolade in the UK in 2022, recognising the efforts of our Menopause Network Team during the year. The team was created by two colleagues who, drawing on their own experiences, identified a need for greater support for women and awareness raising for all colleagues and managers to promote understanding and remove taboos around the subject.

“

Women we’ve supported have been really grateful. We’ve had lots of positive feedback saying the help and support we’ve provided, as well as the awareness raising, have really sustained people in being the best they can be at work.”

JILL CONNOLLY, FOUNDING MEMBER OF THE LOWELL MENOPAUSE NETWORK TEAM

Colleague volunteering and charitable contributions

We believe in providing opportunities for our colleagues to give back something to their communities, just as we do as a business. We are rolling out a scheme to enable colleagues to be given time to volunteer for community causes in their region, and our aim is to have this fully in place by the end of 2023. In 2022, 114 of our colleagues in the UK, and 43 in Finland, volunteered a total of 653 hours of their time.

As a business, we have also made contributions to important causes, including matching funds raised by colleagues.



Scout camp in western Finland.

In the UK, we donated more than £80,000 in 2022 to a number of local and national charities that align with our mission of making credit work better for all. These included charities that provide financial education services, help people get out of poverty, support the homeless, provide food parcels, and support people with mental health issues.

In many cases, we match funded donations made by colleagues. We also gave non-financial support, such as donating 3,000 trees to help create Leeds Hospital Charity’s ‘People’s Woodland’.

In Finland, we supported a range of organisations, including a help centre for Ukrainian refugees, and provided activities at homes for the elderly in Turku. We also helped organise a camp for thousands of scouts in western Finland.

PROGRESS IN 2022

54%

of colleagues given the opportunity to volunteer using Lowell time in 2022

TARGET

All colleagues offered the opportunity to volunteer using Lowell time, by December 2023

A culture of diversity and inclusion (D&I)

Our diversity and inclusion vision is to nurture a culture where colleagues can be themselves, feel they belong and have the opportunity to fulfil their potential in an environment that values and embraces their uniqueness, so they can be their best for themselves, our clients and our customers.

Our D&I Council report directly to our Executive Committee to drive the agenda. We have a robust policy suite in place to support diversity and inclusion right across our talent attraction, onboarding and colleague lifecycle by recognising and adapting for individual’s differences, backgrounds, personalities, lifestyle choices and experiences. Colleagues continue to score us highly for acceptance (increasing from 83 in 2021 to 85 in 2022) and equal opportunity (increasing from 77 in 2021 to 80 in 2022) in our annual Lowell Voice survey.

Developing D&I across our business

Through Lowell’s parent company, private equity firm Permira, and D&I specialists Paradigm Consulting, we are running a pilot baselining and benchmarking exercise to assess our D&I maturity.

We have also engaged specialists Charlotte Sweeney Associates to refresh our D&I Council roadmap for 2023 and beyond.

During 2022 we have consistently applied a gender lens to scrutinise key points in our colleague lifecycle and elevated the level of data and insights we produce and share in the organisation. This focus on gender was based on the immediate availability of robust gender data and a visible difference in the gender split across the organisational hierarchy.

This focus on gender will continue as we move towards our targets. We will also broaden the scope of our work to cover the full range of protected characteristics. Acting within the regulatory framework and cultural norms of each of our operating countries, we are looking to expand the D&I information we collect so we can tackle broader matters.

We made strong progress on gender balance in 2022, and it continues to be an area of immediate focus. Although across the business women make up more than 60% of our colleagues, however this is not the case at senior level.

42%
of senior roles now have a female successor option in place.



Award, Silver winner, Employer of the Year (non-creditor category), Women in Credit Awards

We have a group-wide commitment to improving the gender balance in senior roles at Lowell, aiming for 40% by the end of 2025. By the end of 2022, female successor options were in place for 42% of our leadership roles.

Kathryn Morgan and Fiona Barker are now statutory directors of UK subsidiary companies, and we have three female non-executive directors, Caroline Marsh, Sarah Perry, and Clodagh Gunnigle, across our various corporate entities.

Following Board-level appointments during 2022, all UK Regional Boards now have at least 50% female representation, with the overall UK Regional Board being 66% female.

Developing our future female leaders

To support our D&I aims, and increase the number of female leaders, we have introduced a policy requiring all recruitment shortlists to include at least one female candidate, with clear instructions for internal recruitment teams and external recruitment agencies. We also ensure our recruitment advertising does not include language that could favour male candidates. Our new succession planning processes are a key tool for identifying and developing female colleagues with potential for leadership, and we are currently meeting our succession planning targets in all areas except IT.



80%
of colleagues believe that, regardless of background, everyone at Lowell has equal opportunity to succeed (up from 75% in 2021)

Senior Team gender breakdown:

32%

Female

68%

Male

🎯 **TARGET**

40% female by end of 2025



Women’s networks

We have established Women’s Network groups in both the UK and Nordics to help build a sustainable business and ensure an equal opportunities workplace. Our network of female talent helps to guide and inspire career development through 1:1 conversations, round-table sessions, a mentor/coach programme, and workshops. Currently, 66% of senior positions in the Nordics have a female successor in place.

Across the Group, we are providing coaching on unconscious bias to all recruiting managers to improve our recruitment processes.

Reverse Mentoring

In August 2022, the Guardian ran a Saturday magazine feature on the ‘rise of ZEOs’ (CEOs from Generation Z). The piece focused on Gen Z hires brought in to help companies connect with the younger generation and also looked at reverse mentoring. The article referenced Lowell’s own reverse mentoring programme, which aims to build a greater understanding of how people from different generations view certain situations, helping put into perspective the decisions people make within the workplace. Our scheme also featured in a Financial Times article.



Broadening our talent pool

Developing our internal talent and attracting the best new talent are key to growing a successful workforce.

In DACH, our apprentice scheme saw 18 young people join us in 2022, with a training programme introducing them to different parts of our business and equipping them for starting their careers with us while continuing to receive a vocational education.

In the UK, we run internal apprenticeship schemes, especially in risk and compliance, analytics, and data science, while our Aspire programme helps colleagues with management aspirations to develop their skillsets. We are also recruiting more colleagues looking to work part-time, attracting a new range of recruits to whom we might otherwise not have appealed.

As well as reviewing our own recruitment advertisements and where we place them, we are looking to partner with external organisations to appeal to a broader range of people from different demographics. In the UK, this includes Back to Work, which helps people return to the workplace after unemployment, with a two-week training package to help build knowledge, skills, and confidence prior to interviews. We’ve also worked with 10,000 Black Interns initiative in the UK to secure 12 candidates for a summer 2023 placement.

In 2023, we’re increasing our focus on early careers management and recruiting a dedicated early careers manager to plan career pathways to help grow our own talent and identify talent in the wider market place.

“

Diversity in all senses matters to us. It’s the right thing to do for our colleagues and our business. Having an inclusive and diverse workforce means we have a wide range of views and experience being brought to the table to drive our business forward. Expanding our talent pool and representing the societies we operate in will make us more successful and sustainable.”

**JOHAN AGERMAN,
NORDICS REGIONAL CEO**





What's next

Developing career pathways

Career Pathways is at the forefront of our new Learning and Development strategy. Building on the foundations achieved during 2022 through consistent grading of jobs across all regions and functions, and our work to identify talent and skills gaps, we can now develop clearer career and development paths for all our colleagues.

We are also excited about the innovation in learning we are introducing across the Group, including the adoption of LinkedIn Learning in 2023. Our extensive range of online training means there's something for everyone and it can be accessed at a time to suit individuals. Our innovative approach to learning solutions was recognised at the 'Best Use of Technology for Employee Engagement' category in the 2022 Engage Awards, which highly commended the roll-out of our UK Code of Conduct training.

Focus on people managers

One of the most effective ways to help support colleagues is to ensure their managers are equipped with the right skills and knowledge to lead effectively. New to the mix for 2023 will be our Group 'New as a Leader' programme. Aimed at leaders who are new to Lowell, or have been promoted within Lowell, the programme is designed to provide a common understanding of how to lead at Lowell and equip participants with the skills to be effective leaders. Group content will be supplemented at a local level as required.

Improving financial literacy in the UK

With studies suggesting young people lack money management skills, Lowell and the CSJ will be pressing for lessons in money management to be added to the national curriculum for primary school students. We also believe this should be a legal requirement in secondary schools and will be advocating such a move to education authorities in 2023. In addition, we are partnering with financial education charity, MyBnk, in 2023, to highlight the issues facing young people today and tackle the knowledge gaps from a young age. Our aim is to help create a stronger, more educated generation in the future.

Tackling over-indebtedness in Nordics

Over-indebtedness is a serious problem in the Nordics, with Denmark and Norway having the highest levels in a [2022 OECD survey](#). To address this, we've created our Manifestos, collections of ideas to tackle the challenges – tailored to each country. Proposals include a targeted, digital campaign to engage with regulators and governments to build awareness, the establishment of debt registers, and ways to help people opt out of receiving credit for periods of their choosing. In Sweden, where we are the first company the government has chosen to interact with to tackle over-indebtedness, we are sharing insights and views with a dedicated committee focused on developing concrete measures to stop this issue spiralling.

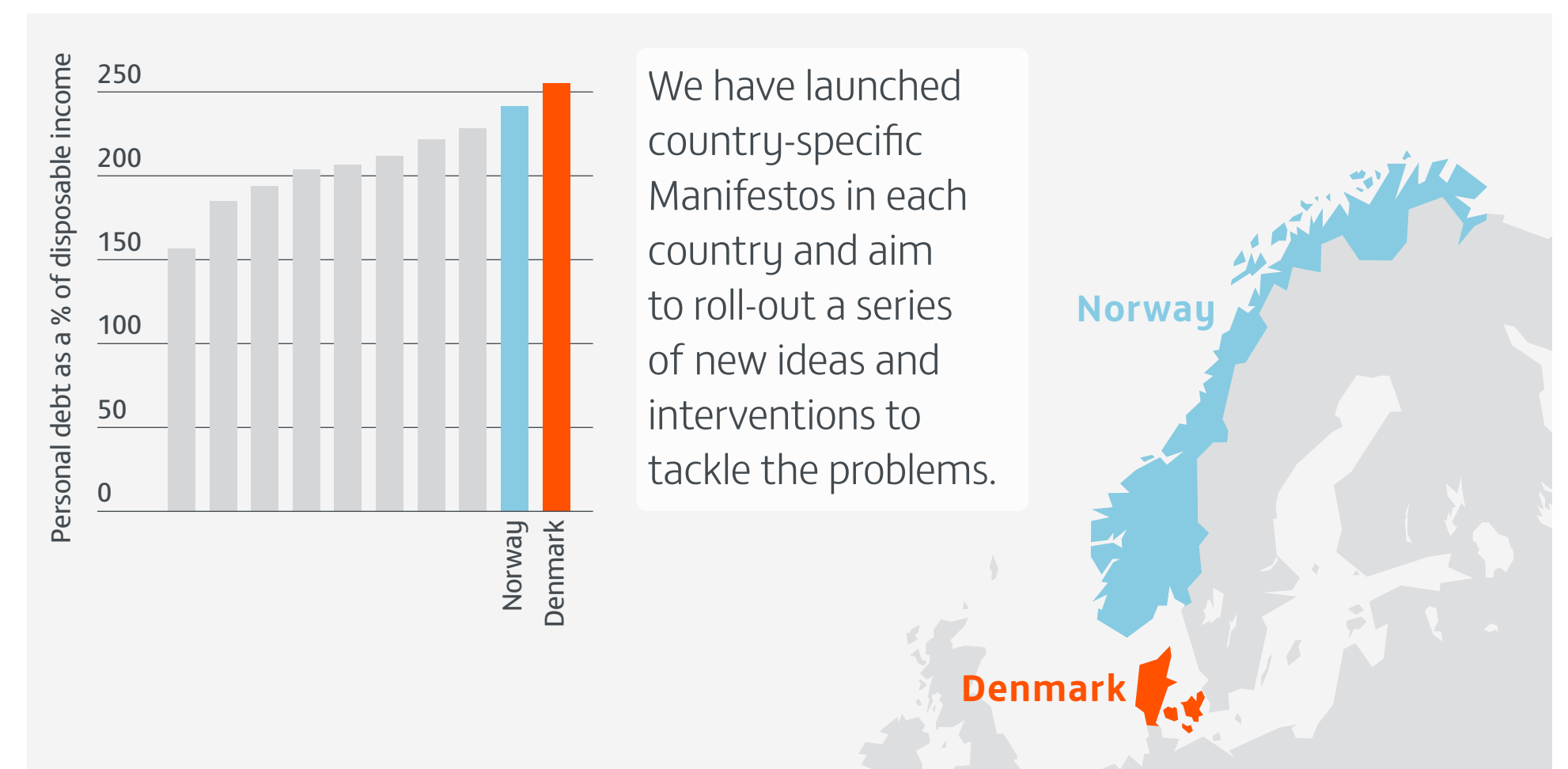
Diversity & Inclusion roadmap

We will continue to review our D&I roadmap based on the feedback from Charlotte Sweeney Associates as we look to build capacity and scale to drive our agenda. In 2023 our focus on gender will remain whilst we also look to create broader stable D&I fundamentals and build wider diversity and inclusion within our workforce and across our customer and client base.

New charity partnerships

In addition, we are setting up two new two-year partnerships in the UK. Turning Lives Around and MyBnk were both chosen as they align with our mission and support individuals in vulnerable situations.

NORWAY AND DENMARK WERE IN THE TOP 10 COUNTRIES EXPERIENCING OVER-INDEBTEDNESS IN 2022*



OECD (2023), Household debt (indicator)

Responsible Business

Our ambition

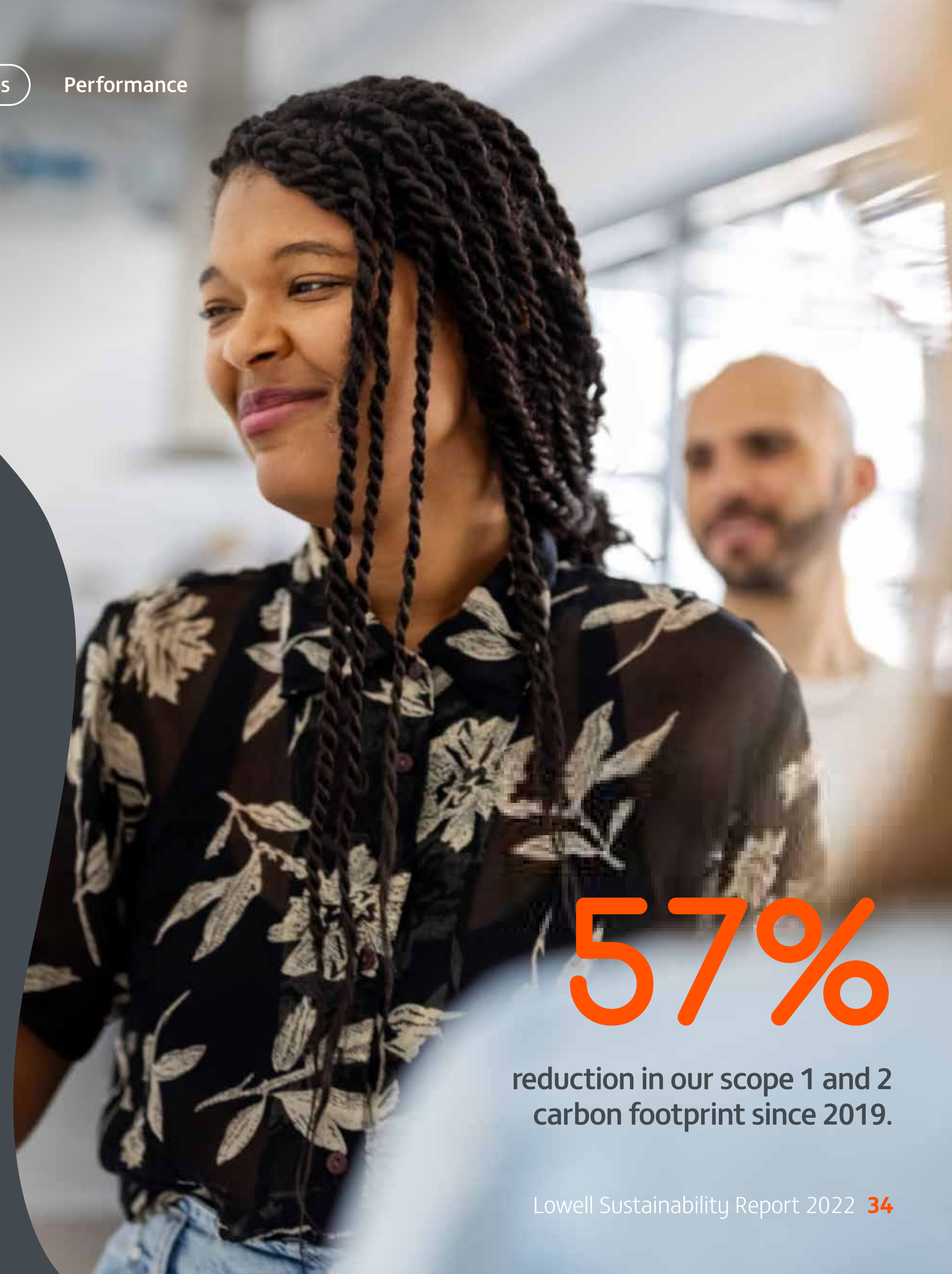
To be a resilient and ethical business that also takes responsibility for the environment. We maintain the strongest foundations of responsible business through robust and transparent disclosure and continuous improvement.



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.



57%

reduction in our scope 1 and 2 carbon footprint since 2019.

Governance

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

Collective responsibility for the strategy, 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 has defined roles and objectives, and specific levels of discretion within which they can operate.

Andy Green is the non-executive and independent chairman of Lowell’s nine-strong Investor Board, six of whom have previous financial services experience and for whom the average tenure is three years. Andy is joined on the Investor Board by a further two independent directors, Trond Brandsrud and Sally-Ann Hibberd. The gender split is two female and seven male. The board completes an annual self-assessment to review the extent to which they are delivering against their terms of reference. Biographies for each of our Investor Board members are available in the Governance section at www.lowell.com.

Group Audit Committee

Responsible for assisting the Investor Board in discharging its responsibilities relating to accounting policies, internal control, and 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, and determination of risk appetite and tolerance. It is also responsible for oversight of the effectiveness of Lowell’s risk framework, the internal controls required to mitigate risk (in conjunction with the Group Audit Committee), and for promoting a risk aware culture.

Group Remuneration Committee

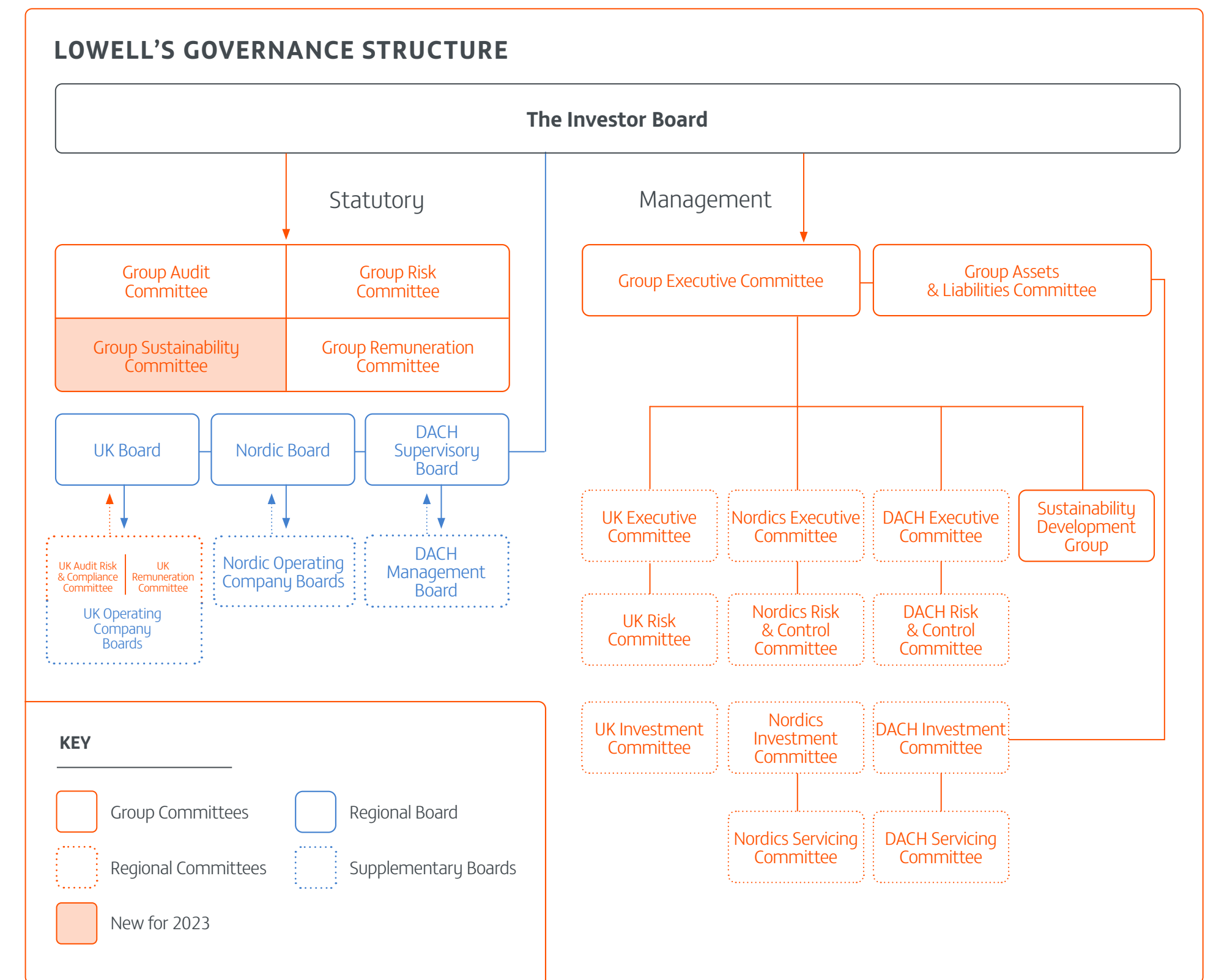
Responsible for the establishment and implementation of remuneration (including nomination) policies for employees and directors, which are designed to support long-term business strategy and the Group’s values, as well as promoting effective risk management and complying with applicable legal and regulatory requirements.

Group Executive Committee

Supports the Group Chief Executive Officer in managing and overseeing all aspects of 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 considered include strategy, operational and financial performance, capital allocation, risk, sustainability, diversity & inclusion, and operational issues affecting the Group. The team also monitors the implementation of transformation and cultural change and executive succession planning, and actively promotes Lowell’s culture, values, and mission through setting the tone from the top.

Regional Risk and Control Committees

These are attended by Regional Executives, and Risk and Compliance leaders, and 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.



Group Risk Framework

Our Group Risk Framework is supported by a wide range of policies. Summaries of our approach to risk management and data protection are available [here](#).

The role of our Sustainability Development Group

Our Sustainability Development Group (SDG) plays a pivotal role in the successful delivery of our Sustainability Strategy. Chaired by our Group Chief Risk Officer, and supported by our Group Head of Sustainability, the SDG reports to the Group 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.

During 2022, the SDG was responsible for delivering against the following four focus areas, agreed by the Group Executive Committee for the year to:

- 1 Drive progress against all measures and KPIs.
- 2 Build best-in-class and accessible reporting.
- 3 Embed sustainability as a source of engagement and as part of Lowell’s culture.
- 4 Engage with external stakeholders to build trust in Lowell.

Key activities undertaken in the year include a mid-year review of Lowell’s sustainability performance through an extensive benchmarking exercise against other businesses, and a full internal business performance review to understand the extent to which we were delivering against our goals and targets. Any issues identified were escalated to our Group Executive Committee.

The SDG met with the Group Executive Committee three times in 2022, with topics including performance review outputs, the visibility and awareness of our developing roadmap to reduce our environmental impacts, and agreeing the three objectives that will shape our roadmap in 2023:

- 1 Seeking independent ESG ratings and using the findings to shape our agenda.
- 2 Delivering carbon emission reductions on a path to achieve Net Zero.
- 3 Become a signatory for the United Nations Global Compact and demonstrate annual progress against their framework.

The SDG has developed detailed plans and lined up resources across the business to deliver on these objectives.

Internal audit

As we continue to develop and enhance our approach to sustainability-related disclosures, we have engaged the services of our Internal Audit function to complete a two-stage review. The initial stage, completed in December 2022, focused on a review of the governance mechanism to produce the sustainability report and the process for selection and definition of the sustainability scorecard KPIs. It found that the Sustainability reporting has been developed in an appropriate manner and to date has been subject to the appropriate scrutiny across the organisation. The review identified some opportunities to further establish Sustainability reporting as a business as usual process, many of which have already been addressed by enhancing the documentation of our report and scorecard production process and the roles and responsibilities within it. Stage two, completed as part of our assurances for this report, focused on reviewing the accuracy and completeness of our 2022 Sustainability Report Performance Scorecard data on a sample basis.

 **PROGRESS IN 2022**

95%

of colleagues completed training relating to anti-bribery and corruption (2021: 94%)

 **TARGET 100%**

Our approach to risk

We aim to protect all our stakeholders – customers, colleagues, the Group, investors, and society – while enabling sustainable growth. We do so through informed risk decision-making and robust risk management, supported by a consistent risk-focused culture. We aim to follow best practice solutions, even where there is no regulatory requirement on us to do so.

The risk framework describes our approach to risk management and the day-to-day management of risks. It defines essential risk management components, includes key principles and standards, as well as a common language that should be embedded across Lowell.

The primary objectives of effective risk management are to:

- 1 Support senior management in achieving strategic objectives and priorities.
- 2 Enable board members to carry out risk oversight responsibilities and governance duties.
- 3 Promote a strong risk and ethics culture based on customer care, conduct principles, and market integrity.
- 4 Ensure compliance with our obligations to, regulators customers, investors, and other stakeholders.

Our risk framework is underpinned by standard operating procedures, covering developing risk appetite, policy governance, top-down risk assessment, risk control self-assessment, risk incident management, issue management, and risk acceptance.

We have conducted internal and external audits of our risk management process within the last two years.

The risk framework is continually monitored and reviewed to ensure it remains suitable for the size, scale, and complexity of Lowell’s business. Recent developments include the creation and deployment of a risk culture scorecard, underpinned by ten key metrics, that enables us to monitor improvements in our risk culture.

We have introduced targets against each of these metrics, which we use to highlight any areas that require further focus and attention.

Three Lines 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.

<p>1 First line Own and manage risk</p>	<p>2 Second line Oversee, challenge, and report risk</p>	<p>3 Third line Provide independent assurance</p>
<ul style="list-style-type: none"> — Ensure a risk-aware culture is maintained. — Manage function in line with established risk appetite and escalate risks that are operating outside of appetite. — Ensure all policies are complied with, and where applicable, policies that are owned are kept up-to-date and cascaded appropriately. — Functions maintain the register of risks and controls associated with core business processes. — 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. — Management is responsible for reporting and managing 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. 	<ul style="list-style-type: none"> — Overseen by Group Risk Committee. — Strong risk leadership via Group Chief Risk Officer and three Regional Chief Risk Officers (all members of Group/Regional Executive Committees). — Supported by the equivalent of approximately 60 full-time colleagues across the Group. — Experts in place for all key risks, including cybersecurity, data privacy, model risk management, and strategic risk. 	<ul style="list-style-type: none"> — Overseen by Group Audit Committee. — 10 FTE colleagues with co-source support. — Strong leadership via Group Head of Internal Audit and Regional Heads of Audit.

Key risk developments – our materiality analysis

We conduct top-down risk assessments at regular intervals with Group and regional executives to identify key strategic risks/issues that could impact long-term value creation.

Our four highest identified risks/issues are:

RISK			
Liquidity, Cost of Debt, & Capital Markets	Inflationary impact on our customers	Inability to recruit and/or retain the right people	Cyber security
MITIGATION PLAN			
<p>A market-wide increase in the cost of debt signalled an increased risk to our interest costs and the broader availability of funding in the capital markets. To address this, we have continued to progress the diversification of our funding through our ongoing securitisation program, and we continue to leverage our experience in asset backed transactions to mitigate increased interest costs.</p> <p>In recent years, we have broadened our panel of lenders, and we continue to systematically monitor our cost of debt, liquidity, and transaction pipeline to ensure we can balance our ability to deploy capital in transactions that provide the right returns whilst still maintaining a healthy liquidity position.</p>	<p>As inflationary financial pressures on households continue to increase, this will have a direct impact on customers’ affordability for debt repayment, which may place pressure on collections. We remain committed to helping customers, including those in vulnerable situations, return to financial wellbeing, and are continually reviewing our collections strategies and processes to ensure these take into account the broader inflationary challenges.</p>	<p>An evolving job market, the advent of hybrid working, and the rising cost of living, are all increasing the risk to talent retention. Attrition is a concern, and we currently have vacancies in some areas. People costs are also likely to increase in 2023. To address these issues, we implemented a new strategy, our Employer Value Proposition, and a policy on hybrid working, together with support enabling colleagues wishing to work from home to do so safely and securely. We also put in place a UK Hardship fund, with colleagues receiving a pay rise in Q4 (outside the normal March increase) to support them with economic pressures, as well as a one off payment of £500 for the majority of colleagues. We have increased our entry-level salary in DACH and the UK.</p>	<p>The risk of cyber attacks impacting business operations is increasingly material, due to the ongoing increase in the volume and complexity of external threats. We continue to take proactive steps to manage and enhance cyber security and controls, making significant investment in the year, including growing our team of experts to 23.</p> <p>Read More →</p>

The right to privacy is a fundamental human right, and we have a large and highly skilled team in place to ensure we are delivering on that right.

Each region has appointed Data Protection Officers and has a dedicated Information Risk team responsible for ensuring the business meets its data protection obligations. Each team is headed up by the regional Head of Information Risk who is a qualified lawyer specialising in data protection law reporting to the regional Chief Risk Officer

All colleagues complete annual mandatory training on data protection and information security. More information can be found in the Governance section of www.lowell.com, and a copy of our UK Privacy Promise and our nine commitments on how we manage personal data is available on www.lowell.co.uk

Read More →

Improved modelling

As an insights-driven business, we rely heavily on the use of models to drive business decisions – with model outputs determining actions relating to everything from what, when, and how to communicate with our customers through to the valuation of our business based on estimated remaining collections. In 2022, we formalised, embedded, and established our model risk function, part of our second line of defence. We have drawn on best practice and have completed an inventory of all our models. From this, we have implemented a method of ranking the models from high to low risk. We are now carrying out detailed reviews to ensure the models continue to meet our business needs.

Aligning training with best practice

In 2022, we began a programme to identify opportunities to improve and harmonise our mandatory training across our three regions. The improvements identified fall into three categories:

- Technical experience
- Governance framework
- Learning content and application

We have seen an increase in the completion rates for our training related to anti-bribery and corruption, and data security protection and privacy, of 1 percentage point and 2 percentage points respectively, up from 94% to 95% for anti-bribery and corruption, and from 94% to 96% for data security, protection and privacy. Our improvement programme will run until the end of 2024.

Developing best practice in data protection and information security

In 2022, we launched new modules for data protection and information security in the UK, as well as developing additional targeted training for specialist roles.

As part of our commitment to developing sector-leading standards, we contributed to the drafting of a European Code of Conduct for data protection in the debt collection industry. In Finland, we have been involved in the drafting of the Finnish GDPR guidelines for capital collection agencies. This work has been conducted under the supervision of the Association of Finnish Debt Collection Agencies, of which Lowell Finland is a member.

In Germany, our Head of Quality and Complaints Management, Thomas Schauf, chairs the Data Protection Committee of the BDIU (Federal Association of German Debt Collection Companies), and in the UK, we work closely with the Credit Services Association (CSA) on data protection developments. This includes taking a leading role in the current review of the CSA's Trace Code of Conduct, and responding to consultations, such as the Association of British Investigators' proposed GDPR Code of Conduct and the EU Commission's draft 2021 Standard Contractual Clauses. We also respond to consultations published by the Information Commissioner's Office (ICO) and the UK Government, such as the ICO's regulatory action policy and the Department of Culture, Media, and Sport's consultation on data reform in the UK.

 **PROGRESS
IN 2022**

96%

**of colleagues
completed
training relating
to data security,
protection, and
privacy during
2022**

 **TARGET
100%**

Cyber security

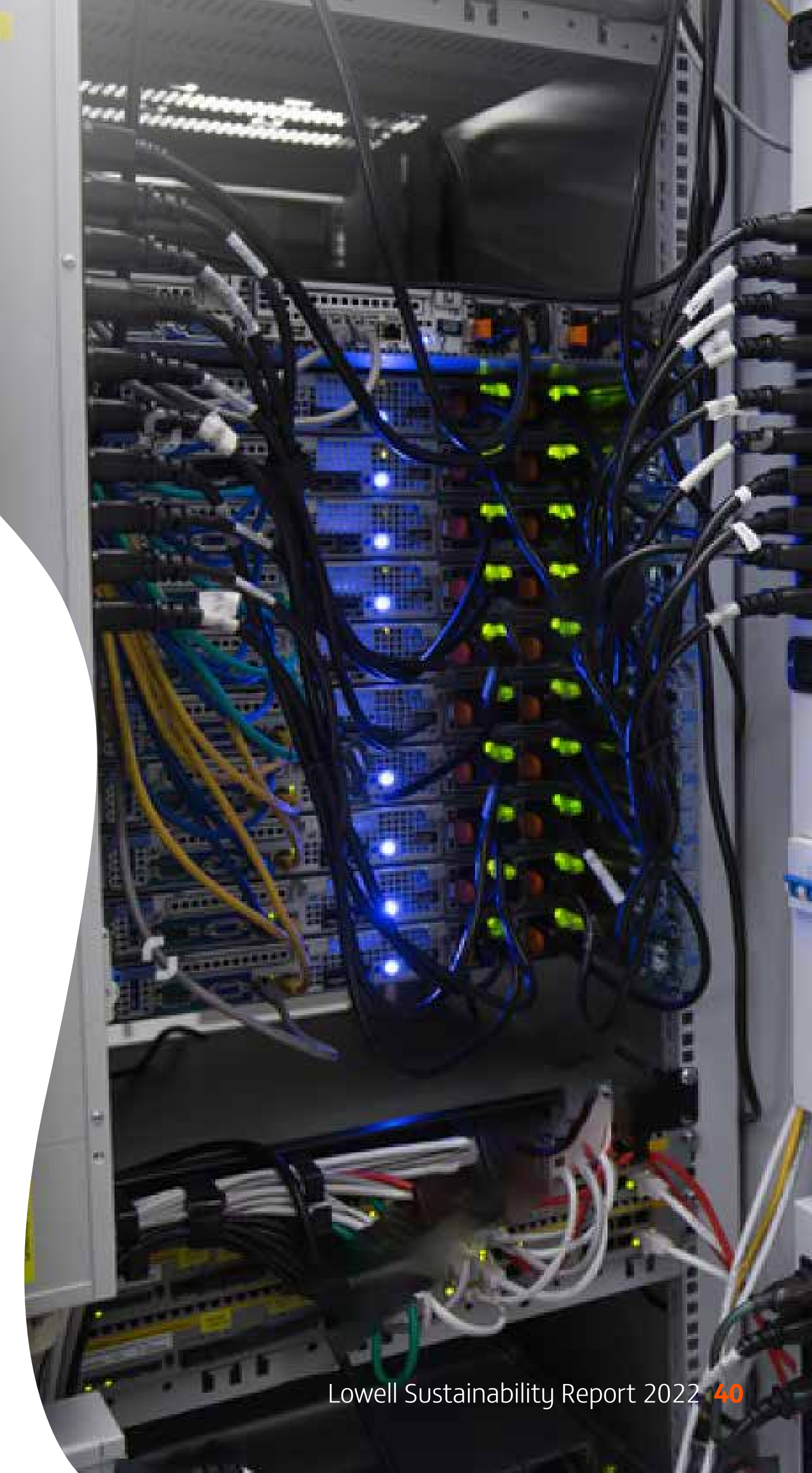
We are trusted by our customers, colleagues and clients to store, manage, and process data safely. This is a responsibility we take very seriously. We regard data protection as a fundamental human right and it is important to us that the data with which we are entrusted is handled respectfully and compliantly. Cyber security at Lowell is overseen at Board level by the Group Chief Finance Officer, who has a relevant IT background, and is a member of the Executive Management team. He is supported by our Director of Cyber Security who, with his team of 23 specialists, oversee our cyber and information security strategy.

Our Group Information Security policy was fully reviewed and updated in late 2021 and sets out the role of everyone at Lowell in protecting company data. This high-level policy has been developed through the publication of a full Information Security Policy Framework, further enhancing our risk, control and assessment models in this critical area. We annually test our business continuity and contingency plans, and incident response procedures, and conduct third-party vulnerability testing.

When our system security was breached in DACH in 2022, we took immediate, proactive steps to close our systems down to contain the breach, notify the relevant authorities, and minimise the impact of the attack. We also deliberately adopted a policy of open and transparent communication with our customers, colleagues and clients, providing as much support as we could until the attack was defeated and our systems restored.

We continue to maintain ISO27001 certification in the UK which was reinforced via a recent assessment by British Standards Institute in November 2022.

Read More [→](#)



Business Ethics

In 2022, we rolled out our new Groupwide Code of Conduct to build on existing regional policies. The Code sets out how we work as a company, and how we expect every colleague to do their personal best to embody our values and follow our guidelines. Training for all colleagues across the Group, including new joiners, is currently in progress, and will be completed in 2023. You can find out more about our values and ways of working in the ‘Better Ethics and Understanding’ section.

We also joined the UN Global Compact in January 2023 and are committed to their four areas of impact, including Human Rights, Labour, Environment, and Anti-corruption. This will add additional focus to our efforts on responsible business issues, as well as annual progress reporting against their ten principles from 2024.

Third-Party Management

Management of our third parties is overseen by a central procurement team, with individual relationships managed as appropriate by subject-matter experts within the business. Suppliers are assessed and relationships are established and managed in accordance with our Group Procurement Policy, which sets out the requirements in relation to the procurement of goods and services, and the ongoing management of third party services and outsourcing relationships.

The policy details the control framework for all business units to follow in relation to third-party expenditure, including authorisation levels, third-party selection guidance, due diligence, onboarding, oversight, ongoing management, and exit management requirements.

The policy’s goal is to ensure that goods and services acquired by Lowell (to deliver business objectives) provide value for money and are in line with the business strategy, operational, financial, legal, and regulatory requirements, as well as our sustainability strategy and commitment to the UN Global Compact principles covering human rights, labour, environment, and anti-corruption. It is aligned with European and regional regulations including: European Banking Authority Guidelines on Outsourcing (EBA/GL/2019/02); EU Supply Chain Regulations; Financial Conduct Authority outsourcing requirements; and the ISO/IEC 27001:2013 Information Security Management System.

Compulsory adherence to the policy enables Lowell to effectively identify, monitor, mitigate, and manage the risks associated with third-party relationships and outsourcing. The initial stages of third-party engagement involve a supplier risk assessment to identify any potential issues, and financial and compliance checks covering financial performance, politically exposed persons, sanctions screening, and negative media exposure screening.

Lowell engaged with a third party to complete an audit of our third-party management approach in 2022, the findings of which will direct our roadmap for continuous improvement.

Whistleblowing policy

Our Group Whistleblowing policy was reviewed in 2022. The policy outlines the mechanisms and principles to determine how our colleagues may raise concerns through our whistleblowing channels and the steps to be taken when a whistleblowing complaint is received. All our colleagues are made aware of how such complaints can be made, the channels available, and their security and anonymity. We do not tolerate reprisals, victimisation, or harassment of anyone raising a concern in good faith through these channels, and treat such behaviour as a serious matter.

UNGC participation confirmed in January 2023



Financial crime policies and training

Our Group Code of Conduct includes a set of principles relating to financial crime. They outline the responsibility of all Lowell colleagues to protect our reputation by avoiding situations in which they could, however unintentionally, become involved in money laundering, fraudulent activities, or the financing of terrorism. Additional guidance is set out in specific regional policies relating to fraud, corruption, money laundering, counter-financing, and terrorism.

Annual mandatory training is provided to all colleagues on key financial crime topics as required.

Local activity is driven by regulation and best practice and include transaction monitoring, enhanced customer or client due diligence for those living or operating in higher-risk countries, adverse media coverage monitoring considering both reputational and financial crime risk, and suspicious activity reporting to relevant government and law enforcement bodies.

We screen all new suppliers, which includes checks for sanctions and for politically exposed persons. We set our own standards in terms of the industries we will work with and complete checks against these industries for all new clients.

To ensure we adhere to changes in legislation or regulation, we complete horizon scanning and monitor Government updates relating to sanction regimes.

Gifts and hospitality

Colleagues are given guidance around the acceptance and provision of gifts and hospitality in line with local regulatory requirements. This is to protect our colleagues themselves and our company reputation. The offering or receiving of gifts, entertainment, and hospitality (which could include travel) should never compromise the integrity of business decisions or the loyalty of the people involved, or be perceived in any way as a bribe. As part of our ongoing monitoring and reporting, we developed the use of one of an existing online platform in the UK to monitor all offers of gifts and hospitality of any value.

Conflicts of interest

Principles relating to conflicts of interest are set out in our Group Code of Conduct. Each region implements these principles through regional policies and/or colleague training that covers what constitutes a conflict and how to report it, and covers a variety of different scenarios and actions, such as: handling accounts for people where there is a personal relationship or avoiding any involvement or decision-making with a work situation where a relationship exists.

Regulator complaints

We see complaints, whatever they relate to, as learning opportunities. Resolving the complaint is of course our priority, but we also 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 2022, there were 23 complaints upheld or justified by regulators relating to data privacy or data protection matters. We share additional information on complaints in line with regional requirements, where they exist.

 **PROGRESS
IN 2022**

23

**customer
complaints raised
with and upheld
by regulators
relating to data
privacy or data
protection
matters
(2021: 16)**



Putting our values into action

In March 2022, Lowell was subject to a cyber attack in our DACH region, affecting our business in Germany, Austria, Switzerland, and Croatia. The attack was a ransomware demand carried out by a well-known cyber crime group and was part of organised criminal activities.

A swift response was clearly needed, and we immediately put in place our crisis response plan to contain the attack and set up a crisis management team capable of swift decision making. Our IT systems detected the breach and we immediately acted to implement counter measures, shutting down all our systems in the region and disconnecting them from external connections, in accordance with our guidelines. We also notified the relevant authorities, such as the relevant data protection authorities, and our expert IT specialists and a team of forensic experts got straight to work on identifying and rectifying the issues affecting our systems.

Of course, this decisive action did mean that our ability to interact with our customers and clients was severely impaired. Our colleagues were also unable to access the systems they needed for their work. It was imperative that we contacted our colleagues, customers, and clients to inform them of the situation as quickly as possible and then keep them updated regularly. Open, transparent, and swift communication to all affected parties was essential and at the heart of our actions.

We were able to contain the attack, though our systems were out of action for some weeks. No ransom was paid to the criminal group, and while this did result in data being stolen, we did our utmost, in close cooperation with the responsible authorities, to advise potentially affected individuals on how to protect themselves. Following our notification to the relevant authorities in line with GDPR requirements and ongoing open and transparent communication, the data protection authorities informed us that they will neither proceed with any further investigations nor apply sanctions or other measures.

This was undeniably a serious attack, and caused major disruption to our business. But, besides a rigorous learning process to identify all areas where we could further improve our security measures (which we have now done), we believe that our actions and handling of this incident are equally important. Hence, our response was guided by our values, and in particular, responsibility – earning trust by being open, reliable, and accountable. Our customers and clients have told us how much they appreciated our openness, and the proactive efforts we took to communicate with them throughout this time. What could have been a damaging episode has, in fact, strengthened the bond of trust between us and those with whom we work.

“

Our response to the cyber-attack in the DACH region was guided by our values, and in particular Responsibility—earning trust by being open, reliable, and accountable with everyone who was affected by this inside and outside the business.”

**SUSANNE SCHNEIDER,
CHIEF RISK OFFICER, DACH**



What's next

Underlining our commitment to sustainability, and to support and lead our efforts, we are introducing a new Group Sustainability Committee in 2023.

This new Board committee will:

- ⊙ Provide oversight on behalf of, and advice to, the Board, in relation to Lowell's Sustainability Strategy and related activities.
- ⊙ Assist on such matters related to sustainability as may be referred to it by the Board.

The committee will also monitor how our Sustainability Strategy is received and regarded by our colleagues and external stakeholders, and monitor its implementation against sector competitors, regulators' expectations, and general trends.

Although the committee will have a formal requirement to meet at least twice a year, it is expected that it will meet more frequently initially.

Emerging risks

We continue to look ahead to identify and mitigate against emerging risks. We will continue investing in digitalisation, so that we can offer customers channel choice and remain able to compete in faster-growing, low-ticket segments where automation is more important. We also continually review our commercial strategies, so we can align our service offering with changing consumer behaviours caused by market disruptions.

Further maturity of our Risk approach

Now that our Groupwide risk management system is fully embedded, our focus is on continuing to engage with and educate subject-matter experts across the business to ensure risks and issues are captured appropriately, fully understood, and managed in a timely and effective fashion, with controls identified where needed to provide risk mitigation.

Sustainability Policy Development

Our Sustainability, People, and Procurements teams are currently finalising a new suite of sustainability policies to be launched in the first half of 2023. These include an overall Sustainability Policy (to replace our current ESG Policy), a new Business Travel Policy that sets out the environmental considerations of travel more specifically, along with clear definitions of what we see as necessary travel, and a broader Environmental Policy, which will help ensure colleagues fully understand our environmental commitments and how they can contribute, both within their specific roles and as commuters, business travellers, and office users. Once these are implemented, we will update our procurement, sourcing, and third-party management framework accordingly as we seek to ensure the standards and practices of our suppliers match our own.

Human Rights Policy Development

Treating people ethically and fairly is central to our values. During 2023, we plan to work with a third-party company to formalise our human rights policy. This will build on existing policies, for example, labour management, our modern slavery statement, and approach to social dialogue, which covers issues such as employee health and safety or freedom of association, and are either aligned to regional laws, legislations, or standards, or agreed by collective agreement. We will make any necessary enhancements regarding our requirements and those of our suppliers to ensure we are aligned with best practice and internationally accepted standards, such as the UN's Declaration of Human Rights.

Environment

Lowell is committed to doing what we can to protect the environment and tackle climate change. Climate action is one of the five UN Sustainable Development Goals on which our actions can make the most impact, and our Sustainability Strategy embeds environmental protection throughout our business.

We have set three key Group-wide targets to reduce greenhouse gas emissions:

- ⦿ To be carbon neutral by 2025 (including our Scope 1 and 2 emissions and business travel).
- ⦿ To use 100% renewable electricity by 2025.
- ⦿ To achieve Net Zero emissions by 2030.

In support of these goals, in 2022, our main environmental focus was on reducing our operational emissions, analysing existing policies and data to optimise our decarbonisation effort, and mapping our Scope 3 emissions (those not produced by our own activities but those for which we are responsible within our value chain).

Our carbon footprint

Due to the nature of our operations, our largest direct impact on the environment is the energy and resources required to run our 25 offices and our fleet of over 100 cars across our DACH and Nordic region. However, the shift to hybrid working has provided opportunities to reduce the energy usage across our offices, as well reducing the emissions created by colleagues commuting. We are also continually seeking ways to make the most efficient use of energy and resources in our offices.

Our scope 1 and 2 carbon footprint has decreased by 57% since 2019, largely due to the substantial increase in renewable electricity that we have sourced (61% in 2021 vs. 17% in 2019) and a decrease in total energy consumed across the Group, predominantly due to office closures. The small increase in Scope 1 emissions seen between 2020 and 2021 can be attributed to the top-up of refrigerants in cooling systems which typically occur every few years.

Our Carbon Footprint¹

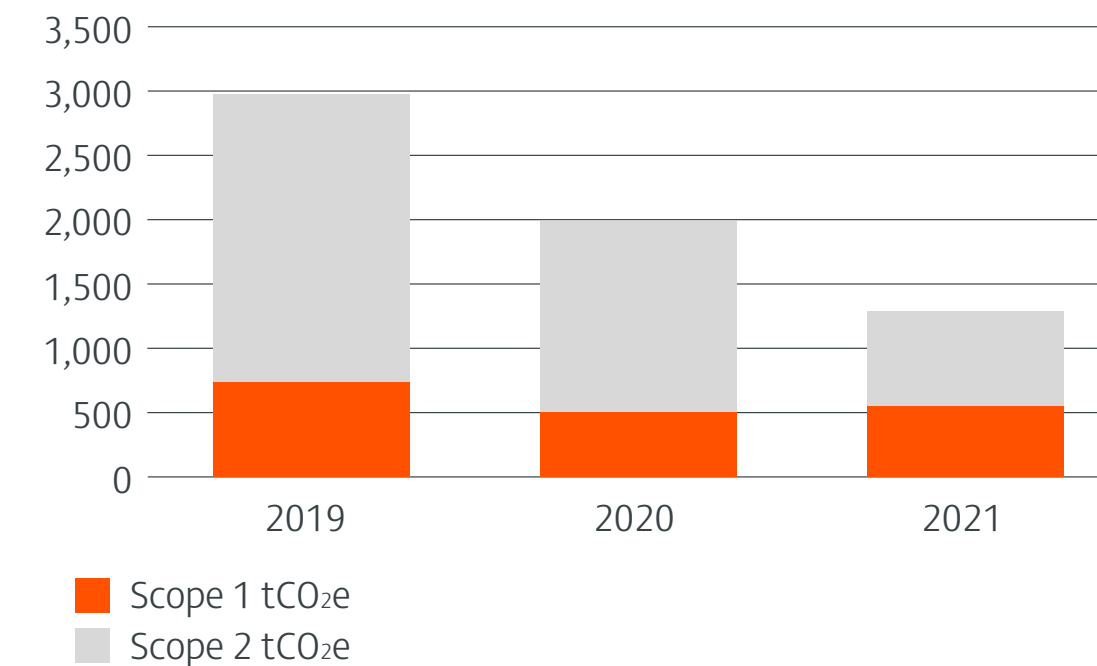
	(All units tCO ₂ e)		
	2019	2020	2021
Scope 1	735	500	551
Scope 2 (location-based) ²	1,939	1,560	1,211
Scope 2 (market-based) ³	2,243	1,491	734
Total Scope 1 & 2 (location-based)	2,674	2,060	1,762
Total Scope 1 & 2 (market-based)	2,978	1,991	1,286

¹ Our carbon footprint has been calculated in accordance with the GHG Protocol.

² A location-based method reflects the average emissions intensity of grids on which energy consumption occurs.

³ A market-based method reflects emissions from electricity that companies have purposefully chosen.

Lowell Carbon Footprint: market-based emissions



Energy Consumption

	(All units MWh)		
	2019	2020	2021
Total energy consumption (incl. purchased electricity, heating, cooling)	11,457	11,586	9,277
Total electricity consumption	5,402	4,082	3,451
Total electricity consumption generated through renewable resources	939	1,591	2,090
Proportion of electricity consumption generated from renewable sources	17%	39%	61%

PROGRESS

2021 Greenhouse gas emissions

57%

Our scope 1 and 2 carbon footprint has decreased by 57% since 2019

551 tCO₂e
Scope 1 emissions
-25% since 2019

734 tCO₂e
Scope 2 emissions
-67% since 2019

Measuring our indirect emissions (Scope 3)

In 2022, Lowell undertook a scope 3 screening exercise to get a better understanding of our full value chain impacts. Based on our organisational structure and activities, we worked with our sustainability partners to identify which scope 3 emissions categories, according to the Greenhouse Gas Protocol, are relevant to our business. Relevant and recent activity data was then gathered including:

- Spend by category on goods and services
- Spend on capital goods
- Business travel
- Waste
- Water
- Annual electricity and fuel consumption, which is used to assess the upstream emissions associated with the production and distribution of electricity and fuels.

This activity data was then converted into greenhouse gas emissions using publicly available conversion factors, including the Quantis scope 3 evaluator and UK Government GHG conversion factors. This screening now gives us a good basis for completing a more detailed inventory of our emissions and will provide an initial basis for action on reducing our scope 3 emissions.

The initial screening exercise identified the main categories as purchased goods and services, capital goods, colleague commuting and business travel. In 2023, we will focus on improving the completeness and accuracy of our activity data. We will then be able to complete a full greenhouse gas inventory.

Lowell's main Scope 3 categories



Purchased goods and services



Capital goods



Colleague commuting



Business travel

Our emissions reduction plan

To help us achieve our environmental targets, we have developed a five-point plan for reducing our Scope 1 and 2 emissions. We will do this through:

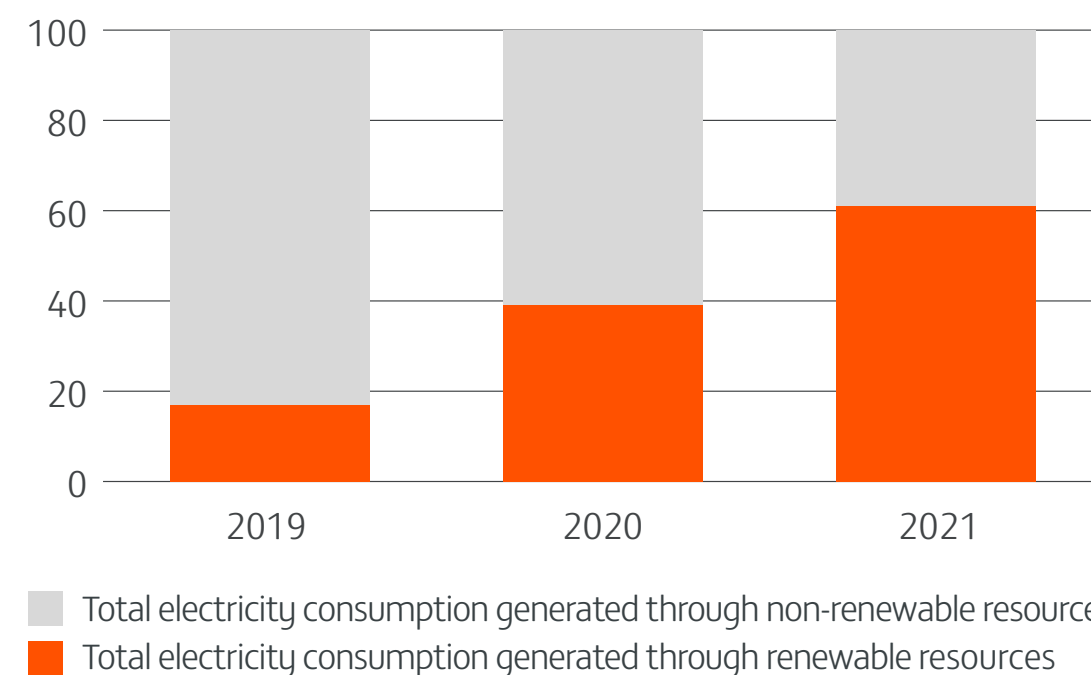
- 1 Switching to 100% renewable electricity across all our sites.
- 2 Identifying and implementing energy efficiency opportunities on high-emission sites with long-term lease commitments.
- 3 Optimising office space to align with needs of a hybrid working model.
- 4 Incorporating green credentials into new site requirements.
- 5 Removing all internal combustion engine vehicles from our fleet by 2030 in line with our Net Zero goal.

1 Switching to 100% renewable electricity across all our sites.



We used 9.3 MWh of electricity to power our offices in 2021. Switching to renewable sources of electricity and away from traditional ‘brown’ sources is an important step in reducing our carbon footprint. We already have renewable electricity tariffs for ten office locations, and 61% of our total consumption in 2021 was from renewable electricity sources.

Proportion of Electricity Consumption Sourced from Renewable Sources



2 Identifying and implementing energy-efficiency opportunities on high-emission sites with long-term lease commitments.



While sourcing renewable electricity is a relatively simple way to reduce our emissions, we know that there is high demand for renewable sources of energy, and we must also play our part in reducing demand as much as possible. In our DACH region, we conduct energy audits every three to five years in line with German regulations. Our next audit is due to take place in 2024, and from this, our facilities managers will propose recommendations on how we can make our buildings more energy efficient. In the Nordics, we will be reviewing our sites over the coming year and looking to arrange energy audits on our largest offices with long-term leases. In the UK, we are focused on achieving high standards of energy efficiency at our new office – Thorpe Park.

3 Optimising office space to align with hybrid working.



Our need for office space changes every year, shaped by our business strategy and the acquisition of new clients, but also by the shift to hybrid working. Where possible, we are reducing our office space, which not only lowers our operating costs, but will cut the amount of office energy we consume. We completed two office moves in 2022 in the Nordics region, which has reduced our office space by almost 1,000 square metres. In our DACH region, we closed four offices.

4 Incorporating green credentials into new site requirements.



There are years when Lowell moves or takes on new office spaces to meet the needs of our business activities. This is an opportunity to specify high sustainability standards. This is the case with our new Gothenburg site, which is being built according to the BREEAM environmental certification system and is expected to achieve BREEAM Excellent certification in 2023. Sustainability initiatives for this site include responsibly sourced furnishings and equipment, the selection of water efficient fixtures and fittings, energy efficient lighting and facilitating green travel – including bicycle storage and electric charging points. We also used existing furniture where possible and purchased second-hand or locally produced items for any additional requirements.

5 Removing all internal combustion engine vehicles from our fleet by 2030 in line with our Net Zero goal.

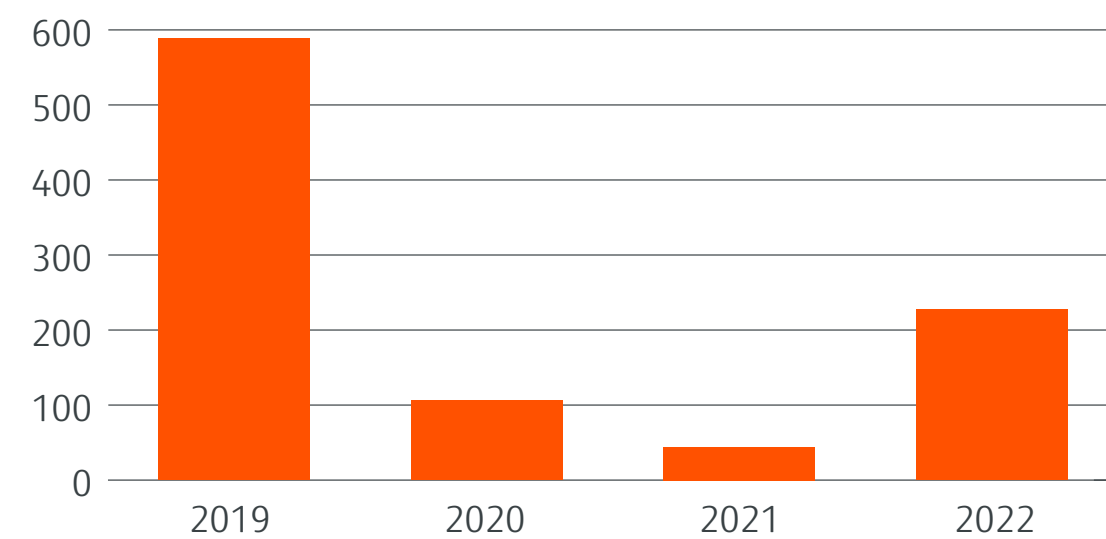


We have over 100 company cars in our DACH and Nordics regions. Some of these are used for business purposes, such as visiting courthouses, but the majority are part of employee benefit packages. As Lowell facilitates the leasing of these vehicles for colleagues, any emissions associated with their use are included in our carbon footprint. It is therefore important as part of our Net Zero commitment that we eliminate emissions from vehicles, as we already have the technologies to do so. In DACH, we are modelling the potential emissions reduction that could be achieved by switching to electric vehicles, which will help inform a potential new company car policy.

Optimising business travel

While we recognise the value of colleagues meeting in person to build relationships, deepen knowledge, and co-create, we are conducting a data- and insight-led review of our business travel. This will help us to develop policy criteria in 2023 that take into account the environmental impact of travel. We will also be holding an employee commuting survey in 2023 to enable us to better understand our colleagues' commuting needs and habits, and their impact on emissions.

Lowell business travel emissions (tCO₂e)⁴



Our approach to offsetting

Our priority will continue to be to reduce emissions as much as possible from our offices and business travel. However, we will also need to neutralise residual emissions – emissions that we are unable to eliminate through our decarbonisation actions – to meet our carbon neutral and Net Zero targets. As such, we have begun to develop criteria that any purchased carbon credits must fulfil, which will, for example, include that they must be verified by recognised carbon credit standards, such as Verra or Gold Standard. We will continue to monitor guidance around carbon credits and adapt these criteria as necessary.

Waste

In the UK, we have already achieved our goal of sending zero waste to landfill and will continue to monitor this. We have faced difficulties in obtaining accurate waste data in our other regions due to us being tenants in shared occupancy buildings. Therefore, we are developing a new plan to address sustainable waste management in 2023.



Plans for 2023

We will engage our Environment Involve Group of colleague volunteers across our business to act as our eyes and ears on the ground and help us to identify any opportunities to improve waste management and recycling across our sites. Our work will focus on identifying the root causes of waste, looking at how we can use fewer materials, and ensuring the materials we use are widely recyclable. We will supplement the findings of this group by completing waste audits, if required, at our priority sites, and sharing the resulting action plans and deliverables in our future Sustainability Reports.

⁴ Includes plane and train business travel booked through Egencia, our travel provider.

Paper consumption

Customer communication is a core part of our business activity as we seek to work with our individual customers to find the best solution for their individual needs. As such, paper consumption is an area we identified as being relevant to our business and the impacts we have on the environment.

Historically, almost all our customer communications were paper based, and there are obligations on us in some jurisdictions to use mail for correspondence. However, in recent years, our digitalisation programme has helped us to reduce the amount of paper we use.

Our focus during 2022 was to map our paper purchasing and use across the business. This has provided an estimated volume of paper and how much is from sustainable sources, either recycled or from sustainable forestry sources. We have also continued to look at ways to reduce paper use. Giving our customers the ability to access copies of statements online in both the UK and Nordics has been a significant step forwards, and we've also been responding to customer feedback in the Nordics and sharing communications via digital mailboxes.



Zero

Waste to landfill in the UK

110

Total waste in the UK (tonnes)

2019: 115

2021: 54

2022: 110

92%

Percentage of waste in UK recycled:

2019: 86%

2021: 87%

2021: 92%

Our paper action plan

Based on our findings so far, we have developed a paper action plan, focusing on four key areas:

- 1 Customer communications
- 2 Consistent paper data
- 3 Sourcing policy
- 4 Colleague engagement

1 Customer Communications



While hard copy written communications still have an important role to play, we will continue to explore opportunities to reduce letter length and, if possible, paper weight, whilst being mindful of not impacting a customer's likelihood to engage.

We will also pilot using different paper types and weights and establish a commitment to using sustainably sourced paper. The environmental benefits of reduced paper consumption will be embedded into our business-as-usual customer communication review processes as a key consideration for changes.

2 Consistent paper data



Making a concerted effort to address paper consumption is an important part of our sustainability strategy. To ensure we have a clear 'starting position' and can track progress appropriately, we will work with our printers and suppliers to establish a regular reporting framework for paper usage in terms of the volume, weight, and type.

3 Sourcing policy



Ensuring we are using paper from a sustainable source is an important part of our work. Early supplier engagement suggests that 60% of the paper used for customer letters is from a sustainable source, and during 2023, we will establish and communicate common standards for paper sourcing.

4 Colleague engagement



Whilst the majority of our paper consumption comes from our customer communications, we want to capture wider usage and engage all colleagues on the topic. Paper sourcing and usage will be included in our Environment Policy, due to be rolled out in 2023.



Engaging colleagues

Formed in June 2022, our Environmental Involve Group (EIG) consists of colleague volunteers who want to put their personal passion for environmental topics to good use in helping the planet. The EIG’s remit is to be a critical friend for our environmental work, helping to shape our corporate agenda, and to generate interesting and informative content to help colleagues make more informed choices in their personal life.

In 2022, members shared their experiences of second-hand shopping and minimising food waste, as well as engaging colleagues across the Group with the international plastic free challenge in July. The wider organisation is kept informed of the EIG agenda through a blog written by EIG members. Topics discussed in the year ranged from ways to incentivise green travel to developing cost benefit assessments for onsite renewables.

48%

of colleagues were engaged by Lowell on environmental impact.



“I joined the Environment group because I’m concerned about the issues we face today, particularly global warming and flooding, and felt that helping both the company and colleagues to find ways to help the environment and save money would be a good way to have a positive impact.

I thought I knew quite a lot about renewable energy, electric cars, and eco-friendly gardening, but I’ve learned a lot more over the last year!”

ELAINE BARBER, EIG MEMBER



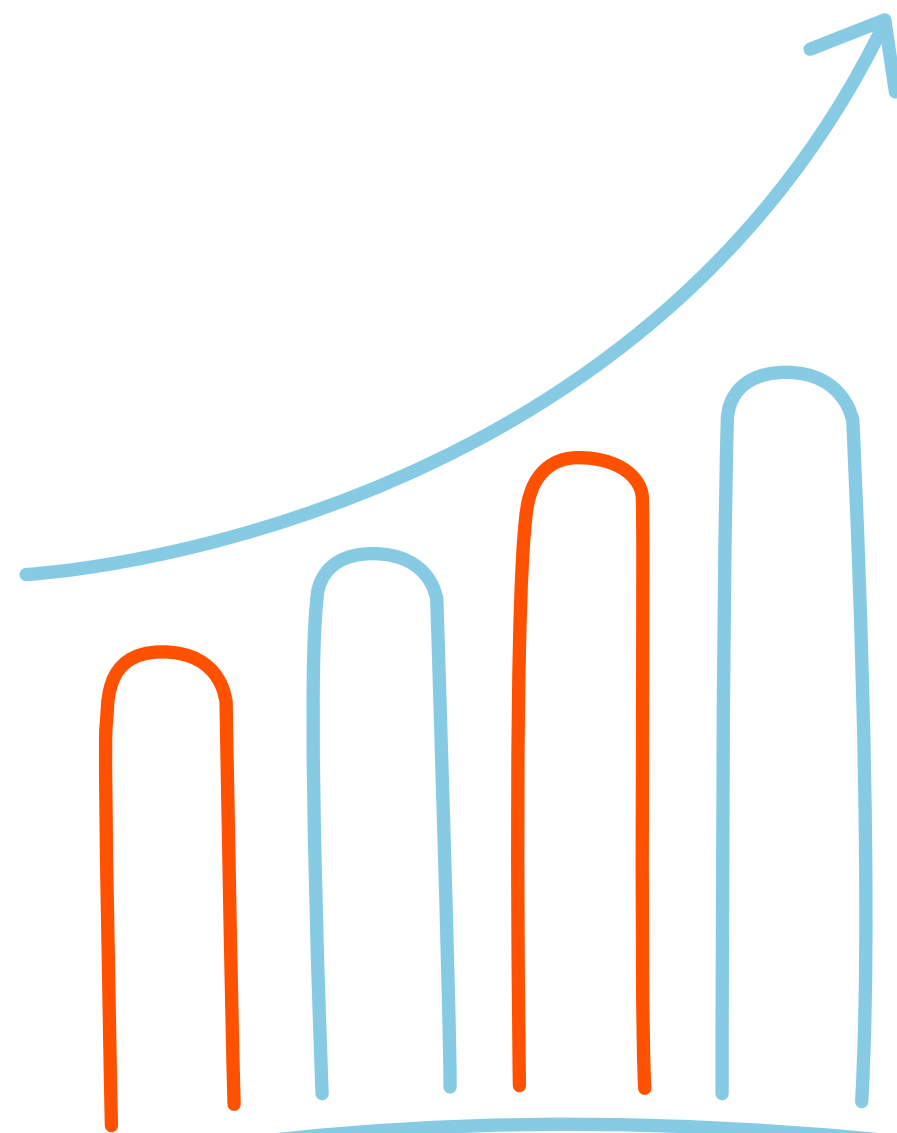
What’s next

In last year’s report, we featured our new UK office in Leeds. We are still on track to move into the new building in Summer 2023, which will help reduce our overall environmental footprint. Built to WELL and BREEAM standards, the building will include a range of environmental features, including recycling centres on each floor. We are using local companies and manufacturers to fit the building out and involving colleagues in the design process to make sure the building works for them – such as the choice of office furniture and even the set-up of the coffee bar.

A railway station is scheduled to be built nearby and we are also working with Leeds City Council to ensure suitable bus routes for our colleagues, meaning the new site will enjoy good public transport links. Ahead of the opening, we are running a colleague survey in 2023 to fully understand colleagues’ travel requirements. We are also liaising with the wider business park to explore key services, such as waste collection that can be shared to better manage emissions.

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 2022 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.



“

Mirroring the rigor we apply to our financial disclosures is front of mind as we continue to develop our reporting of sustainability metrics to give our stakeholders the utmost confidence. Along with external accreditations, such as our Bronze EcoVadis rating, and our commitment to the UN Global Compact, this will help us build trust and make us more attractive as a company to work for and with.”

JAMIE WILSON, GROUP CFO



Performance scorecard



Better for Customers

Sub-topic	Trends and supporting activities	Key Performance Indicators				SASB
		Metric	Future Target	2021 Performance	2022 Performance	
Trusted and engaging	<ul style="list-style-type: none"> NPS scores in UK and Nordics remain market-leading. DACH NPS process on track to launch in Q1 2023. 	Customer Net Promoter Score (NPS)¹	Establish a standardised process for collecting customer NPS across all regions by end of 2023 and achieve above market rates ongoing. ²	UK: 67 NPS Q1:73/Q2:69/Q3:65/Q4:62 Nordics: 51 NPS Q1:55/Q2:53/Q3:49/Q4:50	UK: 59 NPS Q1:64/Q2:58/Q3:56/Q4:57 Nordics: 52 NPS Q1:49/Q2:49/Q3:52/Q4:56	
		Group client customer Treatment Score³	>85%	97%	99%	
Personalised approach	<p>Support for customers in vulnerable situations</p> <ul style="list-style-type: none"> We disclose our Group Policy and Pledges for Customers in Vulnerable Situations (CIVS) externally. Formal training on the Group Policy and Pledges completed by 97% of colleagues across the UK and Nordics. Coaching on CIVS is provided to all colleagues in all regions as a matter of course. <p>Enabling broader financial health</p> <p>Continued to offer range of debt support tools and services:</p> <ul style="list-style-type: none"> UK: 73% of customer engagements came in through digital channels in the UK (2021: 69%); 1.5m registered to manage account online (284,300 in 2022); 134,995 customer App registrations since July 2021 launch (102,110 in 2022), 56,000 explored a free credit score; 500 customers accessed the benefits calculator since its launch in July until 31 December 2022. DACH: 18% of our inbound customer interactions came through our digital enquiries process (an increase of 1 percentage point vs 2021). Nordics: 60% of our inbound customer interactions came through our digital customer services platform, an increase of 5 percentage points on 2021; 287,000 new users registered for our My Lowell Nordics portal that was visited by 460,000 customers 1.6 million times during the year. 	Number of debt-free customers⁴	N/A	2 million	2 million	

Footnotes on page 58.
Hoist UK customer, client and colleague data has been excluded for the 2022 reporting period due to the completion date falling within Q3 2022.



Better Ethics and Understanding

Sub-topic	Trends and supporting activities	Key Performance Indicators				SASB
		Metric	Future Target	2021 Performance	2022 Performance	
Lowell Values and ways of working	<p>Clear values and ways of working</p> <ul style="list-style-type: none"> Developed a Group Code of Conduct and People Policy which has been communicated to new joiners via welcome content and online learning, and to all existing colleagues through a range of communications channels, including Yammer. Training on the Group Code of Conduct is integrated into regional training packages. In the Nordics, this training was completed by 97% of colleagues so far and similar biannual training is scheduled to start in DACH and UK during 2023. 	Group colleague engagement score⁵	75 by December 2025	69	73	✓
		Group colleague engagement survey response rate	>80%	81%	79%	
		% of eligible employees that completed Group Code of Conduct and People Policy training⁶	100%	N/A – new KPI	97%	✓
Our promise to clients and customers	Client satisfaction remains high at 8.2. It has, however, fallen under our ambitious target. We are working with clients to understand the reasons behind this in our DACH region and put any necessary fixes in place.	Group client satisfaction score⁷	Achieve and maintain excellent satisfaction score above 8.5.	8.6	8.2	
Advancing standards and understanding	<p>Help improve sector insight and understanding</p> <ul style="list-style-type: none"> Membership of debt collection associations and business networks in all of our operating countries. Key partnerships that deliver better debt understanding and education. Funding for the free debt advice sector in the UK through Fair Share Contribution of £3.2m. 	N/A				



Better for Society

Sub-topic	Trends and supporting activities	Key Performance Indicators				SASB
		Metric	Future Target	2021 Performance	2022 Performance	
Improve debt understanding	<p>Raise consumer awareness of financial issues and support available</p> <ul style="list-style-type: none"> 11.5 million consumers reached in the UK alone. 2022 campaigns included managing hidden debt, removing the stigma of debt, and campaigns to promote consumer debt solutions and financial education. TV awareness campaign in the UK. Nordic campaign proposing solutions to issues identified by the payment indicator research, including 'opt out of credit' platform. <p>Contribute to wider knowledge through new insights</p> <ul style="list-style-type: none"> Financial Vulnerability Index in the UK produced quarterly for the benefit of national policy makers and MPs. 	N/A				
Colleague development and wellbeing	<p>Together with our people, developed and launched new Employer Value Proposition (EVP) – Together, We Go Further.</p> <p>Investment across the four pillars of our EVP (Sustainability, Hybrid working, Leadership development, and Career progression) has driven improved colleague engagement scores across all reported topics and enabled us to achieve our target for 'happy' ahead of our 2025 milestone.</p>	Group colleague engagement score for "happy" ⁸	Maintain score of 75	71	75	✓
		Group colleague engagement score for "opportunities to learn" ⁹	70 by December 2025	64	69	✓
Diverse and inclusive culture	<p>Gender diversity</p> <ul style="list-style-type: none"> While our % of senior female leaders is broadly unchanged in the past year, we have completed thorough talent and succession planning for all Leadership roles with new KPI. <p>Colleague volunteering</p> <ul style="list-style-type: none"> Launched Annual Volunteering day to everyone based in the UK and Finland, representing 54% of our colleagues. We have developed Group Guidance to ensure that colleagues in all regions have the opportunity to participate in an Annual Volunteering day. 	Company-wide gender breakdown ¹⁰	N/A	Female: 61% Male: 39%	Female: 61% Male: 39%	
		Senior team gender breakdown ¹¹	40% female by December 2025	Female: 33% Male: 67%	Female: 32% Male: 68%	✓
		% of senior leadership roles with a female successor in place ¹²	Min 1 female successor for all leadership roles by December 2023	N/A – new KPI	42%	✓
		Employee Turnover	N/A	22% (of which 17% is voluntary)	23% (of which 19% is voluntary)	✓
		Colleague volunteering ¹³	100% (based on being offered)	N/A – new KPI	54%	



Responsible Business

Sub-topic	Trends and supporting activities	Key Performance Indicators				SASB
		Metric	Future Target	2021 Performance	2022 Performance	
Governance	<p>Governance structure</p> <ul style="list-style-type: none"> Embedded Sustainability Development Group sat 11 times during 2022, and met with the Group Executive Committee three times. Activity included a mid-year performance review and company benchmarking exercise. Executive engagement focused on sharing insights from these reviews, discussing the roadmap to reduce our environmental impacts, and agreeing 2023 objectives. Created an approach to introduce a new Group Sustainability Committee in 2023 with delegated Board authority. Started a formal roll out of a Sustainability Objective for Senior Management at Lowell to reach 100% of Senior Leaders during 2023. <p>Approach to protecting data</p> <ul style="list-style-type: none"> A summary of our approach to protecting data is available on pages 38-41. 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 on page 36. 	% of executive management and senior management with sustainability performance metrics in their objectives¹⁴	100%	N/A – New KPI	59%	
		Number of substantiated complaints received concerning breaches of customer privacy, and losses of customer data across our Group¹⁵	N/A	16 complaints upheld by regulators relating to data privacy or data protection matters, representing 0.00012% of our customer base.	23 complaints upheld by regulators relating to data privacy or data protection matters, representing 0.00015% of our customer base.	✓
		Number of colleagues who have received training on Lowell's antibribery and corruption policies and procedures	100%	94%	95%	✓
		Number of colleagues who have received training relating to data security, protection and privacy	100%	94%	96%	✓
Environment	<ul style="list-style-type: none"> Scope 2 emissions decreased because Lowell's proportion of renewable electricity sourced increased from 39% in 2020 to 61% in 2021. <p>Colleague engagement on environment impact</p> <p>Colleague engagement focused across five core channels this year:</p> <ul style="list-style-type: none"> Environment Involve Group (EIG) Sustainability Yammer Community Sustainability Intranet page Lovell Live broadcast interview Regional and Group ExCo <p>2023 engagement will be centred around the production and roll out of 3 new policies, reaching and impacting all colleagues.</p>	Scope 1 Emissions¹⁶	• Carbon neutral by December 2025, for Scopes 1 & 2 and business travel.	556 tCO ₂ e (2020 = 500 tCO ₂ e)	N/A – data unavailable	
		Scope 2 Emissions¹⁶	• Net Zero emissions by December 2030 across Scopes 1, 2 & 3. • 100% green electricity by 2025 in all owned and controlled locations.	734 tCO ₂ e (2020 = 1,491 tCO ₂ e)	N/A – data unavailable	
		Waste to Landfill (UK)¹⁷	0	0	0	
		% of colleagues Lowell has engaged on environmental impact¹⁸	N/A	N/A – New KPI	46%	

Footnotes

Better for Customers

- 1 Net Promoter Score (NPS) is a widely-used market research metric which measures the extent to which our customers are willing to recommend our services to others, based on an average annual score. UK net promoter score includes customers who are being managed by Lowell only (e.g. it excludes customers being managed by Overdales or other third parties).
- 2 "Above market rates" is defined as scores above the financial services sector average for NPS in all the countries we operate, based on publicly available information.
- 3 Group client customer treatment score is a metric which measures the extent to which our clients think we treat our customers in the right way.
The % shown is an aggregation of our regional scores and includes all clients who rated us as 7+ when asked to rate their satisfaction with regard how we treat customers on a scale of 1-10, where 1 is 'not at all satisfied' and 10 is 'completely satisfied'.
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 85% is often deemed excellent.
- 4 The number of customers who became debt free with Lowell, through any combination of paying off their accounts in full and/or having their accounts written off during the year. Statute Barred accounts are excluded from our UK numbers.

Better Ethics and Understanding

- 5 Group colleague engagement score is a metric which measures 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, as calculated by a third-party provider. For alignment to SASB, this is stated as 71% of colleagues responding favourably on the topic of engagement.
- 6 In 2022, eligible employees was defined as all employees in the Nordics, as biannual training on the Group Code of Conduct is due to start in the UK and DACH during 2023.
In future years, this metric will be redefined as "% of employees that completed Group Code of Conduct training within the last two years", with all employees being in scope.
- 7 Group client satisfaction score is a metric which measures how satisfied our clients are with Lowell's performance. Each client responds on a 1-10 scale and these responses are aggregated up to group level, with each client having an equal weighting. A score of 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).

Better for Society

- 8 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, as measured by an external third party.
- 9 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, as measured by an external third party.
- 10 Gender of Lowell colleagues shown as a % as of 31st December 2022.
- 11 Gender of senior leaders shown as a % as of 31st December 2022. Lowell's senior leadership population is defined as Executive team members and their Direct Reports, along with other significant roles, such as Operational Leaders, who are responsible for a significant number of colleagues. When calculating gender diversity for our senior team, contingent workers are included. We do not currently collect data on ethnic diversity in our workforce. In 2023, we will be improving our data on ethnic diversity in the UK, while implementing other solutions to improve ethnic diversity and inclusion in our other regions, which have regulatory restrictions on data collection.
- 12 Lowell's senior leadership population is defined as Executive team members and their Direct Reports, along with other significant roles, such as Operational Leaders, who are responsible for a significant number of colleagues.
- 13 Attrition data is calculated on a 12-month rolling period as of the effective date and excludes temporary workers.

Responsible Business

- 14 Lowell's senior leadership population is defined as Executive team members and their Direct Reports, along with other significant roles, such as Operational Leaders, who are responsible for a significant number of colleagues.
- 15 Complaints relating to data privacy or data protection matters 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 2022, this engagement resulted in 23* complaints impacting individual customers either being justified by the Regulator or upheld in the customer's favour (by the UK Information Commissioner's Office, the UK Financial Ombudsman Service, the German Landesbeauftragte für Datenschutz und Informationsfreiheit Nordrhein-Westfalen and Danish Data Protection Agency (Datatilsynet). Most of the complaints related to issues with responses to subject access requests, other topics included inaccurate information being reported on customer credit files and mistaken identity. Given the timing of the Hoist UK acquisition, Hoist numbers are excluded. When expressing the number of substantiated complaints as a percentage of our customer base, this is the distinct number of customers who had an active account with Lowell at any point during 2022.
- 16 Emissions data covers Scope 1 and 2 emissions for all of Lowell's regions: the UK, DACH, and Nordics. Where actual activity data was unavailable, suitable estimations were made. All GHG figures were calculated in line with the GHG Protocol. Lowell has not reported GHG data for 2022 due to issues collecting data from landlords in our DACH offices.
- 17 Waste data is unavailable for our DACH and Nordics regions because Lowell is not in control of waste management in its offices there.
- 18 The % of colleagues who we deem to have been engaged with on environmental impacts during 2022 includes: members of our Environment Involve Group, members of our Sustainability Development Group, active members of our Sustainability Community on Yammer, attendees of our Senior Leader Call, Senior Leaders who have a bespoke performance objective relating to the environment, and attendees of our Lowell Lives interview in March 2022.

*In the UK we are aware that the ICO has published details of all complaints that it has received in respect of data privacy and data protection matters for 2021 and the first half of 2022. As we are always open and transparent with our regulators, we are liaising with the ICO to ensure that the information they have published in respect of complaints submitted against the UK Lowell companies is accurate, fair and transparent. In the Nordics we have received two regulatory complaints during 2022 that are pending a decision. Should either of these matters result in a change to the number of upheld complaints for 2022 we will reflect this in our 2023 Sustainability Report.



Alignment to SASB

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

SASB Topic	SASB Metric	Our Response
Data Security	Description of approach to identifying and addressing data security risks.	See Group Risk framework and details of our approach to data protection and information security on pages 35-39 in this document. See % colleagues who completed relevant training on page 38 in this document.
	Description of policies and practices relating to collection, usage, and retention of customer information.	See description of our approach to collecting using and storing customer data on pages 37-38 in this document.
	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected.	See regulator complaints relating to data privacy or data protection matters on page 42, with further detail in footnotes on page 58. Additional information relating to SASB: 4 of the 23 complaints related to personal data breaches none of which were reportable to a regulator.
Workforce diversity and engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees.	See gender diversity on page 31 in this document. Omissions: We do not currently collect data on ethnic diversity in our workforce. In 2023, we will be improving our data on ethnic diversity in the UK, while implementing other solutions to improve ethnic diversity and inclusion in our other regions, which have regulatory restrictions on data collection.
	(1) Voluntary and (2) involuntary turnover rate for employees.	See employee turnover on page 56 in this document.
	Employee engagement as a percentage.	See group colleague engagement score (overall) on page 55 of this document. Source and methodology: 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. 71% of colleagues respond favourably on the topic of engagement.
Professional Integrity	Description of approach to ensuring professional integrity.	See description of our values and ways of working on page 18 in this document.
SASB activity metric	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract.	Number of employees: 3,960 (Full-time – 3286, part-time – 674). Temporary and contract colleagues: (Temporary – 64, Contract (fixed term contract) – 168).



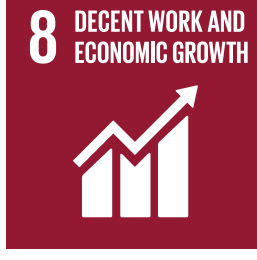


Supporting the bigger picture

Maximising impact

As part of our ESG processes, we continually benchmark ourselves through market reviews against our peers and acknowledged business leaders, as well as wider best practice and standards. The insights we gain 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 or activity
 <p>SDG 1: End poverty in all its forms everywhere. 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.	Better for Customers Supportive and personalised debt resolution for all.	<ul style="list-style-type: none"> The number of customers who became debt free with Lowell in 2022.
 <p>SDG 5: Achieve gender equality and empower all women and girls. 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.	Better for Society Put people first to build a stronger business and society.	<ul style="list-style-type: none"> Gender diversity across the organisation. Gender diversity in senior management.
 <p>SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. 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.	Better for Customers Supportive and personalised debt resolution for all.	<ul style="list-style-type: none"> Offer a range of debt support tools and services by region.
 <p>SDG 13: Take urgent action to combat climate change and its impacts. 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.	Responsible Business A resilient and efficient business, supporting a low carbon world.	<ul style="list-style-type: none"> Greenhouse Gas Emissions (Scope 1 & 2). % green electricity in owned and controlled locations.
 <p>SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development. 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.	<p>Better Ethics and Understanding Set the highest standards and build a positive sector.</p> <p>Better for Society Put people first to build a stronger business and society.</p>	<ul style="list-style-type: none"> Improve sector insight and understanding. Contribute to wider societal knowledge on financial vulnerability and debt management.

ESG index

Theme	Issue	Directory	Reference
Environmental	Climate Change	Responsible Business – Environment	Pages 45-48
	Energy	Responsible Business – Environment	Page 45
	Procurement	Responsible Business – Paper Action Plan	Pages 50-51
	Travel	Responsible Business – Environment	Page 49
	Waste	Responsible Business – Environment	Page 49
Social	Client Engagement	Better Ethics and Understanding	Page 21
	Colleague Performance Evaluation	Better Ethics and Understanding	Page 18
	Customer Engagement	Better for Customers	Pages 9-16
	Diversity and Inclusion	Better for Society – A culture of diversity and inclusion (D&I)	Pages 31-32
	Education and Financial Inclusion	Better for Society – Supporting better financial education	Page 23
	Employee Engagement and Development	Better Ethics and Understanding – Together, we go further	Pages 19-20
	Employee Health and Wellbeing	Better for Society – Colleague development and wellbeing	Page 28-30
	Employee Training and Development	Better for Society – Colleague development and wellbeing	Pages 28-29
	Employee Volunteering	Better for Society – Colleague development and wellbeing	Page 30
	Health and Safety	Better Ethics and Understanding	Page 18
Human Rights and Labour Practices	Responsible Business – Business Ethics	Page 44	

Theme	Issue	Directory	Reference
Governance	Bribery and Anti-corruption	Responsible Business – Business Ethics	Pages 41-42
	Code of Conduct	Better Ethics and Understanding	Page 18
	Conflicts of Interest	Responsible Business – Business Ethics	Page 42
	Corporate Governance	Responsible Business – Governance	Pages 35-36
	Data Privacy and Security	Responsible Business	Pages 37-40
	Financial Crime	Responsible Business – Business Ethics	Page 42
	Gifts and Hospitality	Responsible Business – Business Ethics	Page 42
	Risk Management	Responsible Business – Governance	Pages 37-38
	Sustainable Procurement	Responsible Business – Business Ethics	Page 41
	Whistleblowing	Responsible Business – Business Ethics	Page 41

The Report covers the whole of Lowell across our three regions: UK (England, Northern Ireland, Scotland and Wales), Nordics (Denmark, Finland, Norway and Sweden) and DACH (Austria, Germany and Switzerland).

The content in this report is based on information and data available to Lowell and may not be exhaustive. Although the report reflects Lowell's current expectations regarding future events, the analyses, conclusions and targets in this report are based on various assumptions being based upon factors and events subject to external and internal uncertainties and priorities. Future outcomes and targets may be adjusted at Lowell's sole discretion and interests. Lowell undertakes no legal commitments or liabilities for potential errors, inaccuracy or incompleteness in the report and/ or potential adjustments.

For further information about our company and the work we do, visit www.lowell.com