



# Statement on the risk assessments in accordance with the Transparency Act, AK Nordic NUF 2024

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## APPROVED BY

Name	Title/Role	Date
Per Hellqvist	Managing Director	26.05.2023
Per Hellqvist	Managing Director	20.06.2024

## What this statement is about

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

Last year the Transparency Act 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 have 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.

PRA has adopted a systematic approach to identify risks. The methodology used for this research is a combination of desk-based research both inside the company and outside the company, discussions internally with relevant stakeholders and assessments within PRA.

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 operates within can in general 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.

A risk factor that is identified is outsourcing. For example, a small part of debt collecting activities is outsourced to an external company. Outsourcing can lead to tasks being performed further away from the people within the business who are responsible for the human- or workers' rights in the supplier chain. One thing is having the overview and controlling the company one might be part of. It might be harder to have the same insight to companies that are used externally. PRA is aware of this risk, and we are continuing to assess the suppliers we use to make sure that they do not contribute in a negative way to human or workers' rights. This is continuous work.

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:

- All outsourced work is done with companies within the group that are subject to the Norwegian Working Environment Act, and various internal policies that make sure the workers' rights are ensured in a good way.
- AK Nordic AB, PRA Group Norge AS and PRA Group Europe AS have their own whistle blowing channels for employees.
- All external debt collection agencies are subject to vendor assessments.
- Desk-based research of companies that are used for outsourcing services.
- 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. The company is subject to various Swedish and Norwegian legislation, industry standards and is under supervision by the Swedish FSA.