



Our
responsibility
2022/23

eO's

Foreword from our CEO



Day by day, we work to change things for the better. We are successful in business because we embrace change and take responsibility for all we do. We change things for the better for our clients and employees, but also for consumers, our industry, and society.

Sustainability is an integral part of our corporate responsibility (CR). I am especially proud that we have turned our CR strategy into action and have expanded our reporting since the launch in 2020. We took another step in 2022 when we identified key CR topics by conducting a first materiality analysis. This year for the first time, this section of our combined Annual Report and Sustainability Report is based on the standards of the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs). Reporting our activities in the context of these standards and goals makes our contributions even more transparent.

As a financial services provider, we consider sustainability as more than just environmental protection. Our special concerns are divided into four fields of action within our CR strategy. In this chapter, we explain how we meet the standards in the fields of *Responsible Collection*, *Joint Progress*, *Environmental Protection* and *Financial Sustainability*. These four fields of action also structure this section.

I thank all colleagues who contribute daily to making EOS an economically successful business with a firm commitment to sustainability. Always intent on becoming a little bit better.

Marwin Ramcke, Chairman of the Board of Directors

GRI 2-22

Our sustainability management

Sustainability is a top priority for EOS. We have set the goal of integrating sustainability management and implementing related measures throughout the company. Our CEO has overall responsibility for all sustainability matters in the EOS Group. The Corporate Development (CD) department assumes operational responsibility for implementation. Semi-annually, CD reports to the Board on all sustainability-related activities and progress toward our goals.

The CD team functions as an interface within the company and works closely with many departments (e.g., Corporate Compliance and Group HR) and national subsidiaries. Their joint efforts generated the first materiality analysis that we use as the framework for our sustainability strategy. With our aim to become better every day, we continuously develop strategically relevant Key Performance Indicators, initiatives and measures, which are then approved by our Board.

GRI 2-12, 2-13, 2-17



The complete GRI Index for EOS can be found [here](#).

About this section

In the sustainability section of our combined Annual and Sustainability Report, we tell our stakeholders about our most important environmental, social and governance activities during fiscal year 2022/23. The report includes the fields of action and the most important topics identified in the first materiality analysis conducted by EOS Holding GmbH with headquarters in Hamburg. The sustainability report covers the entire EOS Group* during the period from 1 March 2022 until 28 February 2023** and refers to the standards of the Global Reporting Initiative (GRI).

* Unless indicated otherwise.

** Excluding figures from a German subsidiary and HR figures from the French EOS companies.

GRI 2-1, 2-2, 2-3

You can find out more about our CR commitment [here](#).

Receivables management means taking responsibility

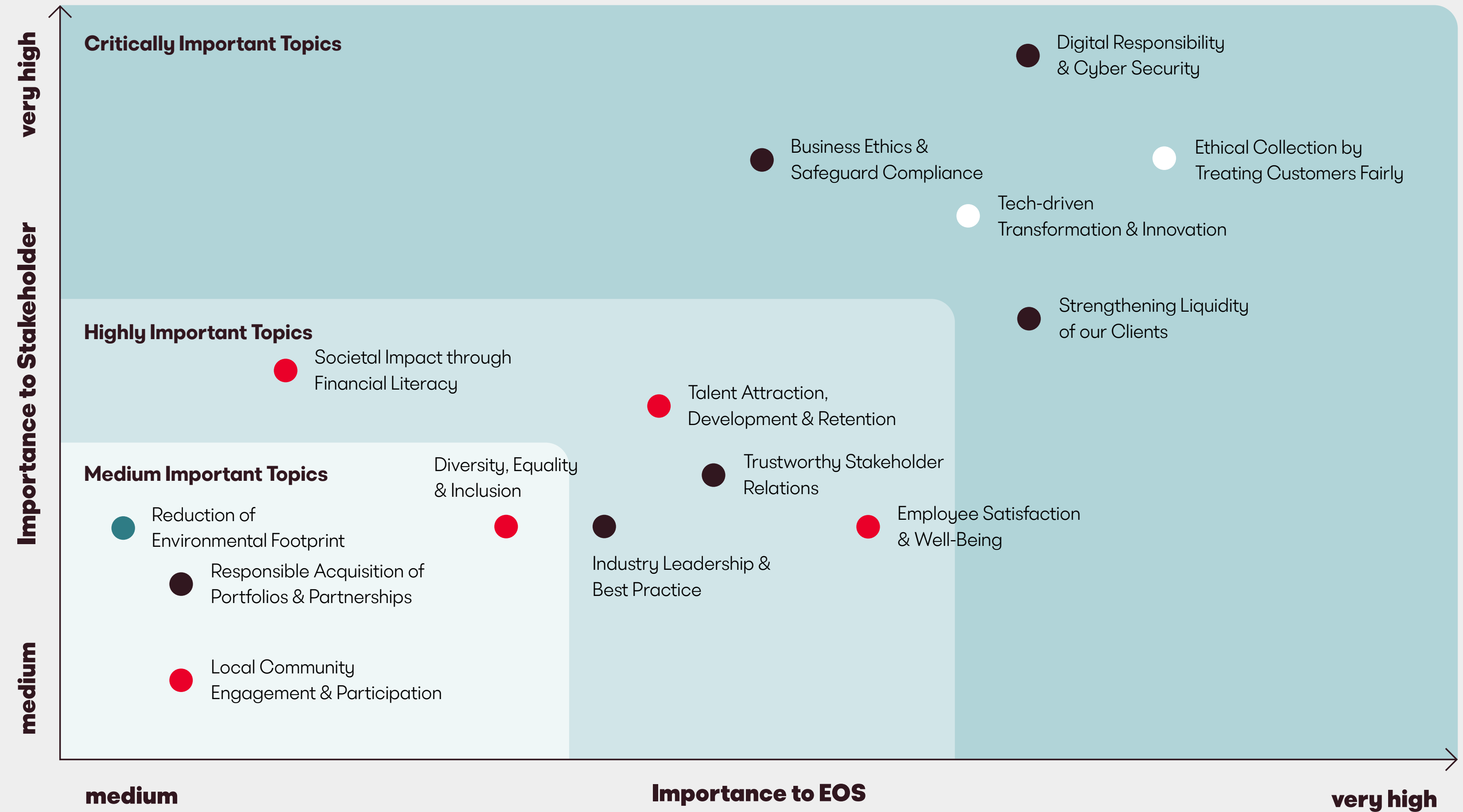
Our responsibility extends to many different areas. As an international financial services provider, we focus on social responsibility and corporate governance. We want to change things for the better. In working toward our goal, we have defined four fields of action in our corporate responsibility strategy:



Materiality is the starting point of our sustainability strategy

In collaboration with internal and external experts, EOS further developed its CR strategy and created a materiality matrix in 2022. The matrix on the right shows the material topics from the EOS corporate perspective (x-axis) and from the viewpoint of our external stakeholders (y-axis). It constitutes the foundation for the future direction of the EOS sustainability strategy.

Materiality matrix



Fields of Action: ● Responsible Collection ● Joint Progress ● Environmental Protection ● Financial Sustainability

GRI 3-2

The definition of our material topics

To create a framework for our sustainability reporting, we identified the sustainability topics in our first materiality analysis that are most important (i.e., “material”) to EOS. We then compiled a long list of potential key topics from status quo and benchmark analyses and included relevant international reporting standards, rules and guidelines (e.g., GRI, DNK, SDGs, SASB, UNGC, ESRS*). In a workshop with internal and external experts, we narrowed down, summarized and prioritized our material topics. We rated them in terms of relevance for our external stakeholders (y-axis) and for EOS (x-axis). In assessing the material topics for EOS, we considered the inside-out and outside-in perspective, also known as “double materiality”.

GRI 2-29, 3-1

*In putting together the long list, we used the version of the ESRS standards from April 2022.

Global responsibility: The UN Global Compact

The EOS Group joined the United Nations Global Compact, the world’s largest pact for corporate responsibility, in 2021. As a member, we pledge our commitment to the compact’s 10 principles on human rights, labor, environment and anti-corruption.

Each new member first must derive its own goals from the 10 principles. We did so in the past year, identifying our goals from the UN’s 17 Sustainable Development Goals (SDGs) to which we can make the most effective contribution. The SDGs we selected, along with the associated key figures and goals are important benchmarks in our corporate responsibility strategy. We will report on our progress once a year in our “**Communication on Progress**” (COP).

GRI 2-23

We focus on the following SDGs:

3 GOOD HEALTH AND WELL-BEING



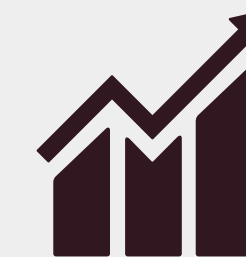
4 QUALITY EDUCATION



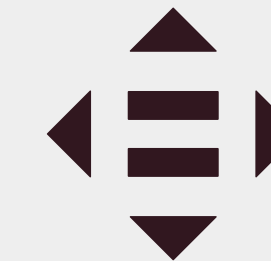
5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



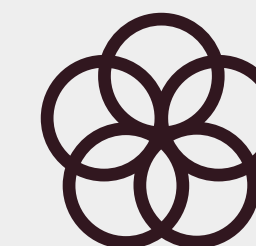
13 CLIMATE ACTION



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



Parts of individual initiatives and measures contribute to other SDGs as well and will be included in our reports where appropriate.

01 Responsible Collection

EOS stands for respectful and fair treatment of consumers and for solution-driven, sustained debt relief.

8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



Ethical Collections by Treating Customers Fairly

EOS stands for fair debt relief for consumers. In keeping with our claim, “Changing finances for the better”, we support defaulting payers to become debt-free. We develop fair payment plans that are economically feasible for everyone involved and also find solutions for consumers whose personal circumstances present special challenges.

Respectful communication is key to our approach. This summer we will roll out an international, Group-wide policy that standardizes our respectful and ethical treatment of defaulting consumers. The policy obliges us to use easy-to-understand language, to speak tactfully and to assume responsibility for our words and actions.

With technological innovations, we simplify the payment process for consumers. We provide service portals and chatbots that let consumers manage their payments independently, without having to contact us directly. However, consumers who prefer personal contact can turn to our qualified staff members for suitable debt relief options. To further improve the user experience, we offer consumers their personally preferred payment methods suggested by our data analysis. We continuously improve our services on the basis of feedback, which is collected through surveys, for example.

Tech-driven Transformation & Innovation

Technological progress, an important driver for EOS, prepares us for the future. We use data analyses and artificial intelligence to change the finances of clients and of defaulting consumers for the better. Personalized payment plans and intelligent chatbots help in this process. Our goal is to offer clients and consumers Group-wide a fully digital process tailored to their needs.

In 2022 the Data & Analytics Hub (DAH) reorganized. It bundles the national and international analytics competence of EOS. “In the Data & Analytics Hub, our colleagues link data and AI support to make recommendations or decisions,” says DAH Director Jakob Spitzer. Defaulting consumers benefit, for instance, by being approached in the way best suited to them personally.

Fair debt collection in figures

5 million

and more debt cases handled successfully by EOS in fiscal 2022/23 helped defaulting consumers.

61

percent of defaulting consumers were able to manage their debts independently via online service portals in the reporting period.

9

payment methods in total are offered by EOS to suit as many consumers as possible. Apple Pay and PayPal are just two of the options.

02 Joint Progress

We take on social responsibility within the EOS Group by promoting empowerment, diversity and inclusion, and in society through our own education initiatives.



Social Impact through Financial Literacy

It is our goal to strengthen financial literacy in society to counteract excessive private debt.

As a way to teach future generations about finances, the finlit foundation was launched by staff members of the EOS Group in 2020. The non-profit organization shows children and adolescents how to handle money properly and thus helps them to avoid excessive personal debt. ManoMoneta, finlit's first education initiative, targets children aged 9 to 13 and is active now in schools in several European countries. "Oh Money", a second initiative started recently in Germany is aimed at adolescents between 13 and 17 years of age. At the same time, e.g. EOS in Romania, Slovenia and Croatia became actively involved in other initiatives

for adolescents and adults that include course offerings in schools, teaching videos and participation in the *Winter Finance School* for teenagers.

Talent Attraction: Development and Retention

We want to position ourselves as an attractive employer, retain committed employees for the long term and offer them growth opportunities. To that end, the EOS Group launched numerous offerings and initiatives. One example is the international NXT talent management program in which 92 talented employees from 17 countries participate, receive targeted support and network within the group.

The Group-wide Masterplan learning platform gives employees access to a large selection of training material that they can put together according to their personal needs.

GRI 404-2

Our financial education in figures

87,000

children have learned how to handle money with ManoMoneta since 2020.

8

national subsidiaries of EOS implemented initiatives for the financial education of children and adults.

GRI 413-1

1,400

schools have used ManoMoneta in their classrooms since its launch.

Empowerment in figures

3,000

employees of EOS have registered on the Masterplan learning platform since January 2022.

GRI 404-2

31 h

of advanced training were completed on average by each employee of EOS in the 2022/23 financial year. That is an increase of nearly 22 percent over previous year and of more than 50 percent over fiscal 2020/21.

GRI 404-1

Diversity, Equality & Inclusion

As an international group, EOS promotes diversity in its ranks. We are pleased, therefore, when employees establish and become actively involved in communities. In the Diversity & Inclusion Board, we have a structural framework for coordinating initiatives and providing strategic direction for diversity.

In April 2023 we launched a learning path on Diversity & Inclusion for the EOS Group on the Masterplan online platform. It contains videos to teach employees the significance of diversity and inclusion in the workplace and to help them develop strategies for an integrative, welcoming and successful work environment. The course is open to all employees and is compulsory for managers and HR staff.

More inclusion through the Transidentity Guide

The community Queer@EOS has published a Transidentity Guide in collaboration with Otto's queer network MORE*. It offers support to employees during and after their transition. The guide serves as a source of information for colleagues and managers looking for answers to trans gender-related questions. For example, trans colleagues can change their name within the EOS Group with little effort.

Table of HR KPIs

	2020/21	2021/22	2022/23
Total workforce			
FTE	5,782	5,918	5,908
Headcount	6,353	6,422	6,411
Headcount by region			
Germany	2,028	1,925	1,868
Western Europe	1,050	1,064	1,155
Eastern Europe	3,275	3,433	3,388
Headcount by gender ¹⁾			
Male	31%	32%	33%
Female	69%	68%	67%
Headcount by category & gender ^{1), 2)}			
Employees	5,575	5,588	5,525
thereof female	71%	70%	70%
Management	778	834	886
thereof female	50%	52%	52%
Headcount by contract type			
Permanent	5,999	6,086	6,128
Temporary	354	336	283
Headcount by contract type & gender ¹⁾			
Full time	5,239	5,376	5,371
thereof female	66%	65%	64%
Part time	1,114	1,046	1,040
thereof female	84%	83%	81%

GRI 2-7, 2-8, 2-30, 401-1, 401-3, 405-1

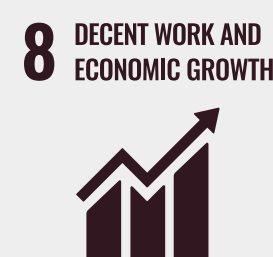
	2020/21	2021/22	2022/23
Headcount by age (total)			
<30	1,538	1,491	1,377
30-50	3,758	3,857	3,922
>50	1,057	1,074	1,112
Headcount by age (employees)			
<30	1,489	1,452	1,337
30-50	3,156	3,203	3,218
>50	930	933	970
Headcount by age (management)			
<30	49	39	40
30-50	602	654	704
>50	127	141	142
Employees that were on parental leave during the reporting period ³⁾			
total	361	338	366
Share of employees covered by collective bargaining agreements ⁴⁾			
total	41%	39%	40%
Workers who are not employees ⁵⁾			
total	141	144	147
New employee hires ¹⁾			
total hirings	937	1,274	1,258
thereof female	53%	63%	62%
Employee turnover			
Turnover rate	19,1%	18,2%	19,6%

- 1) Gender as indicated by the employees themselves. In the reporting year, fewer than 5 employees did not assign themselves to either of the two binary genders and are therefore not shown for data protection reasons
- 2) Management is defined as staff with responsibility of leading people (including e.g. call center supervisor, team leads, line managers, etc.)
- 3) Contains multiple entries for absences spanning more than one fiscal year
- 4) Refers to agreements between employee representatives and EOS. For all other employees, there are individual agreements with the employer
- 5) Common types of work performed by these workers include administrative tasks, IT support and marketing services

The figures are presented in headcount and compiled at the end of the business year (28th February) unless otherwise stated.

03 Financial Sustainability

EOS advocates strong, binding industry standards and responsibility guidelines. We apply strict criteria when we price portfolio purchases and make other investments.



Responsible Acquisition of Portfolios & Partnerships

The business with non-performing loans requires a large measure of responsibility. Therefore, EOS applies strict, defined criteria when making decisions about taking on partners and clients.

One example is our cooperation with the Worldbank subsidiary International Finance Corporation (IFC), the largest global development bank. Within three years in conjunction with the bank, EOS will invest more than EUR 100 million in non-performing loans and real estate in Eastern Europe in compliance with

ESG (Environmental, Social and Governance) standards.

Additionally, we make sure our pricing is sustainable and satisfies the business concerns and ethical standards of all parties. As part of a family business, the Otto Group, we focus on the long term and carefully assess all risks.

We choose our business partners according to defined criteria too and use our industry blacklist for that purpose.

As standard practice, we check how our partners and companies deal with human rights and issues such as money laundering, corruption and other criminal acts. We also make sure they comply with all sanction lists. Moreover, we do not work with companies engaged in pornography or prostitution, online gambling, subscription scams or untrustworthy microlending.

To ensure fair dealings with and by suppliers, EOS is currently working on a Code of Conduct for Service Providers that contains SDGs and regulations from the Supply Chain Due Diligence Act.

GRI 2-23

We are guided by high standards in our own actions and expect our partners in the cross-border business to uphold them as well. To this end we offer training right at the beginning of our collaboration and visit our partners on site during the onboarding process to get a clear picture of their operations.

Digital Responsibility & Cyber Security

Data usage is fundamental for the business of the EOS Group. We handle data responsibly and continuously improve our processes and systems in order to protect it. Some 90 employees Group-wide work in data protection and information security.

Monitoring tools allow us to detect attacks early and stop them. Right now, an even more extensive international protection system is being set up as part of the new Iron EOS program in which experts and tools ensure the safety of all national subsidiaries. "Iron EOS will put us in a position to react quickly throughout the Group," says Gunnar Weitack, Chief Information Security Officer.

Data security in figures

8

EOS companies have already obtained information security certifications (ISO 27001). Implementation projects have been started at several other companies. Moreover, all EOS companies also adhere to the guidelines of the parent company, the Otto Group. They are broadly in line with ISO 27001.

90

employees at EOS deal with data protection and information security Group-wide.

82

requests by data protection supervisory authorities were received following consumer complaints. All of these were found to be not substantiated.

GRI 418-1

Business Ethics & Safeguard Compliance

The EOS Group advocates strong, binding industry standards and responsible guidelines for the debt collection industry. To help define these standards, we are actively involved in several European [debt collection associations](#) and in numerous initiatives.

GRI 2-28

To emphasize that we take our corporate responsibility seriously, we joined the United Nations Global Compact, which encourages companies worldwide to pursue and support sustainable and responsible business practices. As a member, we support the 10 UN principles concerning human rights, labor, anti-corruption and the environment.

GRI 2-23

To counteract violations or undesirable developments, the EOS Group operates a platform that offers whistleblowers a protected space and is integrated in the mechanism of the Otto Group. Here, employees, as well as suppliers, service providers or clients can report compliance violations at EOS and the Otto Group.

GRI 2-25, 2-26

Compliance in figures

5 **relevant violations** were reported via the EOS whistleblower platform. As none of the complaints proved to be justified, no countermeasures were required.

GRI 2-26

23

associations count EOS among their members. We want to be involved in shaping the direction of the industry.

GRI 2-28

100

percent of all EOS employees have access to the Group's Code of Conduct.

GRI 205-2

100

percent of our EOS operations have been assessed for risks related to corruption.

GRI 205-1

0

confirmed cases of corruption occurred at EOS in the last fiscal year.

GRI 205-3

With our Code of Conduct we create mandatory rules for our daily actions. The defined principles for responsible business conduct are a reliable guidepost for our employees, clients and partners, and are accessible to everyone on the websites of the EOS companies.

GRI 2-23, 2-24

04 Environmental Protection

13 CLIMATE ACTION



As a strong part of the Otto Group, EOS supports the Group's climate protection strategy that pursues the Paris Agreement goal of limiting global warming to 1.5 °C. Together we work on implementing targeted measures.

Reduction of Environmental Footprint

Together with the Otto Group, EOS is working on reducing emissions to net zero in the long run. The Otto Group is currently developing a science-based climate goal (based on the Science Based Targets Initiative, SBTi). The joint climate protection strategy is to fully comply with the 1.5-degree Celsius goal of the Paris Agreement. Our original goal of climate neutrality in our own core processes by 2030 is being considered in the development of the strategy and will be part of the future SBT.

One example in the field of environmental protection: Through a cooperation with the provider atmosfair, EOS has offset the CO₂ emissions of its business travel from 2021 onwards. This will support the climate protection project "Small biogas plants in Nepal".

Publisher:

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As of:

July 2023

GRI 2-3



The complete GRI Index for
EOS can be found [here](#).

EOS