

Cabot Credit Management
Modern Slavery Statement
for the Financial Year to 31 December 2023

Modern slavery, including human trafficking, slavery, forced labour and servitude, is an abhorrent abuse of human rights. Cabot UK Holdco Limited and the relevant companies within its group (the “Group”) are committed to ensuring full respect for the human rights of those working within our business operations and supply chains as further set out in this statement, which is published in accordance with the Modern Slavery Act 2015 (the “Act”). This Group statement, being our fifth consolidated statement, outlines the steps taken to prevent modern slavery in our operations and supply chains, in line with the Act, during the financial year ending 31 December 2023.

The Group provides a range of credit management services and puts fair customer treatment at the heart of its business. These services include debt purchases and debt servicing offerings such as early stage collections, business process outsourcing, contingent collections, trace services and litigation activities. The ultimate parent of the Group is Encore Capital Group, Inc. (“Encore”) a NASDAQ listed company, which has its head office in the USA.

This statement includes the activities that the relevant companies within the Group are taking to prevent slavery and human trafficking in their operations and supply chains as required by the Act. These companies are:

- Cabot Credit Management Group Limited and Cabot Financial (Europe) Limited (collectively “Cabot Financial”).
- Wescot Credit Services Limited (“Wescot”).

OUR BUSINESS AND SUPPLY CHAINS

UK Debt Purchase

Cabot Financial is a leading debt purchaser in the UK and the business is authorised and regulated by the Financial Conduct Authority. The business currently has around 4.7 million customers and seeks to deliver good outcomes for each customer and offer affordable payment solutions, often through long-term payment plans. Cabot Financial employs circa 500 employees, including circa 200 who work for our call centre and utilises circa 15 employees who are employed by a call centre owned by Encore, which based in India. We service the majority of our customers in-house from the UK and where we need to utilise third-party customer service providers, including third party debt collection agencies and debt management companies, all of these provide services from the UK and are regulated by the Financial Conduct Authority.

UK Debt Servicing

Wescot is a provider of collections and recoveries services to a range of creditors, primarily across the financial services sectors. Wescot is authorised and regulated by the Financial Conduct Authority and ensures that customers receive good outcomes as part of the customer journey. All of Wescot’s business activities are undertaken from its offices within the UK and all of Wescot’s customer services are provided directly by the circa 1,000 employees of the company.

Non-UK operations

Cabot Financial (Europe) Limited (“CFE”) also acts as portfolio manager for certain types of debt purchases outside the UK. These business operations are situated in France, Portugal and Spain. As part of these business activities, CFE obtains services from companies within the Group and/or local suppliers (such as third -party debt collection agencies, and lawyers).

OUR POLICIES AND TRAINING ON SLAVERY AND HUMAN TRAFFICKING

Due Diligence Processes for Slavery and Human Trafficking

The Group has a number of processes in place to manage the risk of slavery and human trafficking issues arising within its business and supply chains:

- Our recruitment policies involve conducting appropriate checks on the background of all new joiners and once employed, it is ensured that no individuals are paid below the minimum wage legislated within each of our geographies (as applicable) and that appropriate welfare and support arrangements are in place;
- Our outsourcing processes require a risk assessment of business critical suppliers and/or servicers, supported by appropriate due diligence checks before appointment. We periodically assess and review our supplier management review process (including reporting requirements) in relation to our business critical suppliers in the majority of our major operations to support alignment with the Act and are continuously working to improve our outsourcing processes within all our markets;
- Everyone within the businesses has access to a “whistle-blowing” process to allow any concerns of wrongdoing to be raised, including any potential issues either internally or with suppliers.

Our Conduct and Ethics Policy reiterates our position with respect to the Act and supports our commitment to acting ethically and with integrity in all our business relationships including the implementation and enforcement of effective systems and controls to deliver this objective. This Policy is available to all colleagues.

Risk Mitigation and Effectiveness of Approach

Whilst the Group’s operating model limits the risk of slavery and human trafficking within our businesses, we recognise the need to continue to monitor for risk in this area and to assess the effectiveness of the controls in place. Key risks within our business operations are assessed in accordance with our Enterprise Risk Management Framework. Relevant risks are reviewed locally, and if appropriate, escalated as part of the Group governance structure.

This statement is made pursuant to section 54(1) of the Act and has been reviewed and approved by the board of directors of the Group’s holding company being Cabot UK Holdco Limited on 8th March 2024

John Yung

President of International and Cabot Credit Management