



Statement on the risk assessments in accordance with the Transparency Act, AK Nordic NUF

Classification: PUBLIC

Status: FINAL

Document Owner: Per Hellqvist

Version Date: 2023-06-16

Initials of Last Editor: EADB

Table of Contents

VERSION HISTORY	3
What this statement is about.....	4
General information on AK Nordic NUF	4
Risk and potential negative consequence for rights that are protected by the Act	4
Measures that have been implemented or that AK Nordic NUF plans to implement in accordance with the Act	5

Document Title	Owner
Statement on the due diligence assessments after the Transparency Act, AK Nordic NUF	Per Hellqvist

VERSION HISTORY

Version	Purpose of Change	Change Originator	Date
1.0	Creation	Eva Andrea Daae Bjørndal	22.05.2023

REVISION HISTORY

Version	Description of Revision & Page/Appendix	Section/ Page/Appendix	Date
1.0			

APPROVED BY

Name	Title/Role	Date
Per Hellqvist	Managing Director	26.05.2023

What this statement is about

This is a statement published on behalf of AK Nordic NUF.

A new Transparency Act has recently entered into force in Norway. The purpose of the Act is to ensure that human rights and decent working conditions are respected in companies' operations and supply chains. The act applies to AK Nordic's Norwegian branch.

This statement is based on section 5 of the Transparency Act. It states that the businesses must publish a statement and make account for the due diligence assessments the company has made due to the requirements of the Act.

General information on AK Nordic NUF

AK Nordic AB (hereinafter AKN) holds a Swedish credit market company license. AK Nordic AB has a branch, AK Nordic NUF, allowing cross-border operations from Sweden to Norway. This branch is registered in the Norwegian business register with a license as a bank based on the Swedish license cf. the Financial Institutions Act (in nw. Finansforetaksloven) § 3-2 cf. § 2-7.

PRA Group and AK Nordic NUF as a part of the group is in the business of acquisition of non-performing loans. The Financial Agreement Act (in nw. Finansavtaleloven) section 2-13 regulates the right to transfer monetary claims such as loans from one company to another.

AK Nordic NUF operates within the nonperforming loan marked (NPL marked). The NPL marked is a secondary market for nonperforming loans/receivables and other credit agreements that are not being fulfilled. In this market third parties (the first and second parties being the original borrower and lender) can buy obligations. Due to the sensitive nature of loans (like for example credit agreements) participants are typically subject to authorization and supervision similarly to other parts of the financial system.

The work with anchoring the responsibility after the Transparency Act within the company is being performed through meetings and internal education on this subject. The Transparency Act has been anchored into the operations of AK Nordic NUF through a board resolution in which the board has committed to ensure that AK Nordic NUF will follow the requirements of the Transparency Act. Appropriate policies has been put in place in the areas of care of employees, working environment as well as in respect of AK Nordic NUF's interactions with external contract parties.

AKN's main business scope is acquisitions of portfolios of receivables. To a large extent, the Norwegian operations of AKN have been contractually assigned to group entities, PRA Group Norge AS and PRA Group Europe AS. As Norwegian companies, they are bound by the Norwegian Working Environment act. Both companies have channels and routines for whistle blowing (in Nw: varslingskanaler) in accordance with this law. AK Nordic AB also has its own channel for whistle blowing.

In accordance with the act, it is relevant to specify that AK Nordic NUF does not produce any products or buy any products directly from vendors outside of EEA.

Risk and potential negative consequence for rights that are protected by the Act

Cf. The transparency Act section 5 letter b this statement is going to give information based on the risk assessments the company has performed in accordance with the Act.

Following an assessment of identified risk factors and measures taken to prevent, limit and correct the risk factor, our view is that risk for actual and potential negative consequences for human rights and decent working

conditions is low. The geographical area of the operations as well as the field of business of AK Nordic NUF can be seen as risk-lowering factors.

Whereas large areas of AK Nordic NUF's operations have been outsourced to other companies within PRA Group, AK Nordic NUF has a good knowledge and visibility in the operations of these contract parties.

Other vendors outside of PRA Group that the mentioned companies collaborate with are mainly situated in the Nordics. The branch or the other internal companies does not collaborate with any vendors outside of EEA or the USA.

A risk factor that is identified is outsourcing, in terms of making sure that the company the work is outsourced to respects human rights and decent work conditions. A small part of debt collecting activities is outsourced to an external company.

In accordance with the act, it is relevant to specify that AK Nordic NUF does not produce any products or buy any products direct from vendors outside of EEA.

Measures that have been implemented or that AK Nordic NUF plans to implement in accordance with the Act

The following measures have been taken to prevent and limit the risk for actual and potential negative consequences for human rights and decent working conditions:

- AK Nordic AB, PRA Group Norge AS and PRA Group Europe AS have their own whistle blowing channels for employees
- All outsourced work is subject to the Norwegian Working Environment Act
- All external debt collection agencies are subject to vendor assessments
- AK Nordic AB is subject to Swedish and Norwegian laws and is under supervisory of the Swedish FSA. This is the same for the Norwegian branch.
- PRA Group Norway that collects debt on behalf of the branch is subject to supervisory of the Norwegian FSA
- AK Nordic NUF has a limited purpose and does not interact with a large number of vendors
- AK Nordic AB is subject to financial regulatory requirements like anti-money laundry legislation and have its own risk assessments to be compliant within this area