

Encore Capital Group

2022 Environmental, Social & Governance Report

People Helping People



Better Solutions. Better Life.®



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About Encore Capital Group

Encore Capital Group (Encore) is a global specialty finance company with more than 6,900 global colleagues committed to delivering on our Mission to create pathways to economic freedom by partnering with individuals as they repay their debt obligations. We provide debt recovery solutions and other related services for consumers across a broad range of financial assets. Through our subsidiaries around the globe, Encore purchases portfolios of consumer receivables from major banks, credit unions and utility providers.

We are a market leader in portfolio purchasing and recovery in the United States (U.S.) through Midland Credit Management (MCM). We are also one of the largest credit management service providers in Europe and in the United Kingdom (U.K.) through Cabot Credit Management (Cabot) and its subsidiaries and European affiliates.

Our colleagues around the world take great pride in supporting consumers as they work to restore their financial health and create pathways to economic freedom. In turn, our work also helps support a stronger consumer credit ecosystem for all. As the first company of its kind to operate with a Consumer Bill of Rights, we strive to uphold the highest standards in customer service and regulatory compliance.

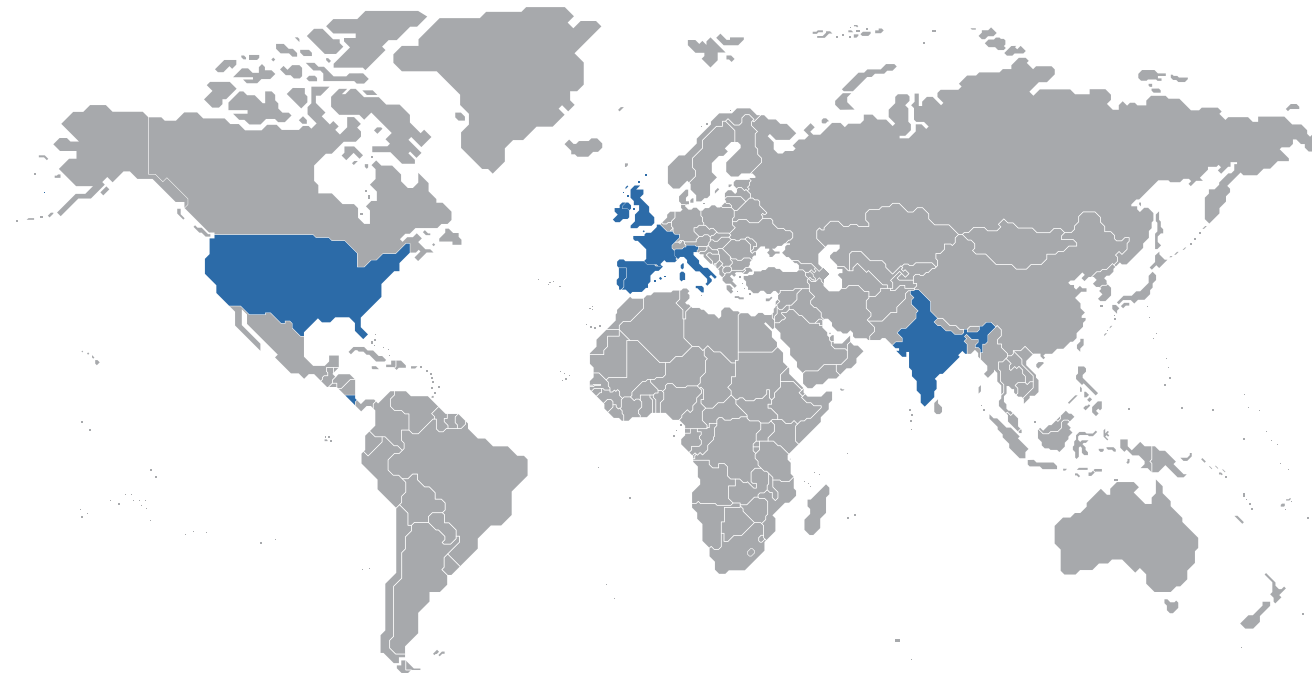
Headquartered in San Diego, Encore is a publicly traded NASDAQ Global Select company (ticker symbol: ECPG) and a component stock of the Russell 2000, the S&P Small Cap 600 and the Wilshire 4500.



Encore's Global Footprint

Location & Percentage of Total Colleagues

North America	United States	19%
Europe	U.K., Ireland, France, Spain, Portugal, Italy	39%
Other	Costa Rica, India	42%



6,900+
Global Colleagues

San Diego, CA
United States
Headquarters

25+
Years in Business

\$12.19B
Amount of capital returned to the consumer credit ecosystem through our portfolio purchases since our inception

Our Mission, Vision & Values



Our Mission

Creating pathways to economic freedom.



Our Vision

We help make credit accessible by partnering with consumers to restore their financial health.



Our Values

We Care: We put people first and engage with honesty, empathy and respect.

We Find a Better Way: We deliver our best in everything we do, find ways to make a positive difference and achieve impactful results.

We are Inclusive and Collaborative: We embrace our differences and work together to ensure every individual can thrive.

Our ESG Approach

Our commitment to environmental, social and governance (ESG) is important to the success of our business and advancing our Mission to create pathways to economic freedom for the consumers we support. Who we are at our core — people helping people — fuels our business and ESG journey.

Our approach to ESG is centered around caring for and uplifting people — our consumers, colleagues and communities. With consumers at the heart of our business, we devote ourselves to helping them restore their financial health. The difference we make in consumers' lives as we partner with them on their journey to economic freedom ultimately helps build a healthier credit ecosystem and in turn supports greater access to affordable credit. This steadfast commitment to helping consumers cannot be made without our global colleagues. We pride ourselves in fostering a culture where our colleagues can thrive, grounded in respect, inclusion and opportunity. We also recognize the role we must play to support and strengthen our communities around the globe, with our passionate colleagues driving this important work forward.

As a responsible corporate steward, we are committed to doing our part to help protect the health of our planet and invest in our collective future. We also hold ourselves to the highest standard for ethical practices and decision-making, upholding our essential commitment to responsible business practices.

We see our commitment to ESG as an ongoing journey. Last year, we launched our inaugural ESG report, an important milestone in our ESG journey, highlighting our global progress in 2021 against issues that matter most to our business and stakeholders. Over the past year, we have focused on building strong ESG governance. These efforts will help us forge ahead on this important work and positively impact society. Through it all, we will stay true to who we are at our core — people helping people.

This report includes sustainability-related disclosures aligned with the Sustainability Accounting Standards Board (SASB) and provides information regarding the progress of, and commitment to, ESG across Encore Capital Group worldwide.



Encore's ESG Pillars

In addition to our Mission, Vision and Values, Encore's five key ESG pillars help accelerate progress on the issues that matter most to our business and stakeholders.



A Message From Our CEO

Last year, Encore was proud to celebrate an important milestone in our ESG journey. We introduced our inaugural ESG report, highlighting our global environmental, social and governance progress and efforts in 2021. Even though the report was our first, being good corporate stewards and recognizing our responsibility to be a positive force in society has always been critical to our business.

We recognize that our resilience and the ability to deliver on our Mission and Vision — to create pathways to economic freedom for our consumers and partner with them to help restore their financial health — is supported by taking meaningful steps to drive our ESG strategy forward. Caring about people is the foundation of our business — and compassion is what helps us succeed.

We create pathways to economic freedom in two ways. For consumers, we listen carefully, partnering with them to help resolve their debts and restore their financial health. This stops the impact on their credit profile, placing consumers on the road to financial well-being and closer to economic freedom.

For credit card issuers, banks and lenders, we provide capital to them by purchasing and servicing their portfolios of receivables. This helps financial institutions to continue providing affordable credit to consumers and businesses in need, which also helps to return capital to the consumer credit ecosystem.

What we do at Encore matters. When we help people restore their financial health, everyone benefits — including the larger consumer credit ecosystem.

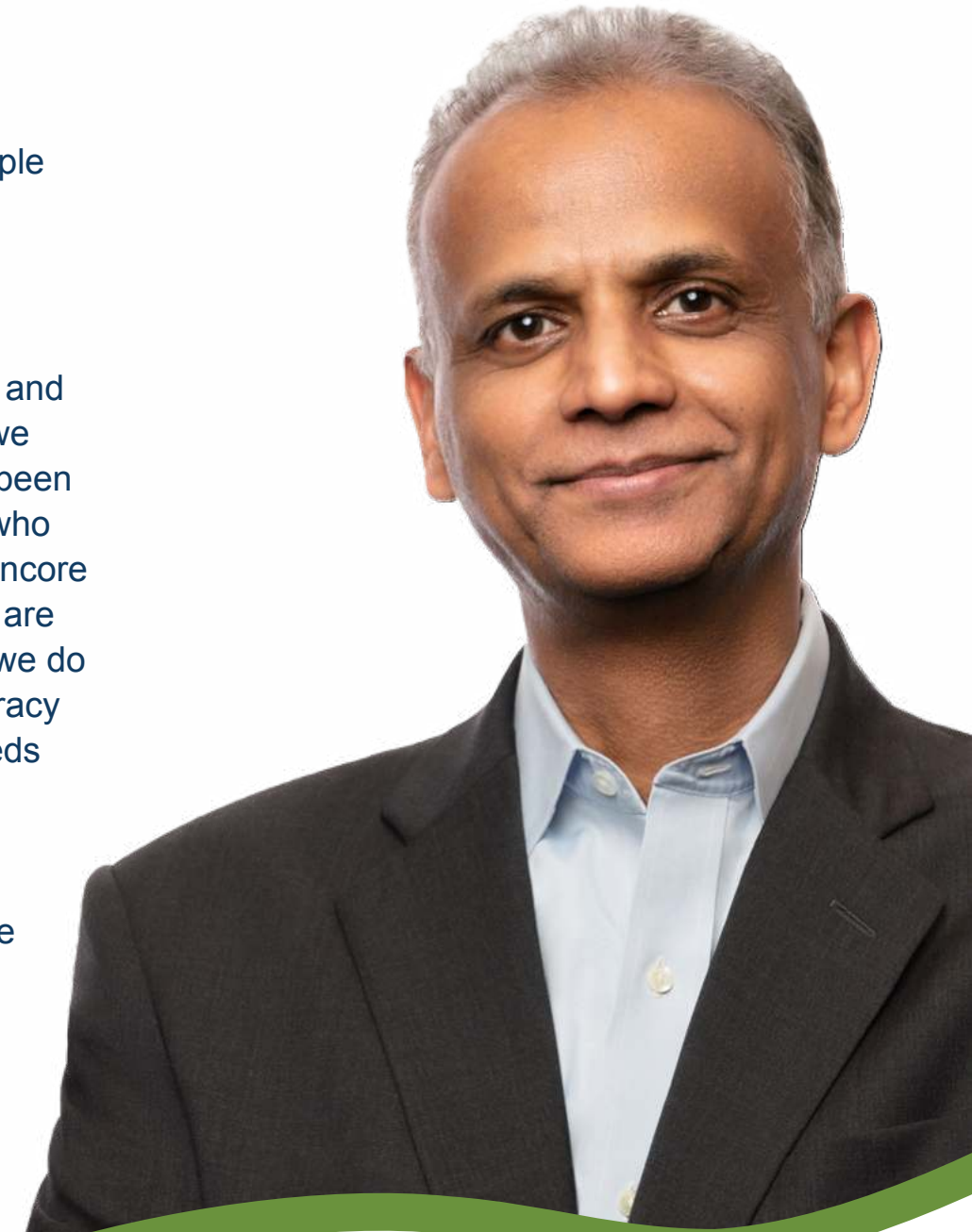
Throughout this report, we share the progress we have made in advancing our environmental, social and governance efforts over the last year. The strides we made on our ESG journey in 2022 could not have been possible without our colleagues around the globe who partner with our consumers every day and make Encore a great place to work, grow and thrive. Our people are also integral to driving forward the important work we do in our communities — from promoting financial literacy to taking collective action to address important needs where we live and work around the world.

Looking ahead, I am eager to sustain momentum on our ESG journey as we recognize its importance to both the success of our business and ambition to build a brighter future for our consumers, colleagues and communities.

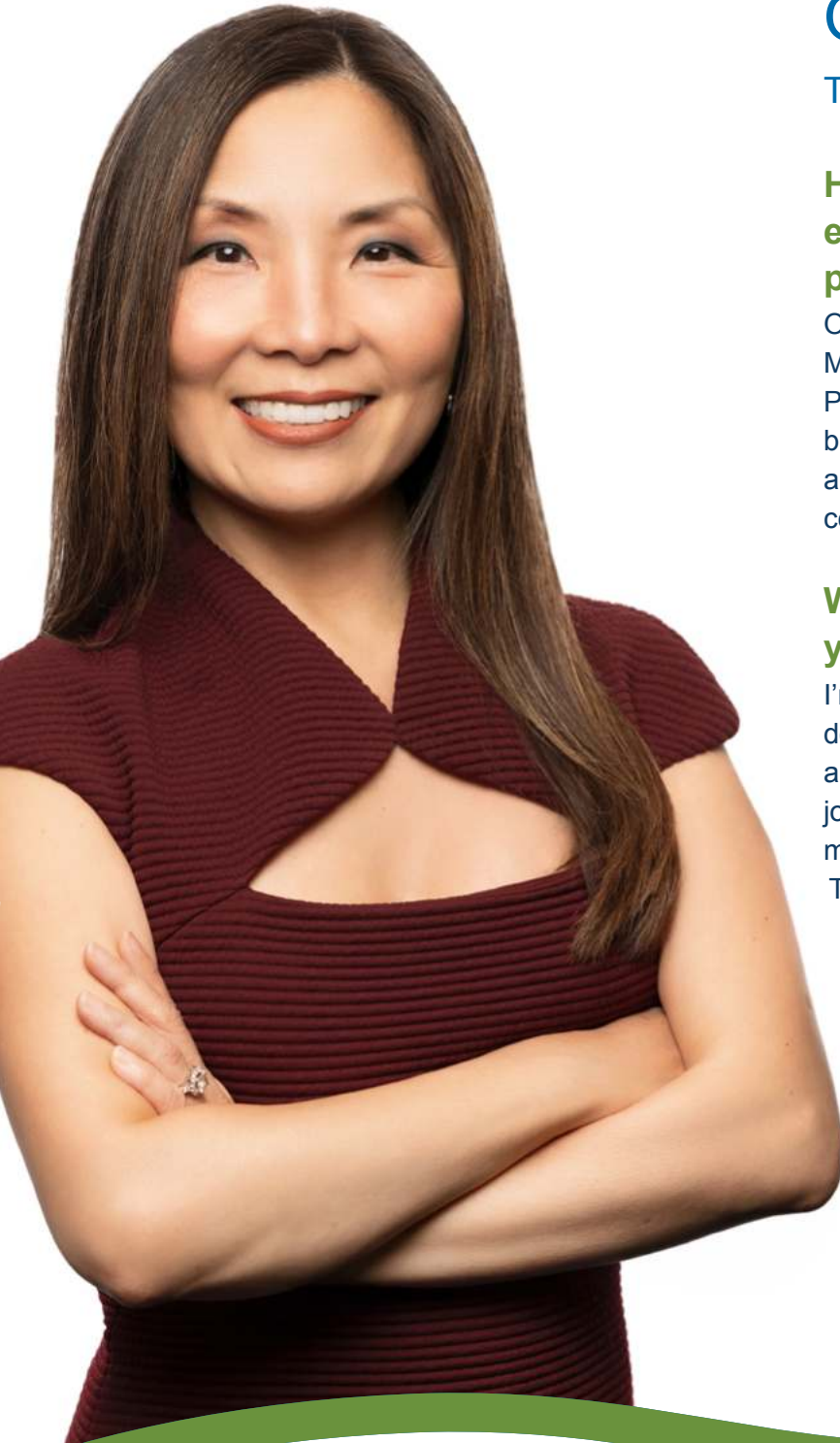
Sincerely,

Ashish Masih

President and Chief Executive Officer,
Encore Capital Group



“Caring about people is the foundation of our business — and compassion is what helps us succeed.”



Q&A with ESG Steering Committee Chair

Tracy Ting, Senior Vice President and Chief Human Resources Officer

How do you believe Encore's ESG efforts advance its mission to create pathways to economic freedom?

Our commitment to ESG is directly tied to our Mission to create pathways to economic freedom. People are the "S" in ESG and what we do in the broad spectrum of ESG is anchored to who we are as a business — caring for and helping our consumers, colleagues and communities.

What are you most proud of when you think of Encore's ESG journey?

I'm especially proud of the work that we have done since formalizing our ESG strategy in 2020 and the ongoing progress as part of Encore's ESG journey. Last year, Encore achieved a significant milestone by publishing its inaugural ESG report. This report outlined our commitment to ESG practices and highlighted the progress we have made in the areas that matter most to our business. We shared how we help consumers solve their debt challenges with compassion and how we support our employees' well-being. Our progress in ESG would not be possible without the unwavering commitment of our colleagues who engage our consumers with empathy and create a culture at work where everyone can thrive and positively impact our communities.

Why is diversity, equity and inclusion (DEI) important to Encore and what efforts from 2022 are you most proud of?

At Encore, our employee footprint spans across nine countries and those colleagues work with credit consumers across many of those countries. As a business, embracing DEI allows us to better partner with the consumers we help with honesty, empathy and respect. As a company, fostering an inclusive and collaborative workplace where everyone can thrive is key to creating a strong work culture. I'm very proud of our work to build structures to support new, existing and future Employee Resource Groups (ERGs) across the company to help foster fellowship, talent development, awareness and connection.

In 2022, we refreshed Encore's longstanding Women@Encore&Allies and formed our newest ERG, the Black Employee Network (BEN), which helps connect colleagues across the globe.

How do you see Encore's ESG strategy evolving in the future?

Through developing our ESG strategy one thing was made clear — our business is all about people helping people. In this year's report, you will see some of the ways we continue to help people, do our part to protect the planet for future generations and hold ourselves to the highest standard when it comes to ethical business practices.

Moving forward, we continue to grow our ESG knowledge and efforts throughout our company, ensuring our ESG strategy is cemented in accountability, transparency and governance. Our ESG journey will continue to be a source of pride for who we are as a business and I am eager to see how our ESG efforts continue to evolve, advance progress on the issues that matter most to who we are and deliver on our Mission.

“People are the 'S' in ESG... what we do in the broad spectrum of ESG is anchored to who we are as a business — caring for and helping our consumers, colleagues and communities.”

ESG Highlights



Consumers

Encore continues to support consumers through its empathetic service model, ensuring consumers experiencing hardships have the right support, and that all interactions are driven by the organization's Mission, Vision and Values and with an emphasis on compliance and ethics.



Colleagues

Great Place to Work[®], the global authority on high-trust, high-performance workplace cultures, certified seven Encore locations, including Costa Rica, France, India, Ireland, Portugal, Spain and the U.K.



Community

Encore colleagues supported 20 local organizations and donated nearly 6,000 items and 9,400 pounds of food during our annual multi-day global event — Encore Connected Week.



Environment

MCM in India moved into its new Indian Green Building Council (IGBC)-certified facility.



Operating Responsibly

A portion of the funding of the bonus plan for our executive officers is related to the achievement of certain ESG-related metrics covering consumer experience and people initiatives.

Empowering People & Communities

At Encore, we care about people. We recognize that to further develop and maintain a resilient and sustainable business, helping people must remain core to who we are. Whether it's building strong partnerships with consumers as they rebuild their financial futures, championing the well-being, growth and empowerment of our global colleagues or working together to strengthen our communities around the world, we are people helping people.



Key Highlights

- Seven locations were certified by Great Place to Work®.
- The global Black Employee Network ERG was launched in June 2022.
- A new leader was appointed to lead our global DEI strategy, Amene Ayub, Vice President of DEI & Costa Rica Site Leader.
- Global colleagues participated in more than 300,000 hours of e-learning and instructor-led training.

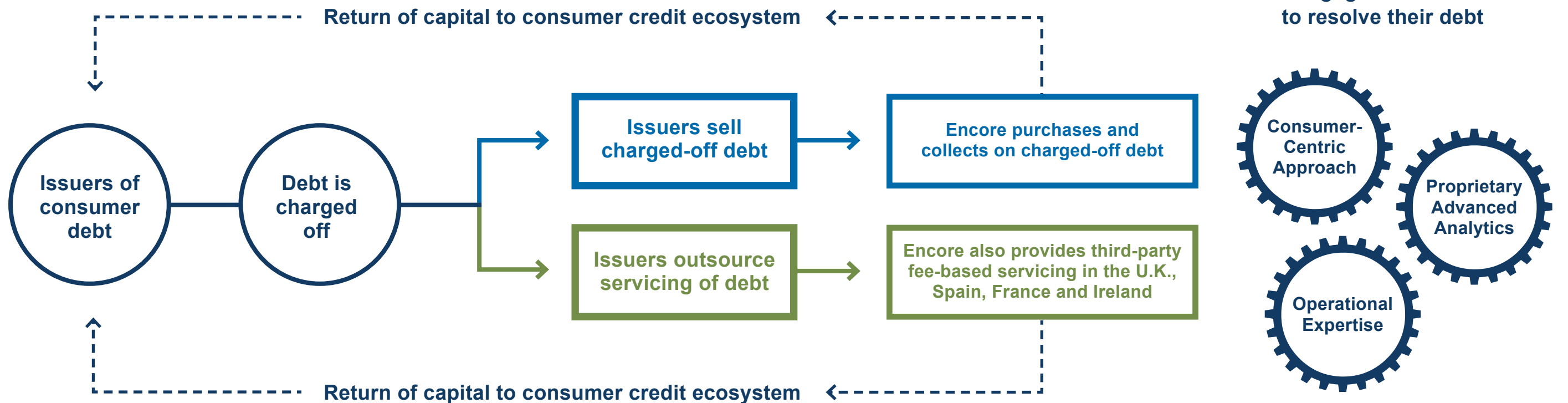


Consumers

What we do — and how we do it — matters. Our care for consumers on their journey to economic freedom is at the heart of our business. And to us, success is helping our consumers with respect, honesty and empathy as they work to repay their debt obligations. We are committed to delivering on our Mission and Vision — to create pathways to economic freedom for our consumers and partner with them to help restore their financial health — all while approaching our partnership with consumers with compassion and dignity.

Why Our Work Matters in the Consumer Credit Ecosystem

At Encore, we care about delivering our best and finding better ways to achieve economic freedom for all. When a consumer can successfully pay their debt obligations, they regain the means to invest in their own future. The funds we help recover can then be reinvested back into the economy, improving cash flow for businesses and financial institutions — increasing the availability of affordable credit and helping to create financial stability. This stability allows consumers the freedom of choice — the ability to spend their money in ways they prioritize, leading to more opportunities for economic growth and a healthier global financial infrastructure.



Ethical Debt Collection

When we treat consumers with dignity, having empathy for their circumstances and being respectful and resourceful in our approach, consumers have a better chance at successfully paying off their debt. To us, that's success. We take a consumer-centric approach in being trusted partners to consumers, helping them identify the best possible solutions to achieve economic freedom.

We take great pride in our data-driven, consumer-centric approach to debt collection, which includes policies, practices and ongoing training to support all global colleagues and ensure a positive experience when partnering and interacting with consumers. Encore's subsidiary, MCM, became the first U.S. company in our industry to operate with a [Consumer Bill of Rights](#), demonstrating our dedication to treating consumers with care, dignity and respect.

We provide robust disclosures, hardship policies, credit reporting grace periods and more, being realistic and honest about consumers' financial recovery journey. We listen to each consumer's unique situation to offer our consumers tailored payment solutions to ultimately restore their financial health.



Our Ethical Debt Collection Efforts



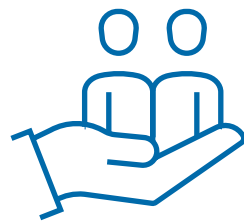
Communications Approach

This model supports account managers in understanding the consumer's situation and providing empathetic support to consumers on their path to financial recovery.



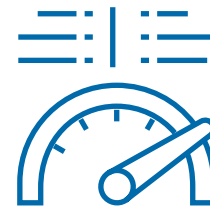
Credit Reporting Policies

We continuously revise our credit reporting policies to make them more consumer-friendly. For example, our MCM Credit Reporting Policy now reports consumer accounts after a period of six months from mailing the validation letter versus the previous three months. MCM also reports the tradeline as deleted to Credit Reporting Agencies as soon as the account has been settled.



Vulnerable Customer Procedures

We recognize that consumers may be put in vulnerable situations, and we have specialists trained to support those with cases of mental and physical illness and financial hardship. Our team supports vulnerable consumers to ensure debt obligations do not become a barrier to physical or financial recovery or overall well-being.



Consumer Satisfaction Program

Within the U.S. and U.K., Encore employs consumer satisfaction surveys to ensure we are always improving consumer experience and that colleagues are supporting consumers in the best ways possible.



Employee Training & Compliance

Our consumer-facing colleagues are trained in and expected to comply with applicable laws and regulations concerning fair and ethical debt collection practices.

Our commitment to supporting our colleagues through these mandatory trainings helps ensure we provide constructive and positive solutions for consumers while upholding and maintaining compliance with applicable laws and regulations. To further ensure compliance and consistent consumer experiences, we maintain a Call Quality Team that monitors conversations between account managers and consumers, as well as calls by third-parties collecting on our behalf, for consistency with Encore's Call Center Quality Assurance Standards and Enforcement Policy.

Economic Freedom Study

Encore fielded our second [Economic Freedom Study](#) in 2022, which surveyed 3,000 people across our largest markets, the U.S. and U.K. Conducted by Morning Consult, this research sought to understand how consumers feel about their finances, including what causes financial stress and the best ways to address those challenges.

Because the survey was fielded during challenging economic times, we also explored the impact of high inflation and inquired about what economic freedom means to consumers. Our findings reflected that more than 90% of those surveyed felt inflation had a major impact on personal spending.

We also discovered an overwhelming majority of people (approximately nine out of 10 respondents in both the U.S. and U.K.) believe it is important to pay off past-due debts and want to fulfill their financial obligations. When asked what would most help them reduce their past-due debt, 82% of U.S. and 84% of U.K. participants stated “More Time to Pay” would help them achieve economic freedom in a more manageable way. By understanding how they feel about their finances — and listening to what they need and prioritize — we can create more meaningful ways to connect and help support them on their journey.

“

Because we work with consumers every day, it's important for us to understand how people feel about their finances, the stresses they face and the tools they need to achieve their goals ...
The learnings from this study not only help Encore be a better and more empathetic partner to our consumers, but they also provide insights for anyone committed to helping others achieve financial well-being.”

—
Ashish Masih

President and CEO, Encore Capital Group

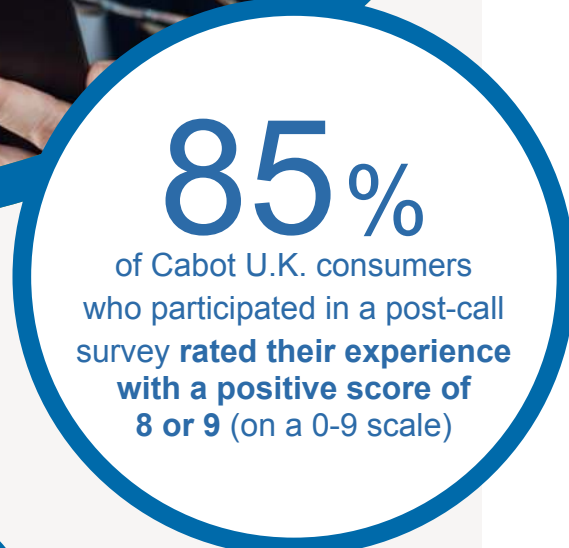


Consumer Satisfaction

We build relationships with consumers through listening with compassion and care. It's part of our unwavering commitment to consumers — and one way we strive for consumer satisfaction. By consistently monitoring our consumer interactions and conducting post-call consumer surveys, we gather invaluable information that aids us in improving our processes and developing our training.

In 2022, 91% of MCM consumers and 85% of Cabot U.K. consumers who participated in a post-call survey, rated their experience with a positive score of 8 or 9 (on a 0-9 scale). Additionally, the U.K. Institute of Customer Service (ICS) that analyzes interactions and experiences between consumers and our U.K. operations annually, provides an objective, third-party score benchmarked against financial peers. In 2022, our ICS score was 80.8, several points above the industry average of 78.3.

Furthermore, to ensure accountability in treating consumers with honesty, empathy and respect, 15% of the funding of the 2022 executive bonus plan was tied to meeting or exceeding certain consumer satisfaction and call quality scores.



Consumer Data Security & Privacy

Ensuring consumers' data privacy and protection is of utmost importance at Encore. We adhere to all applicable consumer privacy laws in the countries, regions and states that we operate. This helps ensure we protect our consumers in accordance with data protection standards. Our communication with consumers is transparent about the scope of information we receive and how that data is used, with our data sharing being limited to account servicing purposes only.

We host an up-to-date privacy policy and web privacy standards information across our websites — always available to consumers. All active systems with consumer data have stringent policies and controls, including encryption in transit and at rest, access control and storage management. We align with industry best-practices and relevant regulations for data retention and destruction as part of our policies. We also leverage best-in-class third-party managed services and capabilities to ensure any personal data our company handles is appropriately protected — and conduct internal and external audits to ensure data security protocols are followed.



Complaints Management

Operating responsibly, and in alignment with our Values, extends to every point of interaction with consumers at Encore, including complaints. Our structured process handles both indirect complaints, such as regulatory complaints, and complaints directly from consumers.

We adhere to our formalized process for handling complaints — from receipt to analysis to resolution. All complaints are entered into a database to capture all necessary details including a description of the complaint. The complaints are then investigated quickly to develop a root cause. From there, our dedicated complaint response and quality assurance teams manage and resolve the complaints. Our colleagues also receive guidance on handling complaints through multiple internal documents, policies and training.

Complaint reporting is monitored on a daily, weekly and monthly basis to ensure adherence to regulations and internal service-level agreements.



Colleagues

Our ability to partner with consumers to achieve economic freedom is made possible because of our colleagues across the globe.

We take pride in championing their well-being, growth and empowerment — and fostering an environment where our people can thrive.

We cultivate an intentional culture in our offices globally, filled with personal and professional development opportunities, strong DEI efforts and initiatives that take a holistic approach to employee well-being.



Great Place to Work®

In July 2022, Encore participated in a survey conducted by the Great Place to Work® Institute to gauge employee experience and company culture. We are pleased that Encore achieved certification as a great place to work in seven countries where we operate, including Costa Rica, France, India, Ireland, Portugal, Spain and the U.K.



A company’s culture is defined by its people, and we look forward to continuing to gather input from our colleagues around the world and learning from the insights provided by the Great Place to Work® survey. As we did with the development of our company Values, we are excited for this opportunity for our colleagues to come together to co-create a culture that makes Encore a great workplace where our colleagues can thrive.”

— **Tracy Ting**

Senior Vice President and Chief Human Resources Officer,
Encore Capital Group

Employee Engagement

At Encore, we are passionate about creating a dynamic and collaborative workplace where our employees feel valued, supported and engaged. We conduct surveys to measure employee perceptions, listen to the needs of our people and identify ways to better support, collaborate with and celebrate our teams.

To celebrate the passion and remarkable contributions of our talented workforce, we have several programs that recognize our people around the globe and help foster a culture of collaboration and acknowledgement:

- **President's Club Award**
Encore's highest honor that recognizes top colleagues from around the globe who embody Encore's Values and who have exemplified high-caliber performance throughout the year.
- **Spot Award and Recognition Programs**
Empowers all colleagues to acknowledge each other's accomplishments and to celebrate wins with monetary award nominations and non-monetary appreciation notes.
- **Synergy**
An annual event that showcases success stories that highlight the passion and innovation of our colleagues at MCM India.



Benefits & Compensation

Encore is deeply committed to providing a work environment that supports employee well-being and fosters personal and professional growth. This means we take a holistic approach to benefits and compensation that encompasses financial, physical and mental health, creating a unique culture that attracts and retains top talent.

Encore's competitive compensation and benefits include a base salary, short-term incentives, opportunities for long-term incentives, retirement and financial support, and recognition programs as part of our financial well-being offerings. We also provide comprehensive health and welfare insurance, generous time off and leaves, support programs such as our Employee Assistance Program, paid time off for volunteering activities and wellness incentives to support the health and mental well-being of our colleagues. Across the globe, we strive to cultivate a culture where our people can thrive.



Select Programs Across Our Offices

Revamped Cabot U.K. Policies

In the U.K., our team redesigned several of its core people policies to enhance inclusion and to include a series of improvements across remuneration, flexibility and benefits — positively impacting both attraction and retention. Working together, they also supported a number of colleagues by making a cost-of-living support payment and updating its maternity pay policies. Colleagues also have access to Mental Health First Aiders and a full suite of well-being resources on the team's internal employee platform.

U.S. Happy and Healthy Committee (H2C)

Ensuring our people are set up for success and ready to partner with consumers with empathy, respect and honesty means prioritizing their holistic well-being through initiatives that contribute to their health and happiness. One such initiative is H2C — a program at MCM in the U.S. that promotes the physical and mental well-being of our colleagues while driving social engagement in fun and memorable ways. H2C's inclusive approach connects employees across all geographic sites, creating a sense of belonging and connection by hosting a wide variety of popular events tailored to various interests.

MCM India Supports Holistic Employee Well-Being

MCM India has a suite of comprehensive initiatives to promote inclusion, diversity and gender equality in the workplace, as well as prioritizing the health, safety and well-being of all colleagues. MCM India supports its female workforce with leadership training, flexible work arrangements, paid maternity leave and resources for new mothers. Additionally, all colleagues have access to nutritious meals on campus and an onsite gym. There is also an onsite psychologist providing both group or one-on-one sessions, underscoring the importance of mental health and emotional well-being in the workplace.

Training & Professional Development

We prioritize collective accountability, empowering managers and colleagues to grow and develop through dialogue, coaching, feedback and performance management practices. In 2022, Encore and our subsidiaries worldwide delivered more than 380,000 hours of training through various formats, including instructor-led courses and company-administered online courses through third-party organizations.

We also offer our colleagues a wide array of programs like leadership development, individual development planning, advancement opportunities, mentoring, internships, temporary work assignments, tuition reimbursement programs, functional training and more. For example, Cabot France rolled out trainings in 2022 that covered topics such as conflict management, negotiation, management basics and agility.

At Cabot Iberia, the Cabot Trainer program encourages senior colleagues to share their expertise and best practices with fellow colleagues through practical, topic-specific learning sessions to help upskill, engage, retain and grow our talent. This program allows Cabot Iberia to not only increase learning opportunities and efficiencies but strengthen relationships between colleagues.

In the U.S., Costa Rica and India, our MCM Academy includes cohort programs like our five- to six-month Manager Development Program that nurtures leaders in developing coaching and emotional intelligence skills, driving results, innovation, agility, change management, partnership building and talent development.

	TOTAL	AVG TRAINING PER EMPLOYEE
Instructor-Led Training	367,034	53 hours
Online Learning	20,191	3 hours
Total Hours of Training Provided	387,225	56 hours

At Encore, we champion the continuous growth and development of our people. Our offices across the globe offer an abundance of ongoing professional and career development opportunities, as well as global talent and succession planning to foster our internal talent pipeline and regularly assess our worldwide talent pool.

MCM India Internal Job Opportunity Program

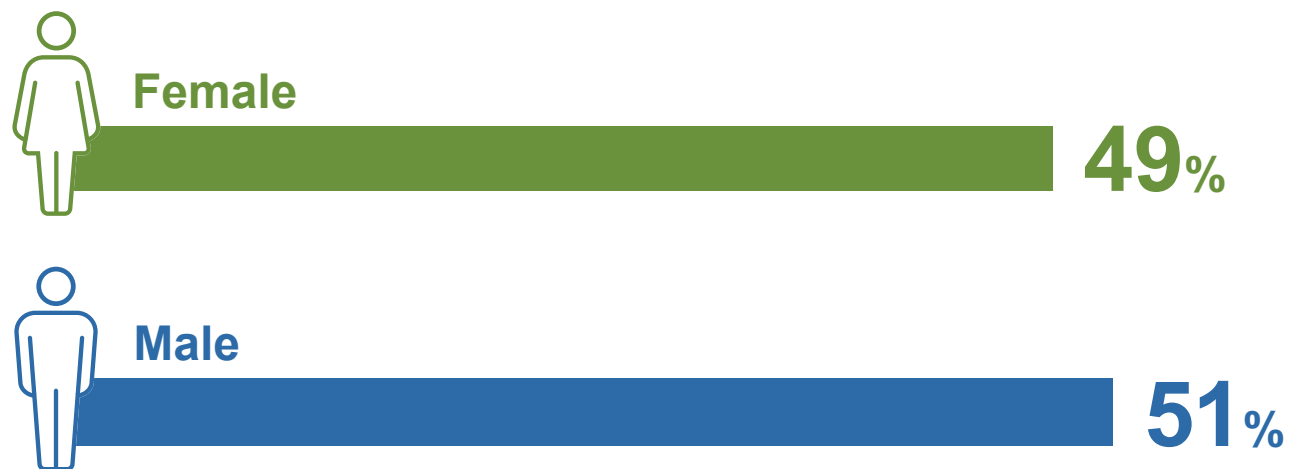
MCM India developed an internal job opportunity program that ensures we give our colleagues every opportunity possible to advance from within. All non-account manager roles are offered to internal candidates first, and in 2022, 39% of all our open positions in India were filled by internal candidates, of which 36% are women colleagues, adding to the growth and development of a more diverse workplace.

Diversity, Equity & Inclusion (DEI)

As an organization spanning nine countries, we draw strength from the diversity of experiences, knowledge and ways of thinking that our people bring to our offices. That's why Encore has committed to making DEI an important part of our company culture, as well as highlighting inclusion as one of our core Values. It is important to us that our thriving culture reflects the consumers we are privileged to serve — and represents the communities where we live and operate. We are committed to fostering an inclusive work environment where people feel a strong sense of belonging.

To help us better understand our current state of DEI at Encore, in 2022, we conducted nearly 20 focus groups of colleagues around the world, mostly from historically underrepresented populations. We also interviewed leaders from different locations and added several DEI-specific questions to our employee engagement survey. The information collected from these sources helps to inform our DEI strategy and roadmap.

Gender Breakout of Our Colleagues



Encore's New Vice President of DEI

Amene Ayub, Encore's new Vice President of DEI & Costa Rica Site Leader, will partner with senior executives and other internal stakeholders to embed DEI into how we support our consumers and each other. Amene was instrumental in building the operations for Encore in Costa Rica from the ground up over the past decade. Her next goal is to build a strategy and roadmap for what DEI will look like at Encore over the next three to five years.

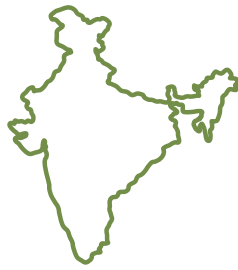


I want to listen to our colleagues and understand what their needs are. The idea is to help Encore become a place where all people feel a sense of belonging and that they have found a place where they want to stay, to grow and to help build something amazing.”

—
Amene Ayub
Vice President of DEI and
Costa Rica Site Leader,
Encore Capital Group

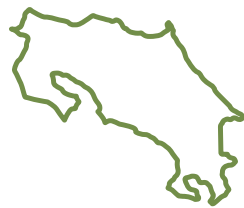


ERGs & DEI Across the Globe



MCM India Advances DEI Efforts

Fully committed to embracing and promoting DEI efforts, our India team engaged in several trainings and workshops for both colleagues and leadership. In 2022, our senior leadership team engaged in a half-day workshop with equity experts to align on the concept and definition of equity. The workshop also focused on how to create a workplace that provides equity and equal opportunities. As a result of these sessions, we will review our current policies through a DEI lens and update, as needed.



Costa Rica DEI Efforts

MCM Costa Rica helped educate fellow colleagues about LGBTQ+ topics. Dressed in Pride colors, the team hosted an on-site Pride parade and organized a speaker series where several LGBTQ+ employees shared personal reflections and stories in hopes of helping educate and inform others about their experiences. Feedback from the team during the speaker series led to Costa Rica becoming the first MCM location with all-gender restrooms.



Women@Encore&Allies

Encore is committed to advancing gender equity across its global offices. Nearly a decade ago, Encore founded its first ERG, Women@Encore, to empower women through support, training and mentoring, and to raise awareness of gender gaps and biases. More recently, we rebranded and revamped the ERG under a new structure and name, Women@Encore&Allies. We look forward to sharing further updates on Women@Encore&Allies in future reports.

The Black Employee Network (BEN)

ERGs are voluntary, employee-led groups that foster a diverse and inclusive workspace by offering a safe space to extend mutual support and pursue professional development and mentorship opportunities for those who share characteristics such as race, ethnicity, gender, sexual orientation and lifestyle. Launched in June 2022, BEN is Encore's newest global ERG, a safe place where Black employees support one another in bringing their authentic selves to work. BEN has four key pillars that define high-level goals for members: Social & Community, Professional Development, Awareness and Representation.



BEN provides Black employees with an avenue and environment to share common experiences, support one another and feel seen and heard.”

—
Leslie Athill

Vice President, Corporate Strategy,
Head of Latin America and
BEN Global Chair,
Encore Capital Group



Community

Our Mission to help consumers create pathways to economic freedom extends beyond our four walls as we take proactive action to strengthen our communities.

In line with our efforts to improve consumers' economic well-being and help reduce barriers to economic freedom, Encore is devoted to its community impact efforts — developing resilient, sustainable and economically empowered communities by addressing local needs in the communities where we operate around the globe.



Community Involvement & Impact

We advance progress through our three community impact pillars:

1

Restoring financial health by helping distressed consumers find their path to economic recovery.

2

Promoting financial freedom by connecting people to the skills, tools and resources they need to take control of their money and responsibly manage debt.

3

Developing resilient and sustainable communities by supporting the most critical needs in the places where we live and work.

Encore Connected Week

Across Encore offices around the globe, colleagues take great pride in building strong relationships with community organizations and supporting causes they are passionate about. In November 2022, Encore's second annual multi-day global, virtual event, Encore Connected Week, inspired colleagues to give back to their communities.

Throughout the week, employees heard from the leadership team and colleagues around the world who shared how they partner with consumers on their pathway to financial freedom, drive forward impact projects in their communities, including notable accomplishments from the past year and ambitions for the future. In the spirit of empowering employees to live our "We care" Value, the end of Encore Connected week was celebrated by encouraging all Encore subsidiaries and sites to give back to their communities.



Giving Back by the Numbers

Encore Connected Week 2022

20

local charities/
organizations
supported around
the world

9.4K+

pounds of food
donated, along with
gift cards and monetary
contributions

5.9K+

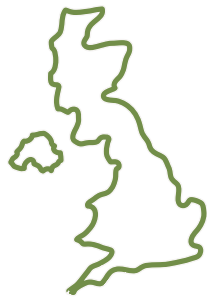
individual items
donated



I volunteered to be a part of this global activity as my team and I are passionate about giving back to those in need. I am extremely fortunate in the current climate to have a roof over my head, food on the table and an incredible support network both inside and outside of the workplace. Sadly, I know that is not the case for so many others, and I think it is important we all do our bit to help where we can."

Leah Ralton-Hunter

Encore Connected Week Site Champion in Scotland



Cabot U.K. Efforts to Advance Inclusivity

Cabot U.K. has a partnership with Blueprint for All, an organization working with young people, communities and organizations in the U.K. to create an inclusive society in which everyone, regardless of race, ethnicity or background, is provided with tangible opportunities to thrive. Cabot leaders worked with Blueprint for All's mentoring program and Community Leadership Academy, helping people from underprivileged backgrounds realize self-confidence and career fulfillment. Blueprint for All in turn is reviewing Cabot's policies to identify opportunities to improve inclusion.



Cabot U.K. also has a partnership with Leonard Cheshire, an organization that supports people with disabilities in the U.K. and around the world. Leonard Cheshire works with partners to open doors to opportunity, working to promote a fairer, more inclusive society.

Cabot U.K. partnered with Leonard Cheshire in their flagship Change 100 program of paid summer work placements, professional development and mentoring with progressive employers. We matched and partnered with talented university students and recent graduates with any disability or long-term condition to provide help in their start to working life.

Money Matters Program in Costa Rica

We also strive to promote financial literacy in our communities. Our Money Matters program encourages Costa Rica employees to promote financial literacy in schools by teaching high school and college students about credit and financial basics. In 2022, Costa Rica tailored Money Matters financial literacy lessons for a teen mom shelter in Hogar Posada Belen and extended the lessons to provide resume and tailored interviewing tips.



I wholeheartedly believe that financial education is essential to have better control over one's future. It brings me great joy to know that every Money Matters lesson extended in our community has the potential of bringing people closer to a more prosperous life."

—
Susana Yglesias
Costa Rica Communications
Specialist, Encore Capital Group





Supporting Ukraine

Whether we are helping each other, our consumers, or the communities in which we live, a core part of who we are is supporting those who need it the most. In March 2022, Encore made a \$50,000 USD donation to [Project Hope](#) and [World Central Kitchen](#). This contribution went toward helping those impacted and displaced in Ukraine to gain access to clean water, hot meals, suitable living conditions and medical treatment.



MCM India Supporting the Most Vulnerable

MCM India is also actively engaged in initiatives that positively impact the communities where we serve and operate. Since 2018, the company's charitable contributions in India have reached more than \$1.2 million USD. In addition to charitable contributions by the company, nearly half of MCM's employees in India take collective action and contribute to community programs via a voluntary monthly payroll deduction.



Rainbow Homes
EMBRACE. EDUCATE. ENABLE.

Rainbow Foundation India (RFI)

At MCM India, we are proud of our longstanding work with RFI, an organization working to care for marginalized and disadvantaged children. RFI ensures that children who have been abandoned and disadvantaged receive holistic care, including health services and education. Seventy children received well-being support and 245 children were provided a formal school education through this program. Our colleagues visit the children's care homes and organize career counseling and health sessions for them.



Making an Impact in the Roanoke Community

Positively impacting communities and changing lives are two things driving the spirit of volunteerism at our office in Roanoke, Virginia. Over the last few years, numerous volunteers have come together to serve their area and provide access to critical essentials, like food, shelter, financial education and childcare.

Demonstrating our Value of "We Care," our colleagues work closely with organizations such as the [Ronald McDonald House](#), [Habitat for Humanity](#), [Rescue Mission](#) and [Feeding America](#) to find better ways to support people in need. Each quarter, volunteer opportunities are organized where colleagues utilize Encore's incentive that encourages paid time off for employees to volunteer.

Some of the many volunteerism activities have included coaching children's sports teams, offering childcare to families in need, cooking meals for residents of Ronald McDonald House, writing cards to nursing home residents, collecting toys and much more. We are proud to do our part to give back to our local communities.



Every act of kindness we extend has the potential of impacting our community in a powerful way. I consider it an honor to serve as a conduit for my colleagues to help meet some of the needs in our local community, so that together, we may contribute to making Roanoke a beautiful place to live and work."

—
Angela Pryor

Call Center Group Manager, MCM Roanoke

Policy & Advocacy

We believe that being a responsible corporate citizen involves actively participating in the political process. As an industry that operates under extensive laws and regulations, any changes to legislation can significantly impact how we serve our consumers and operate our business. That's why our Government Affairs team is dedicated to engaging in matters of public policy, monitoring changes in laws, commenting on and engaging with policymakers on a range of issues, including financial services, licensing, labor and employment, cybersecurity and privacy.

By actively participating in the political process, we aim to help shape strong public policies that protect the long-term interests of our company, colleagues and consumers. To ensure that we comply with applicable laws regarding political contributions, we have implemented policies and procedures, including our [Political Activities Policy](#).



Supporting A Healthy Planet

We believe in being good stewards of the environment for future generations and are committed to doing our part to help protect the health of our planet. At Encore, we address our environmental footprint through sustainable business operations and through partnerships in our communities that help drive impact.

Because much of our environmental footprint comes from our offices' electricity consumption, we look to find ways to minimize our energy consumption and emissions across our organization. In 2021, Encore conducted our first global greenhouse gas (GHG) inventory, in accordance with the World Resources Institute's GHG Protocol. We will continue to evaluate our efforts and identify emissions reduction opportunities.



Key Highlights

- Encore conducted our second global greenhouse gas (GHG) inventory in 2022.
- India operations completed 11 acres of Aravalli wasteland biodiversity restoration in partnership with IAmGurgaon.
- Spain operations renewed their ISO 14001 certification in Environmental Management System, helping improve environmental performance through a more efficient use of resources.
- Colleagues in Ireland participated in the Easy Treesie initiative to help plant more than one million trees by December 2023.

Environmental Footprint

We are working to continuously improve our environmental data collection and accuracy, in order to provide a complete picture of our impact. In adherence to the GHG Protocol of the World Resources Institute, we carried out our second GHG inventory. In 2022, we have seen an increase in overall energy consumption and resulting emissions due to the return of many of our colleagues to our offices.

However, we have engaged with several utility providers and building owners to source more electricity from renewable sources. In 2022, approximately 37% of Encore’s electricity came from renewable sources, mainly at our Costa Rica and U.K. offices.

2022 Greenhouse Gas Emissions by Scope (MT CO2e)

Scope 1

Direct GHG emissions that occur from sources owned or controlled by Encore and mainly come from stationary combustion, like on-site generators and heaters.

Scope 2

Indirect GHG emissions from the generation of purchased electricity consumed by Encore offices.

	2021	2022
Scope 1	1,434	1,951
Scope 2	2,656	3,553
TOTAL	4,090	5,504

Data from our GHG inventory was collected from our offices in the U.S., India, U.K., Spain, France, Portugal and Costa Rica. It excludes smaller sites where complete data was not available.

Environmental Initiatives

Through our community impact work, we partner with and support organizations in our communities that are focused on impact-driven environmental initiatives. We recognize that environmental, social and economic development are closely integrated, and we do our part to take meaningful action.

Across the globe, our colleagues are helping to advance environmental sustainability initiatives within our offices. From gradually replacing all lights with LED lighting for efficiency savings to incorporating automation features to improve utility consumption, we are making incremental progress to help reduce our environmental footprint.



MCM India

Moved into its new Indian Green Building Council (IGBC)-certified facility in Candor using environmentally responsible vendors in October 2022. It has also applied for LEED Gold certification for its office premises, backed by the use of environmentally sustainable materials and the adoption of energy efficient technological solutions. The new sustainable building is a part of a zero-water-discharge campus, meaning all water is recycled and reused.



MCM U.S. Locations

Have begun incorporating automation features to building systems, such as automated faucets that help with water consumption and automated HVAC systems that can be programmed to shut down when not in use, helping conserve energy.



MCM Costa Rica

More efficient use of its workplace, including reduced energy consumption and cleaner means of transportation to reduce commuting emissions, proper waste disposal, elimination of single-use plastics, paper use reduction, monitoring of utilities and paper consumption and a robust recycling program.



Cabot U.K. Locations

Completed a full LED light replacement across all locations, and all sites where utilities are owned now benefit from 100% renewable electricity. It also refurbished one of its sites to become a more sustainable building, including the replacement of all gas radiators with air handling systems.



Cabot Ireland

Upgraded its lights to LED alternatives that can achieve increased efficiency savings of over 60% when compared to fluorescent light sources. It also participated in Easy Treesie's one million trees initiative.

Restoring Water & Biodiversity in the Aravalli Wastelands

MCM India invested in the revitalization of Sikanderpur forest in Gurugram district of Haryana State, India, where a significant portion of the Aravalli Range has been classified as “non-productive wasteland.” This area has suffered from the loss of more than 70% of its vegetation cover and 60% of its forests. We partnered with IAmGurgaon to promote reforestation, biodiversity and clean air for the local community while addressing water scarcity issues.

Through the completion of this project in 2022, we revived drying water bodies, cleared clogged natural water channels and planted more indigenous trees to improve soil quality. Our efforts boosted groundwater levels and provided the local community of Gurugram with a green space for excursions, hiking and picnics. The land adjoining the area covered has also been undertaken for restoration purposes.



The restoration of the forest project by Encore and MCM is not only helping the city protect itself from flooding, but also adding to the biodiversity and recharging of the ground water. It's not often that program sponsors take such interest in these projects. The interactions have been very special, and we have thoroughly enjoyed working with everyone.”

—
Latika Thukral

Co-Founder of IAmGurgaon



Championing Responsible Business

We uphold the highest ethical practices and decision-making standards, furthering our commitment to responsible business practices. Our policies and procedures serve as our guide to ensure compliance with laws and regulations and so that all our directors and colleagues conduct themselves in a manner that aligns with our [Standards of Business Conduct](#). These standards dictate how we interact with our colleagues, clients, business partners, consumers and all other stakeholders.

We require each and every employee to read and abide by our Standards of Business Conduct and data and information security policies. Furthermore, it is the duty of our leaders to manage and hold our organization accountable to maintain compliance with these standards. In addition, all Encore vendors are required to adhere to our [Vendor Code of Conduct](#) and our [Global Human Rights Policy](#).



Key Highlights

- A portion of the funding of the bonus plan for our executive officers is related to the achievement of certain ESG-related metrics covering consumer experience and people initiatives.
- Encore continues to formalize the management and accountability of our ESG strategy through the development of a global ESG governance structure.



Responsible Operations

Encore is deeply committed to conducting business in a responsible manner, and we take great care to ensure that our global operations are fully compliant with all relevant laws and regulations.

Our ethical standards are consistently high, and we hold all of our colleagues, directors and officers to the same rigorous standards of regulatory compliance.

ESG Management & Accountability

ESG activities and initiatives are critical to the success of our business and advancing our Mission to create pathways to economic freedom. We prioritize and execute these activities at the highest levels, with oversight responsibility embedded in the Nominating & Corporate Governance Committee (NCG Committee). The NCG Committee reports to the Board of Directors and ensures that our ESG practices, policies and activities are aligned with our Mission, Vision and Values.

At the executive level, we have formed an ESG Steering Committee, which consists of senior leaders from various businesses and geographies. This committee provides guidance and direction, champions ESG efforts and considers the perspectives of stakeholders.

To align with our Values and commitment to ESG, a portion of the funding of the bonus plan for our executive officers is related to the achievement of certain ESG-related metrics covering consumer experience and people initiatives.

Recognizing that management and accountability of our ESG strategy is paramount, we are formalizing a global ESG governance structure, including redefining our working groups, to ensure we hold ourselves accountable to being a responsible corporate citizen and tracking our impact.

Compliance & Enterprise Risk Management

Our compliance and enterprise risk management framework is built on a solid foundation of operational processes and governance structures, ensuring our business activities adhere to relevant rules, regulations and guidelines. We uphold our risk management philosophy through a three-tiered defense model:

First Line of Defense

Business divisions or other operational units that take ownership of risks and implement appropriate control measures.

Second Line of Defense

Our second line of defense consists of a dedicated risk and compliance function that collaborates with the business to ensure adherence to applicable laws and regulations. This team oversees the implementation of a comprehensive risk management framework, designed to identify, evaluate, monitor, manage and report on risks that could impact the business. They also work alongside management and our Board of Directors' Risk Committee to foster a robust risk and compliance culture.

Third Line of Defense

Our internal audit function offers independent confirmation that both the first and second lines of defense are effectively carrying out their responsibilities within our framework.

We are committed to treating all consumers with the utmost integrity, respect, honesty and empathy. Our strict policies, including our [Standards of Business Conduct](#), govern all interactions with consumers. Additionally, beyond written policies, one of our key business Values is to adhere to ethical principles in all consumer engagements.

To ensure compliance, our employees receive extensive training in legal and regulatory matters. We also conduct regular call monitoring, data audits, performance evaluations and other operational assessments to ensure alignment with company guidelines.

Responsible Sourcing

As a responsible business, we prioritize conducting our operations with honesty and in accordance with relevant laws and regulations. As such, we actively collaborate with our suppliers and vendors to ensure that they also uphold ethical business practices and avoid engaging in any unlawful or conflict-of-interest activities. We introduced our [Vendor Code of Conduct](#) as a guideline for all vendors to follow, and we expect them to comply with the principles outlined in this policy.

Anti-Bribery, Corruption & Conflict of Interest

Although our colleagues are encouraged to engage in civic, charitable or professional activities outside of their regular duties, we uphold the highest standards of conduct and take strict measures to ensure that they avoid any activity, investment, interest, association or relationship that conflicts with their independent judgment or could lead to unethical, corrupt or illegal behavior.

To prevent conflicts of interest, Encore's [Standards of Business Conduct](#) provide clear guidelines and limitations for employees who wish to accept positions as officers or directors of outside businesses. We also require all colleagues to disclose any outside activities, financial interests or relationships that could present a possible conflict of interest or the appearance of one to Encore's General Counsel. Our anti-bribery and anti-corruption training covers local regulations, definitions, examples and employee responsibilities regarding these topics across all of our business units.

Human Rights

As a company, we prioritize the protection and promotion of basic human rights in all areas of our operations. We adhere to international human rights agreements and principles, including those stated in the Universal Declaration of Human Rights, to guide our practices in each region where we operate. In June 2022, we published our [Global Human Rights Policy](#) that underscores our dedication to upholding and advancing human rights in line with globally recognized standards.

This policy outlines various measures we take to ensure that our colleagues receive equitable compensation, benefits and work hours, as well as enjoy the freedom to join associations and engage in collective bargaining, as well as are protected against harassment and discrimination under a strict zero-tolerance policy.

Whistleblowing

We are committed to fostering a culture of open communication and encourage our employees to report any concerns they may have. We have an “open door” policy for reporting complaints and do not tolerate any form of retaliation against those who report potential violations of any law, regulation or company policy.

To support this commitment, we have established a whistleblowing forum that meets regularly to assess all reports, determine how they will be investigated and provide recommended actions to the Audit Committee on a quarterly basis. For our global colleagues, we have several avenues to report a problem including a “Speak Up” button on our internal home page to enable anonymous reporting, our whistleblower hotline and via a dedicated country-specific Whistleblower Champion.

We conduct annual reviews of our company-wide and local whistleblowing policies and procedures to ensure they are up-to-date and aligned with best practices. We take whistleblowing seriously and are dedicated to creating a safe and respectful workplace for all employees.

Data & Information Security

Oversight & Governance

The Risk Committee of the Encore Board of Directors oversees Encore’s risk governance program, including risks associated with information security. The Chief Information Security Officer is responsible for overseeing Encore’s information security program, including incident and response management, and regularly reports to the Risk Committee on key risks and Encore’s security posture. Encore has appropriate data governance in place to protect our consumers’ sensitive information, including implementing suitable administrative, technical and physical safeguards based on the scale and complexity of our operations.

Policies

Preserving the integrity of our data, information systems and technological resources is vital to our organization. We continuously monitor our operations to confirm that only authorized individuals can access sensitive data. Our extensive data and information security policies are enforced throughout the company, adhering to local regulations, legal requirements and international standards such as GDPR 2016/679, PCI security standards and ISO 27001:2013 certification. We also comply with the PCI DSS and follow the NIST guidelines. Third-party audits of all Encore business units reinforce our compliance with these benchmarks.

Our information security program encompasses three core principles that underpin a robust information security practice:

1. **Governance, Risk & Compliance**
2. **Security Operations**
3. **Security Engineering & Architecture**

Training

We emphasize each employee’s responsibility to uphold our data security by providing consistent information and data security training. We conduct annual mandatory security awareness training, phishing simulations for all staff and specialized training for Information Security and Engineering teams. Additionally, we collaborate with external training experts for supplemental education that benefits our employees.

We invest in technology to safeguard our organization and protect sensitive consumer and proprietary data throughout its lifecycle. Our adoption of prominent security frameworks and certifications exemplifies our dedication to protecting consumer information and our enterprise. By periodically engaging external specialists to evaluate and test our system’s technical stance and our detection and response capabilities, including disaster recovery plans, we can adopt recommendations and adapt our information and cybersecurity posture to the evolving threat landscape.

Our enterprise’s security goals include ensuring the confidentiality and security of information, safeguarding against anticipated threats to the security or integrity of such information and preventing unauthorized access or use. These objectives are achieved through continuous training and adherence to the highest information security standards and controls, including tabletop exercises facilitated by a trusted third party with cybersecurity expertise and a company cyber threat management strategy.

SASB Index

The Sustainability Accounting Standard Board (SASB) classifies Encore Capital Group as being in the Asset Management & Custody Activities Industry. However, some of the disclosure metrics are not relevant to the services we provide. Therefore, we added Professional & Commercial Services Industry metrics to provide a more complete reporting, aligned with the SASB guidance.

TOPIC	METRIC	CODE	DISCLOSURE
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	See: Data and Information Security Section
	Description of policies and practices relating to collection, usage and retention of customer information	SV-PS-230a.2	See: Consumer Data Security & Privacy Section
	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	SV-PS-230a.3	As of this reporting period, data breaches or incidents have not had a material impact on our operations. For further information, see Data and Information Security Section
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	SV-PS-330a.1	We are currently reviewing our employee demographics reporting to align with global and national standards.
	(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS-330a.2	We are currently reviewing our employee demographics reporting to align with global and national standards.
Professional Integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	See: Championing Responsible Business Section
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	Information of legal proceedings can be found in our Form 10-K 2022
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-AC-510a.1	Information of legal proceedings can be found in our Form 10-K 2022
	Description of whistleblower policies and procedures	FN-AC-510a.2	See: Responsible Operations Section



Better Solutions. Better Life.®