

Sustainability efforts that create value and contribute to new business opportunities

Resurs's vision for its sustainability efforts is to give people the conditions to live the life they want to lead. A life that is sustainable today and in the longer term. This means that Resurs's operations must be run in a way that is sustainable in terms of society, business ethics and the environment, with the objective of maximising the positive values created for retail finance partners, customers, employees and owners. It also means taking responsibility for minimising risks through proactive work, robust processes, regulatory compliance and transparency.

AN ANALYSIS THAT ADDRESSES THE MOST IMPORTANT ISSUES

The materiality analysis balances the issues that are relevant to the Group given its operation: i.e. its impact on the economy, society, people and the environment, as well as the aspects that affect

stakeholders' decision making and their perception of Resurs.

The materiality analysis performed in 2017 identified Resurs's most important issues: Employees, Diversity and Equal Opportunity, Customer Privacy, Anti-Corruption and Responsible Credit Lending. Two additional issues considered important

for Resurs to work on and report were added during the year: Social Responsibility and Environment. See pages 118-119 for a more in-depth view of stakeholder engagement and the materiality analysis.

GLOBAL COMPACT

Resurs has been a signatory of the UN Global Compact since 2018. The Global Compact has ten general principles for a business's responsibility concerning human rights, labour, the environment and anti-corruption.

WE SUPPORT



UN SUSTAINABLE DEVELOPMENT GOALS

During the year the Sustainability Development Goals in Agenda 2030 were analysed as they pertain to Resurs's operations. The following goals were identified as being possible for Resurs to affect and contribute to.



TARGETS FOR SUSTAINABILITY EFFORTS

RESURS WANTS TO:

1. Inspire others to make sustainable choices

We must encourage a sustainable lifestyle and enable people to make decisions to promote a higher level of sustainability.

2. Be a responsible company that supports customers, partners and the society in which we operate.

We take our commitment extremely seriously, and we wish to have a positive impact on our customers, partners and the society in which we operate.

HOW RESURS TAKES RESPONSIBILITY:



Employees are our most important resource

Resurs's employees' skills, responsiveness and high level of service in customer relationships are important prerequisites for reaching the company's strategic and financial targets. One crucial aspect of the employer's responsibility is to take a targeted approach to developing and managing an operation characterized by professionalism, good opportunities for professional development, effective leadership, healthy work environment and conduct according to business ethics.

DEVELOPMENT AND ENSURING A SKILLED WORKFORCE ACCORDING TO NEEDS

As a successful company that continues to grow organically, a comprehensive long-term approach is needed to ensure a skilled workforce according to the need for resources and competence. It is important to motivate and involve current employees while continuing to reinforce the operation with new business-critical know-how that most importantly matches the rapid pace of IT development and digitisation. Today Resurs and its 765 employees are well organised in terms of skills and resources. However, knowledge often has a short lifespan, which is why opportunities for continued learning and development are a strategically important priority for the Group. The Resurs Academy Online Training internal training programme is growing steadily, and today the portal offers over 60 courses, covering everything from mandatory and banking regulation courses that pertain to all roles within the organisation to courses on the work environment, ergonomics and the environment. The portal also provides managers, HR and course owners with a statistical basis to ensure that all employees have taken part in the training courses. In 2018 an average of 200 people/week took part in one of the courses.

GREAT PROSPECTS TO GROW THROUGH JOB DUTIES

Resurs encourages internal mobility and encourages its employees to apply for new positions and job duties within the Group. Therefore internal mobility is high, and in 2018 21 per cent of advertised

positions were filled by internal resources. One project linked to this effort is the Resurs Women Potential Program, which was introduced during the year. This is a programme for professional development for female employees. It is ten months long and meets ten times. The applicants who were accepted all aimed to grow within the Group, and each participant was assigned a female mentor with a managerial position to provide guidance on individual goals and the choice of a potential career path.

A PROACTIVE EFFORT TO CREATE A HEALTHY WORK ENVIRONMENT

Preventive efforts to quickly perceive signs of stress and ill-health among employees are a priority. The digital tool implemented during the year enable a new and more effective approach where employees can report their experiences of their work situation, stress, job satisfaction and commitment in real

time. Thanks to the tool's ability to continually gauge morale, thereby drawing attention to times or situations when there is a risk of ill-health, resources can be chosen better and proactive measures can be taken.

For Resurs it is a matter of course to offer a healthy work life that contributes to a high level of attendance. In cases of reduced fitness for work or a return to work after a long sickness absence, there is an active rehabilitation program to minimise sick leave. Employees must receive assistance and support through early, coordinated rehabilitation measures in order to regain their fitness for work and be able to return fully or partially to work.

TWO-STAGE LEADERSHIP DEVELOPMENT

The Group-wide leadership programme Let's GROW aims to give Resurs's managers fundamental skills and proficiency



LET'S GROW
LET'S CHANGE

in coaching and communication. A total of over 120 managers have now completed the six-month programme, and new courses are continually starting. During the programme, participants must gradually apply their newly won knowledge to their daily work, which they then evaluate and modify. The effects so far can be summarised as positive feedback from the participants, which is also shown in employees' assessment of management which is at a high and stable level.

Resurs operations are continually evolving and must continually adapt to

change. Therefore Let's CHANGE, the next stage of leadership development, was introduced in May 2018. This programme aims to provide managers with the fundamental knowledge and skills to drive an effective change process while motivating employees.

DIVERSITY AND EQUAL OPPORTUNITY CONTRIBUTE TO INNOVATION AND INNOVATIVE SOLUTIONS

Diversity and equal opportunity have been high on the Group's agenda for a

long time, since employees with diverse backgrounds and experiences enrich Resurs in every way, making it a more creative, profitable and efficient organisation. It is also expected that multiple positive effects can be achieved if the diversity of society is reflected in the composition of the workforce. One example is higher customer satisfaction because employees' combined experiences contribute to greater responsiveness to customers' various needs and wishes. Offering a diverse workplace where equal opportunity is a matter of

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EMPLOYEES IN FIGURES

At year-end Resurs employed a total of 765 (763) people in the four Nordic countries. A majority of them worked at the head office in Helsingborg. During the financial year, 56 per cent (57 per cent) of employees were women. The average age was 36 (37) in 2018.

765

Total number of employees in the Group

56%

Share of women in the Group

36

Average age of employees in the Group

44%

Share of men in the Group

course makes Resurs a more attractive employer. In addition, aiming to use a broader search radius to recruit a diverse workforce increases the chances of discovering talent in new places and new contexts.

WORK THAT CAN NEVER STOP

Resurs's diversity plan, which is clearly integrated with internal targets, provides the guidelines for a proactive approach focusing on the roles and departments traditionally dominated by either men or women. Targeted efforts to achieve a more even gender distribution are continually being made in departments such as customer service and IT, concerning both recruitment and existing employees. In order to strengthen the recruitment process, and effort to develop a policy that more clearly incorporates diversity, equal treatment and fair recruitment is in progress.

Group-wide work environment training was also rolled out during the year. The training, which began with the Swedish operation, concerns all managers with personnel responsibility. Of course Resurs has zero tolerance for discrimination and sexual harassment. Therefore counter-acting them and supporting an inclusive workplace in every way are important parts of this training.

“In 2018 Resurs was given a spot on Allbright's green list, which is a ranking of Swedish listed companies with even gender distribution in company management. Resurs Group Management is now made up of three women and four men including the CEO.”

HIGHLIGHTING AN EQUAL ORGANISATION

Resurs's efforts to make its organisation and management as equal as possible received positive attention during the year. In 2018 Resurs was given a spot on Allbright's green list, which is a ranking of Swedish listed companies with even gender distribution in company management. Resurs Group Management is now made up of three women and four men including the CEO. Resurs was further-

more recognised by the Indecap Q30 fund as one of 30 Swedish listed companies with the highest proportion of women in management positions.

The annual salary survey carried out within the Group is intended to identify and establish that salaries are determined on objective grounds. The survey did not show any non-objective salary differences between men and women for comparable professional groups in 2018.



“Communication that helps us grow together”

“Let's GROW has given me invaluable insights and knowledge of how I can develop my ability to communicate with my employees”, says Marketing Manager Jenny Svensson. The educational and operational design of the training alternates theoretical models of communication and leadership with practical tasks. Pupils apply their new knowledge with the ongoing dialogue with their employees between classes.

“One important skill that I've developed is providing more constructive feedback by not just saying 'good job', but always adding the reason for the task and what the results were.”

The training also provides tools for guiding employees in how to set their objectives. It's important to ask the right questions so that the employees themselves have the opportunity to provide the answers to what is required to take the next step themselves.

“Let's GROW is an incredibly important initiative. Laying the groundwork for a good relationship between manager and employee is the foundation of a healthy workplace where people can grow. And creating good relationships requires an open and respectful dialogue – we simply have to be good at communicating!”

SIGNIFICANT RISKS ASSOCIATED WITH RESURS'S DIVERSITY AND EQUAL OPPORTUNITY EFFORTS

Identified risk	Consequence for	Management of risks
Unfair allocation of salaries and benefits.	<ul style="list-style-type: none"> Employee commitment and willingness to develop. The Group's work environment. Resurs's brand and trustworthiness as an employer and a bank. 	HR Specialist Sustainability, Diversity and Health. Compensation and Benefit Manager Employee surveys.
Shortcomings in diversity and equal opportunity.	<ul style="list-style-type: none"> Employee commitment and willingness to develop. The Group's work environment. Resurs's brand and trustworthiness as an employer and a bank. 	Guidelines for diversity and equal treatment.
Injustices that affect daily operations, financial situations, the Group's reputation.	<ul style="list-style-type: none"> Employee commitment and willingness to develop. The Group's work environment. Resurs's brand and trustworthiness as an employer and a bank. 	Work environment training for managers. The Group's Code of Conduct. Policy against victimisation in the workplace Whistle-blower function. Risk database for risk reporting that available online to all employees.

GENDER AND AGE DISTRIBUTION OF BOARD MEMBERS AND MANAGERS

Number of Board members and senior executives 31 Dec 2018	Number	
	Number	Men
Board members	9	78%
CEO and other senior executives	7	57%

Age distribution on the Board	Percentage
<30	0%
30-50	44%
>50	56%
Total	100%

CEO and management	Percentage
<30	0%
30-50	86%
>50	14%
Total	100%

GENERAL GENDER AND AGE DISTRIBUTION IN THE GROUP

Gender distribution	Percentage of employees
Men	44%
Women	56%

Age distribution	Percentage of employees
<30	36%
30-50	52%
>50	12%
Total	100%¹

GRI 102-41

A total of 87 per cent (87 per cent) of the Group's employees had a collective agreement in 2018. All employees have the right to decide whether they want to be represented by a trade union.

1) Refers to total number of employees in the Group, full-time, part-time and temporary employees at 31 December 2018.

A long tradition of social commitment

Social commitment is important to Resurs, which is devoted to an inclusive society where everyone should have the opportunity to realise their potential. This sense of commitment focuses on issues including supporting young people and new entrants to the labour market. In addition, Resurs has a long tradition of involvement as a sponsor in local communities, such as the Helsingborg Football Club.

NEW INITIATIVES DURING THE YEAR THAT EXPANDED RESURS'S COMMITMENT

During the year Resurs introduced volunteer work as part of the non-profit organisation Drivkraft Helsingborg, which offers mentoring to young people and their parents, as well as tutoring at schools in the region. Drivkraft's vision of creating a better future for both individual pupils and inhabitants of the city is fully in line with the Group's social commitment. The hope is that taking a clear position will further inspire employees to become more involved in their communities. The objective is for at least 20 employees to do volunteer work during paid working hours up to eight hours per year. In autumn 2018 22 of the employees in Helsingborg chose to volunteer.

Resurs participated in painting Sweden pink, and the concept A Good Thing was developed for the years Pink Ribbon campaign. A Good Thing aimed to inspire

consumers to make a difference with their everyday purchases. Resurs donated one krona to cancer research for every purchase made using the Supreme Card Woman car during the last three months of the year.

Resurs partnered with the local initiative Fristaden Helsingborg before the autumn election for Parliament, municipalities and county councils. Fristaden Helsingborg held activities in areas with low voter turnout by providing information on how to vote and why free elections are fundamental to democracy.

FUNDAMENTAL RESPECT FOR HUMAN RIGHTS

Resurs operates in a well-regulated market that is governed by a number of laws and regulations that take human rights into account in many ways. Since operations are concentrated in the Nordic countries, there is also clear national legislation based on European and inter-

national conventions. Therefore Resurs's exposure to risks associated with human rights is considered low. The Group's ability to take responsibility and make a difference is primarily a matter of engaging in responsible credit lending and safeguarding customers' privacy, along with social commitment based on the needs in the local community.

During the year Resurs joined the Global Compact, whose ten principles include human rights and working conditions. A new version of Resurs's Code of Conduct was published during the spring. The Code went into more depth on the Group's positions on issues such as anti-discrimination, working conditions, forced labour, child labour, political activities, the environment and trade unions.

SMALL BUT IMPORTANT STEPS FOR REDUCED ENVIRONMENTAL IMPACT

The materiality analysis identified that the Group's primary impact relates to sustainability topics concerning social and business ethics, while it has less of an impact related to issues such as climate impact, energy consumption, procurement and material use. Since the environmental impact of the business can be viewed as relatively low, Resurs's view is that there are no significant risks in this area at present.

The business's direct impact on the environment is primarily related to its premises' energy consumption and emissions created by the small amount of business travel that occurs. Measures to reduce this are to use the available energy mix in each country and, to the

extent possible, choose renewable electricity. Other measures are to make conscious environment choices in procurement and continue investing in digital services that reduce paper consumption. Some small but important steps are a gradual reduction in paper consumption by printing on both sides of the paper and Swedish customers who use the Kivra digital mailbox service receiving their post digitally. According to Kivra this helps save around 400 trees per

year. 48 per cent of all post in the Nordic region was sent via digital channels in 2018. Resurs Academy Online Training has offered an environmental course since the end of 2018 in order to increase awareness of how everyone can help to make a difference through small actions. A survey showed that 61 per cent of Swedish employees took the environmental course during the month of December, exceeding the target of at least 50 per cent participation.

61%

of Swedish employees took the environmental course, exceeding the target of at least 50 per cent participation.

PARTNERSHIP FOR A SUSTAINABLE FUTURE

During the autumn Resurs participated as a partner in the A Sustainable Tomorrow conference in Helsingborg. The speakers included former Prime Minister Fredrik Reinfeldt and Jakob Trollbäck – the man who created the graphic design of the UN's 17 SDGs.

Representatives from the business community, academia, associations and the public sector participated, and one of the purposes of the conference was to create partnerships and networks that can drive efforts for a sustainable future. This is important work, and Resurs is now taking a more active role as the main partner in 2019.

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“A way to make a difference”

“I knew that I wanted to contribute but I didn't know how to go about it. When the opportunity to get involved as a mentor via Drivkraft turned out, I didn't hesitate for a second. As a result I've gotten to know a wonderful young woman, 16-year-old Lotus from Syria. It was harrowing to hear her story about escaping across the Mediterranean and onward across Europe to finally arrive in Sweden, and it really gives you perspective on what it means to live in peace and freedom. Meanwhile she is in many ways a living example of how far strong individual motivation and will can take you,” says Sara Andersson, Program Manager in charge of developing the customer experience.

The non-profit organisation Drivkraft Helsingborg is a partnership between the City of Helsingborg, the Eskilsminne Football Club and the local business community. It provides volunteers who serve as mentors for tutors, which Resurs employees may do during paid work hours up to eight hours per year.

“In my experience the initiative is truly appreciated here at the company, and my colleagues really want to make a difference. Helping give someone a belief in their future must be one of the best things you can do, and at the same time you make a new friend, says Sara Andersson.



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Responsible credit lending builds customer loyalty

Operating in a regulated and licensed industry requires proper order and clear processes. This is fundamental to operating a business, as well as a requirement for the trust of customers and others. For Resurs this means being easy to deal with, transparent and open concerning terms and products, as well as conducting sales, marketing and credit checks in a responsible manner. Resurs's offering provides higher purchasing power and enables customers to plan their purchases in the way that suits them best, where flexible repayment options are part of the solution.

KNOWING THE CUSTOMER IS FUNDAMENTAL

When credit is granted, this has a direct impact on an individual's finances. Credit lending is also a crucial part of Resurs's business and is crucial to the Group's total profitability. Therefore responsible credit lending is a matter of carefully balancing these perspectives and ensuring that the necessary evidence is available for making well-informed decisions on the financial circumstances of every customer.

In order to correctly assess the credit risk, the customer's future ability to pay is analysed with the help of systematic processes and scoring models to assess credit risk. The customer's information is supplemented by external information, primarily from Upplysningscentralen (UC), as well as customer information collected in Resurs's database. Taken together, this provides good documentation for assessing a customer's potential to meet their commitments. Credit applications are rejected when there is a record of non-payment. The dialogue with the customer continues when there are other doubts about the customer's repayment capacity. In 2018 more than 80 per cent of the sales of consumer loans consisted of loans to customers already in Resurs's database.

This approach reduces the risk of the customer suffering from financial problems and the Group in turn contributing to over-indebtedness in society.



A PROACTIVE EFFORT TO FIND CUSTOMISED SOLUTIONS

A basic principle of responsible credit lending is ensuring that the borrower is aware of the financial consequences of the agreement they sign. Therefore transparent and easily accessible information about Resurs's agreements is a top priority for credit lending. The philosophy is that everyone loses when a case is transferred to a collection company:

the individual, who suffers from negative consequences for their personal finances; Resurs, since every cancelled loan has a negative impact on profitability; the brand, since a lower degree of trust in the credit lending business as a whole is something that could damage Resurs's brand in the long term.

Resurs's ability to track changes in a customer's risk profile from month to month also increases its ability to predict

the likelihood of payment problems. In cases where the customer's ability to pay changes, the aim is to support the customer in every way in order to find a solution. Therefore the customer service function has several dedicated debt collection teams tasked with taking proactive measures. As a first step, the reasons for the customer's payment difficulties are investigated. Next a customised solution is proposed, such as a lower monthly amount for a certain period.

SKILLED EMPLOYEES WHO BUILD TRUST

Alongside robust systems and processes, responsible credit lending depends on Resurs's employees having the right skills and training. Their ability to grant credit is regulated at five authorisation levels linked to different amount limits, according to the logic that the higher the authorisation level, the higher the training requirement. The internal training takes place on a continual basis. It is based on the Group's credit policy, current legislation, Swedish Financial Supervisory Authority regulations and guidelines, and instructions and criteria for credit lending.

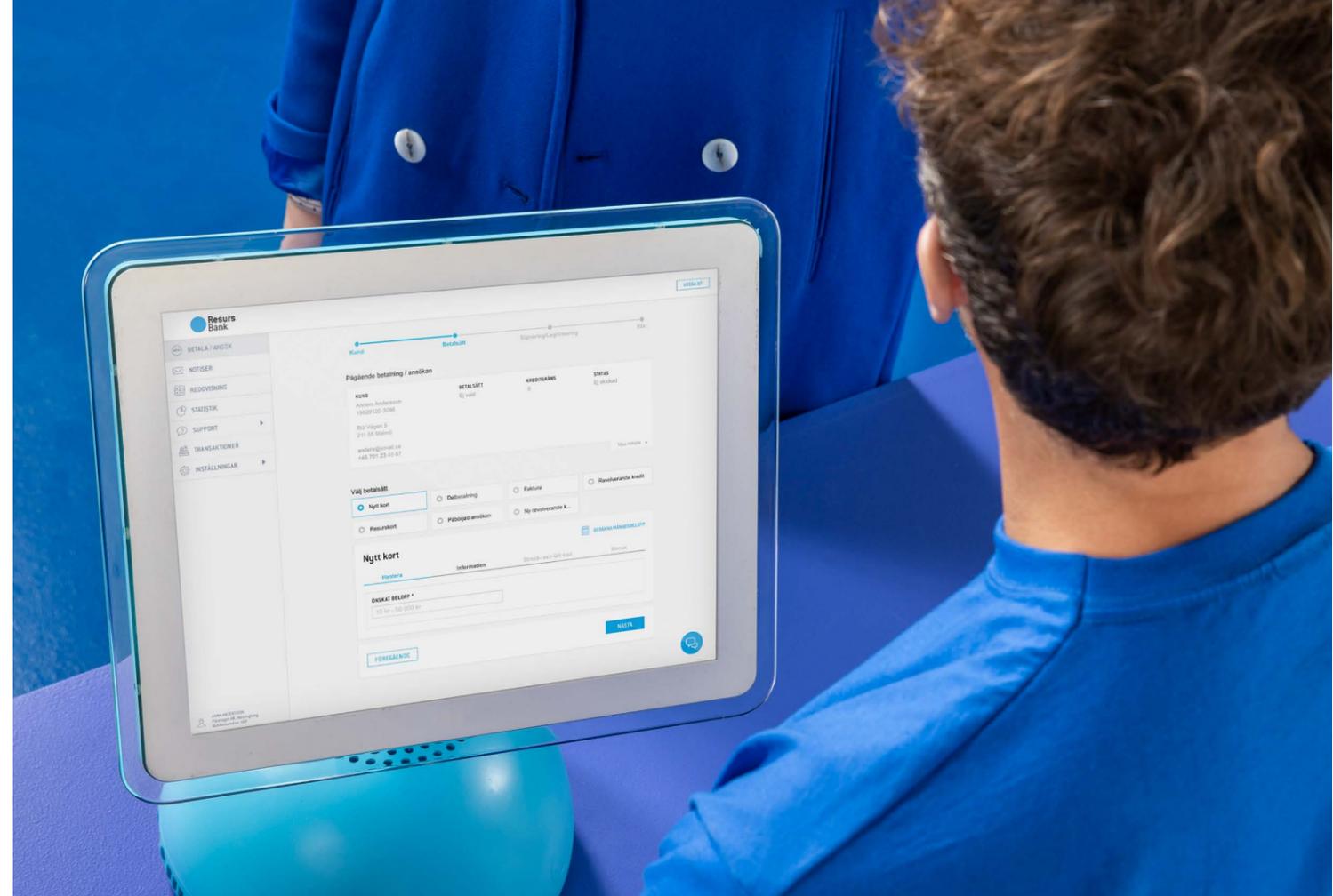
COMMENTS ON RESPONSIBLE CREDIT LENDING PERFORMANCE INDICATORS

One important issue for Resurs is how its business affects customers and society. GRI's recommended indicator is not deemed to be sufficient in this regard, as measurement of credit losses primarily expresses the effect on the consolidated income statement. A more relevant indicator is the portion of the portfolio submitted to debt collection companies for external recovery instead. This indicator can also be used to monitor how effective the bank's debt collection team is at

helping customers with payment difficulties. Resurs measures and regularly follows up on the number of cases that go to external debt collection companies. This outcome is subsequently used as a basis to continually improve credit lending. Even if this information would be able to provide relevant information on how the Group conducts responsible credit lending, it is deemed to be confidential concerning the Group's operations.

Therefore the Group chooses not to report any performance indicator for this area this year.

Identified risk	Consequence for	Management of risks
Customer has insufficient repayment capacity.	<ul style="list-style-type: none"> The customer's case is transferred to an external debt collection company. Lost revenue. Damage to Resurs's brand. 	Dedicated debt collection teams tasked with preventing a case from being transferred to debt collection companies at an early stage.
Resurs contributes to increased indebtedness in society.	<ul style="list-style-type: none"> Reduced customer base. Damage to Resurs's brand. 	Analysis of the customer's future payment ability and current loan situation. Credit is only granted if customers, on good grounds, can be expected to fulfil their commitments.



Privacy is a natural part of a good customer relationship

As a banking and insurance group, Resurs has a great responsibility to protect customers' personal data and safeguard their privacy. In order to earn customers' trust, it is important to comply with all parts of applicable laws and internal regulations that specify authorisations and safeguard how customer data is used in the Group's operations. Moreover, maintaining a constant focus on customer privacy is an excellent way to build an ethical business while making Resurs even more competitive.

CUSTOMERS' RIGHT TO THEIR OWN DATA IS FURTHER STRENGTHENED

The new European General Data Protection Regulation (GDPR) came into force during the year. Our operations are completely adapted to the new legislation, which strengthens consumer protection and privacy in a thorough and robust manner.

A great deal of work has been done to implement the PSD2 directive, which came into force during the year. One of PSD2's stipulations is that a financial entity is now obligated to provide account information to another financial entity. This means that the customer has the right to receive their personal data from their bank in a format that is easy for another financial entity to input and process. In Resurs's view, strengthened consumer protection adds important customer value to the market since the directive gives the customer more power over their own data.

DATA PROTECTION OFFICER RESPONSIBLE FOR PERSONAL DATA

The new function of Data Protection Officer (DPO) was set up in accordance with GDPR. This is a Data Protection Officer tasked with ensuring that personal data are processed with respect and in accordance with the data protection legislation. The DPO must inform, provide guidance, verify and document understanding of and compliance with every item of the legislation. The DPO is involved

at an early stage in each new process and new offer to endure compliance with the data protection legislation.

PROPER MANAGEMENT AND CONTROL MINIMISES VULNERABILITY

All business entails risks, and for Resurs this primarily concerns operational information risks, along with changes to the organisation or products could potentially affect information security. The Group engages in proactive risk and incident management in order to ensure a satisfactory level of protection of information and assets throughout the operation. This includes employing systems that can flag abnormal transactions and cash flows, and ensuring proper management and control of internal authorisation levels for managing information and performing services. All reported incidents and risks, regardless of their extent are addressed by Resurs's risk committees. Policies and guidelines are always published on the intranet in order to ensure access to current versions.

SIGNIFICANT RISKS ASSOCIATED WITH RESURS'S CUSTOMER PRIVACY

Identified risk	Consequence for	Management of risks
Operational information risks and shortcomings in IT systems.	Processing of customers' personal information. General information security. Resurs's reputation as a banking operation.	The Group's policies and guidelines for information security in line with extensive industry requirements. Data security under the new European GDPR legislation. Employees' ability to report through the Group's proactive risk database.
Changes in the organisation or products and their impact on information security.	Customer relationships and the trustworthiness of the offering. Internal work procedures and division of responsibilities.	Each Group company's Compliance and Risk Control function. The Risk Committee takes a proactive approach to identifying risks in the business. Procedure for approving significant changes in existing products, services, markets or the business operations.

RESPONSIVE DIALOGUE BUILDS VALUABLE CUSTOMER RELATIONSHIPS

Resurs is dedicated to constantly increasing customer satisfaction throughout the operation. Customers' views and feedback are a powerful source of motivation and provide help in improving even more. Along with the rapid development of robots, new tools are being developed that now enable repetitive administrative tasks to be increasingly automated. This gives the customer service function a greater chance to spend more time on customer dialogue, thus delivering the best possible service.

In 2018 three incidents related to customer privacy occurred, and they were reported as personal data breaches to the Swedish Data Protection Authority. The incidents involved the improper distribution of personal data due to technical error. However the damage is considered to be limited, since actions were immediately taken to stop the improper processing of personal data.

A focus on business ethics and responsibility

Resurs opposes all forms of corruption. The Group's position is based on the philosophy that corruption undermines democracy, warps competition, makes a level playing field for business more difficult and benefits organised crime. Corruption results in serious legal and reputational risks. Proper conduct from a business ethics standpoint throughout the operation is required to deserve continued trust.

PROACTIVE ANTI-CORRUPTION EFFORTS

Resurs's operation is primarily exposed to corruption in the form of fraud, money laundering and financing of terrorism as well as bribery. The risks are similar in the Nordic countries where Resurs operates, with certain exceptions for potential variations in trends and patterns for fraud, for example.

For a banking and insurance group, trust is of the utmost importance. Resurs does not accept offers or the acceptance of bribes or other similar improper benefits under any circumstances. The Group takes a preventive approach to money laundering and financing of terrorism where the task is to prevent the exploitation of the business for these purposes, and it reports suspicious patterns and transactions when they occur. For more information on applicable control levels, see page 43.

CONDUCT ACCORDING TO BUSINESS ETHICS

Resurs's starting point is the anti-corruption legislation and practice in the countries where it operates, as well as in the Group's Code of Conduct. This applies to all employees, people with senior positions and Board members. Resurs's managers have a particular responsibility to always serve as good examples, encourage an ethical approach and take the Code of Conduct into consideration when planning their work. The updated version of the Code introduced during the year clarifies that Resurs must uphold several fundamental guidelines concerning human rights, working conditions, the environment and anti-corruption according to the principles of the UN Global Compact. The Code is available on the intranet in Swedish, English and Finnish. Induction training for all new employees includes a review of the Code.

The Code is then supplemented by several internal policy documents that provide clear, detailed guidelines for how work should be performed to actively oppose corruption throughout the operation, for example¹. Each policy has clear ownership and there are several control functions to ensure internal compliance. In addition, the internal audit function is performed by an external resource.

AN ANONYMOUS CHANNEL FOR WHISTLE-BLOWERS

Resurs has an internal procedure for whistle-blowing. Employees can turn to it anonymously and raise the alarm if they see something improper occurring that deviates from internal or external regulations. The recipients of whistle-blower cases are the Legal Counsel and the CHRO, who are notified as soon as a case is submitted. Management of submitted cases can be tracked, which ensures that no one can erase a case. An initial assessment is performed as to whether the case meets the criteria to be handled as a whistle-blower case and then subsequently escalated internally or possibly externally depending on the type of case.

In order to increase knowledge of the whistle-blower function, an internal training course was designed at Resurs Academy Online Training in 2018. Roll-out of the course began towards the end of the year, initially in Sweden.

TARGETED TRAINING EFFORTS

Employees' knowledge and insight into the nature of risk exposure for their

particular part of the operation is the basis for engaging in proactive efforts. Continual anti-corruption training courses for all employees are a priority. The purposes of these courses is to provide a basic understanding of anti-corruption issues and develop expertise that makes it easier to perceive warning signs where there is a risk of any type of corruption. These are supplemented with target training efforts to meet specific needs and challenging situations, for example in the Group's sales departments, such as educational tracks that focus on bank regulatory training that includes money laundering. The courses can all be found at Resurs Academy Online Training, which also has support and guidance for how employees should act if risks of corruption arise in a customer relationship or business situation.

All employees have access to the Code of Conduct and its associated policies and guidelines via the intranet. The Group's employees are considered to have good knowledge of applicable policies and are completing the courses, which helps ensure that attention can be drawn to suspicious behaviours. During the year a total of 662 employees, corresponding to 85.6 per cent of the workforce, completed online courses focusing on anti-corruption. All senior executives were informed of or completed online courses focusing on anti-corruption. Fundamental requirements for compliance with applicable anti-corruption legislation in each country are stipulated in relationships with retail finance partners.

SIGNIFICANT RISKS ASSOCIATED WITH RESURS'S ANTI-CORRUPTION EFFORTS

Identified risk	Consequence for	Management of risks
Receiving an improper bribe.	Loss of corporate and social gain.	Anti-bribery policy. Resurs's three control bodies for risk management and independent review.
Ambiguity in the meaning of the terms corruption and anti-corruption.	Uncertainty among employees about right vs. wrong actions.	Group-wide anti-corruption training through Resurs Academy. Resurs's Code of Ethics and Code of Conduct.
Observation of improper action that is not addressed.	Damage to Resurs's brand. Loss of corporate and social gain.	Legal and Anti-Corruption Compliance Officer. Resurs's three control bodies for risk management and independent review. Whistle-blower function.

About the Sustainability Report

This is Resurs Holding's second Sustainability Report. It pertains to the entire Group. The report has been developed in accordance with the precautionary principle, and it has been prepared in accordance with the GRI Standards at Core level. This report constitutes the formal sustainability reporting according to Chapter 6 Section 11 of the Annual Accounts Act. This report is included as part of the Group's Annual Report, and is a part of the Board of Directors' Report.

The auditor's review of the report is attached and is limited to a statement that the report has been prepared, which appears on page 123.

The contents of this Sustainability Report are based on the materiality analysis performed in 2017, which has guided the selection of the Group's most material sustainability topics.

Resurs issues the Sustainability Report annually, and it covers one calendar year. The most recent Sustainability Report, for 2017, was published on 20 March 2018. The report also constitutes Resurs's report to the UN Global Compact, the Communication on Progress.

The primary target group for the Sustainability Report is Resurs's shareholders. Other important stakeholders such as retail finance partners, customers and employees, as well as society at large, should also be able to find explanations of the most important issues in this report.

This Sustainability Report drawn up according to GRI Standards has not been the subject of an external third-party review.

For questions concerning the Group's Sustainability Report, please contact Eva Brike, Resurs's Chief Human Resources Officer and Sustainability Director by e-mail at: eva.brike@resurs.se

PARTICIPATION IN TRADE AND PROFESSIONAL ASSOCIATIONS

Resurs is a member of several associations, thereby complying with current industry requirements in the markets in which the Group conducts banking operations, as well as ensuring a responsible approach to both retail finance partners and customers, as well as employees and society. Resurs is a member of the Confederation of Swedish Enterprise, the Swedish Bankers' Association, FAR, Finance Norway, the Association of Norwegian Finance Houses, the Danish Chamber of Commerce and the Finnish Commerce Federation.

STAKEHOLDER DIALOGUE

Resurs continuously engages in dialogue with various stakeholder groups. Such engagement provides insight into the expectations of stakeholders and the

external environment for the operations, which offers importance guidance for the Group's priorities and activities relating to various sustainability topics. The stakeholders considered to be the most concerned or directly affected by the operations are retail finance partners, customers, employees and owners. Dialogue takes place in various channels and at different frequencies depending on topic and stakeholder group.

MATERIALITY ANALYSIS

The materiality analysis helps the Group understand the sustainability topics that are of greatest importance to stakeholders and their expectations for the business. In addition, the results of the analysis provide information about the impact of operations on the economy, society, people and the environment. Resurs applies the principles and guidelines of the GRI Standards to determine

what its Sustainability Report will cover. The results of the materiality analysis performed in 2017 in order to identify the Group's most crucial sustainability topics are still considered relevant. The analysis process began by defining the most important sustainability topics in the banking and finance industry. This helped to clarify relevant issues to bring up at the Group's first internal workshop.

The issues were selected based on GRI's list of sustainability topics, as well as from a business strategy perspective. In order to ensure that the survey addressed the entire Group's operations, representatives from a number of Group functions participated. Guided by the workshop results, twelve sustainability topics were selected to ask stakeholders about. The stakeholders consisted of customers, employees, retail finance partners, owners and members of Group Management. The selection criteria were

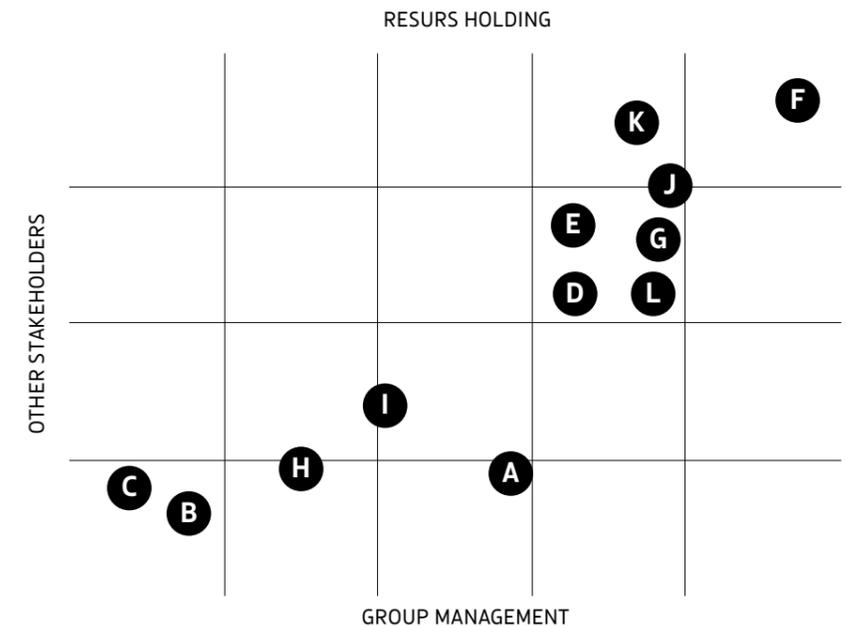
that they should have a mutual relationship with the Group, as well as being significantly affected by the business. They completed a web-based survey, to which 1,324 stakeholders from the Group's four main markets (Sweden, Denmark, Norway and Finland) responded.

The Group's perspective was represented by Group Management, which in its responses also emphasised the importance of the Group's environmental and social impact. Their responses were as then combined with the results of the stakeholder survey. The result was then analysed at a second internal workshop where a validation was performed based on Resurs's overall business strategy perspective.

The appraisal also took into account the importance of sustainability topics in a global context, as well as the ability of Resurs's operations to directly or indirectly influence these issues.

Stakeholder group	Engagement channel	Key topics and concerns raised by stakeholders	Resurs Bank's management of key topics
CUSTOMERS	Customer meetings Customer service Social media Surveys	Digital services, such as e-invoices, bank app, omni-solution Invoicing and questions on fees Paper print-outs Customer experience Security	Development of new services that give customers greater ability to manage their banking themselves. Open and clear communication Transition from paper print-outs to digital information, for example, through Kivra Consolidation of systems for better and quicker customer service Identification via mobile BankID in stores and via telephone
EMPLOYEES	Materiality analysis Employee appraisals Internet Introduction for new employees Employee surveys	Occupational health and safety Professional development and career Diversity and equal treatment Sustainability work	Internal and external training Management training Work environment training Dedicated HR role focusing on sustainability, diversity and health Diversity and health Sustainability council Guidelines/policy for diversity and equal treatment Health-promoting measures
PARTNERS Partners (e.g. retailers) End customers	Materiality analysis Correspondence (e-mail, post, etc.) Customer meetings	Offering of payment and financing solutions to end customers, focusing on digitisation, simplification and security. The new rules and regulations that affect the services that partners use or broker via Resurs Bank. Digital services, such as e-invoices, bank app, omni-solution	Further development of existing products and services, with a particular focus on digitisation and automation. Authentication and signing using electronic ID. Adjustments to and evaluation of effects and opportunities linked to new regulations (e.g. GDPR, PSD2, money laundering). Development of new services that give customers greater ability to manage their banking themselves.
OWNERS Shareholders, investors and analysts	Materiality analysis Investor meetings Roadshows Capital Market Day Annual General Meetings Presentation of quarterly reporting	Sustainable growth and return Risk management and financial stability Sustainability work	Work on clear and open communication to enhance understanding among the investor collective. Arranged Capital Market Day to further enhance communication.

- A MATERIALS
- B ENERGY CONSUMPTION
- C CLIMATE IMPACT
- D OCCUPATIONAL HEALTH AND SAFETY
- E TRAINING AND PROFESSIONAL DEVELOPMENT
- F CUSTOMER PRIVACY
- G DIVERSITY AND EQUAL OPPORTUNITY
- H ENVIRONMENTALLY SUSTAINABLE PROCUREMENT
- I SOCIALLY SUSTAINABLE PROCUREMENT
- J RESPONSIBLE CREDIT LENDING
- K ANTI-CORRUPTION
- L FINANCIAL RESULTS



COMMENTS ON THE MATERIALITY ANALYSIS

The results of the materiality analysis demonstrate clear agreement between what the Group and its key stakeholders consider to be important. This indicates that the Group's sustainability efforts conform well to the expectations of others.

In the analysis, the greatest importance was attributed to the sustainability topics Customer privacy, Anti-Corruption, Responsible credit lending and Diversity and equal opportunity. For the 2018 report, Employees and Diversity and equal opportunity were combined, and Social responsibility and the Environment were added as new material sustainability topics.

Management of Resurs's sustainability efforts

Resurs's operation as a banking and insurance group poses demands for conduct according to business ethics, as well as the assumption of responsibility for the operation's impact on people, society and the environment.

The Group's approach is based on following the laws and regulations of each country where it operates, such as competition law, environmental regulations, labour market regulations and collective agreements that affect the operation. Resurs respects international conventions on human rights, which guide its own business. Child labour and labour that is forced or performed under the threat of violence is not tolerated under any circumstances. Resurs makes target efforts to oppose all forms of corruption.

Its shared corporate culture is based on the Group's values – Driven, Open, Innovative, Trustworthy – and this culture has support throughout the Group.

MANAGEMENT APPROACH AND RESPONSIBILITY

The overall strategic direction of Resurs's sustainability efforts is determined by Group Management. Resurs's CEO is ultimately responsible for sustainability topics. Resurs's sustainability committee

is responsible for initiating, driving and following up operational sustainability efforts, with the objective of ensuring compliance with the Group's long-term commitments. The sustainability committee comprises a total of nine employees from Customer Experience, Marketing, HR, Customer Service, Facility, Consumer Market, Legal and Finance. The committee meets four times per year and reports directly to the Sustainability Director.

CODE OF CONDUCT – RESURS'S OVERALL MANAGEMENT TOOL

Resurs has been a member of the UN's sustainable business initiative, the Global Compact, since 2018. This means that the Group is in favour of the initiative and supports and furthers its ten principles. The updated version of the Code of Conduct, which was introduced in 2018 and is based on these ten principles, clarifies issues including the Group's views on business ethics, working conditions, diversity, equality and equal opportunity. Resurs's Code of Conduct encompasses the entire Group and all of its employees. It must guide how everyone, regardless of their function and role within the Group, acts according to business ethics and in a way that inspires trust on the part of retail finance partners, customers, authorities and other stakeholders.

The Code of Conduct is available on the intranet, as well as on Resurs's external websites, so that retail finance partners, customers and investors can read about the fundamental guidelines according to which the Group operates.

MANAGEMENT APPROACH:

ANTI-CORRUPTION

Resurs has three levels of control functions, the three lines of defence, to manage corruption risks in the operation and ensure that the Group is doing business and entering into business relationships based on value creation and ethically proper grounds. The first body focuses on the risks that may arise in operations, consisting of control functions within the Group's various departments, as well as the Group's Legal and Anti-Corruption Compliance Officer, who coordinates and is responsible for operational anti-corruption efforts. The second body consists of each Group company's Compliance and Risk Control function, as well as the Actuarial function within insurance operations, which continually and independently control the operations. The third control body is Resurs' internal audit function, which independently examines the Group's operations and evaluates how the other control functions manage and assess risks.

MANAGEMENT APPROACH:

CUSTOMER PRIVACY

The Group's control functions consist of the Internal Audit function, the Compliance and Risk Control function and the insurance operation's Actuarial function. They are independent and report regularly verbally and in writing to their respective company CEOs and the Group CEO, the Board and certain Board committees.

The Internal Audit function's review of the Group's operations includes reviewing activities in operations to determine whether the business is being adequately managed from a risk perspective. The Internal Audit function reports regularly to the Board.

The Risk Committees, in which senior executives participate, monitor and identify risks in the business as well as proactively addressing potential risks and following up on approved actions. The Group's processes for approving new or significant changes in existing products/services, markets, processes or other

major changes in the business operations are intended to effectively and efficiently identify and manage relevant risks that may arise.

MANAGEMENT APPROACH:

RESPONSIBLE CREDIT LENDING

The limits for credit lending operations are based on the overall policy set by the Board. This policy defines the credit strategy to be followed by the Group and is based on the Group's products and business segments, laws and regulations, and the long-term sustainable level of credit losses that the business is prepared to accept.

The strategy is implemented in operational activities by being translated into scoring models and award criteria, which are then followed up and checked by several bodies. Reports are made to the risk committee and the results of the control functions' examinations are also reported to the Board.

The national credit managers use monthly sampling checks to review the work based on prevailing criteria and regulations. The Risk Control function then examines parts of the credit lending process by measuring credit losses and following up on the product portfolios' credit risks. In addition, an internal audit of the credit lending operation is also continuously carried out.

MANAGEMENT APPROACH:

EMPLOYEES, DIVERSITY AND EQUAL OPPORTUNITY

The function of HR Specialist Sustainability, Diversity & Health is dedicated to driving, developing and monitoring efforts in the areas of sustainability, diversity and health. The role includes working on sustainability projects and following up on them. The Group furthermore has a Compensation & Benefit Manager, who manages compensation and benefits. This role is primarily responsible for reviewing remuneration levels and an annual salary survey, as well as developing policies and guidelines for salaries, pensions, benefits and company cars.

A SELECTION OF POLICIES AND GUIDELINES:

- Guidelines for diversity and equal treatment.
- Policy against victimisation in the workplace
- Policy for governance risk management and control
- Credit policy
- Whistle-blowing policy
- Anti-bribery policy
- Policy on anti-money laundering and financing of terrorism
- Data protection policy
- Competition policy
- Policy on trade sanctions
- Complaint management policy
- Remuneration policy
- Insider policy
- Code of Conduct

DRIVEN
OPEN
INNOVATIVE
TRUSTWORTHY

GRI content index

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GRI 101 FOUNDATION			
GRI 102 GENERAL DISCLOSURES (CORE) (2016)			
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102-56	External assurance	-	The Group's Sustainability Report has not been externally assured in accordance with GRI

TOPIC-SPECIFIC DISCLOSURES

Number	Disclosure	Page	Comments
GRI 103 MANAGEMENT APPROACH (2016) See topic-specific disclosures			
GRI 205: ANTI-CORRUPTION (2016)			
103-1	Explanation of the material topic and its Boundaries	24, 118-119	
103-2	The management approach and its components	120-121	
103-3	Evaluation of the management approach	120-121	
205-2	Communication and training about anti-corruption policies and procedures	35	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)			
103-1	Explanation of the material topic and its Boundaries	24, 118-119	
103-2	The management approach and its components	120-121	
103-3	Evaluation of the management approach	120-121	
405-1	Diversity of governance bodies and employees	29	
GRI 418: CUSTOMER PRIVACY (2016)			
103-1	Explanation of the material topic and its Boundaries	24, 118-119	
103-2	The management approach and its components	120-121	
103-3	Evaluation of the management approach	120-121	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	34	Complete information is not available. Resurs does not presently measure/monitor complaints from a strict privacy perspective.
RESPONSIBLE CREDIT LENDING (OWN SUSTAINABILITY TOPIC)			
103-1	Explanation of the material topic and its Boundaries	24, 32-33, 118-119	
103-2	The management approach and its components	120-121	
103-3	Evaluation of the management approach	120-121	

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Resurs Holding AB (publ), corporate identity number 556898-2291

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2018 on pages 18-19, 24-35 and 120-121 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Helsingborg 18 March 2019
Ernst & Young AB

Niklas Paulsson
Authorized Public Accountant