



B Lab Statement on AECSA's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for debt collection agencies in emerging markets:

"Companies in the debt collection industry in emerging markets are eligible for B Corp Certification with additional review by the Standards Advisory Council to ensure they are proactively managing and demonstrating leadership on the material sensitive issues in the industry as outlined below, AND, if determined to be eligible, incremental disclosure on their B Corp Profile about how they do so.

While determining the eligibility of collections agencies in emerging markets for B Corp Certification, B Lab will utilize the following practices as a reference to assess the company's performance on issues material to the industry as outlined in the IFC report¹ :

1. **Senior Management Oversight of Collection Practices:** *Involvement of senior management in setting and overseeing collections practices, rather than the collections department alone, helps to ensure that customer relationships and corporate social responsibility are considered in the company's strategy and collection processes.*
2. **Virtual Contact with Debtors:** *Utilization of centralized voice channels in the form of call centers instead of field collection.*
3. **Human Resource Management:** *Hiring of qualified staff with regular training on ethical collection, including a balanced scorecard for performance evaluation that emphasizes adherence to process as much as the amount of collection.*
4. **Monitoring and Complaint Handling Systems:** *Call monitoring with advanced tools such as detection of foul language, random follow up contact with customers, formalized complaint handling systems such as hotlines, and advertising of these mechanisms to borrowers. Also included are effective whistleblowing channels and an independent internal audit team to evaluate processes for their impact on customers.*
5. **Process Innovation:** *Utilization of systematic and analytical tools that help collectors assess borrowers' circumstances and choose approaches aligned to the customers' likely ability and willingness to repay in order to maximize recoveries and minimize the chance of mistreatment."*

AECSA is required to disclose a summary of its collections policy, process management, employee skill management, and monitoring systems as a part of its B Corp Certification. For

¹ International Finance Corporation (2012), Responsible Debt Collection in Emerging Markets, Retrieved from <<https://www.ifc.org/wps/wcm/connect/587d25004a9f117795ebfdeec99f439e/Responsible+debt+collection-Final.pdf?MOD=AJPERES>>



more information on the review process, please refer to B Lab's statement on debt collection agencies in emerging markets and B Corp Certification [here](#).

Summary of Company

AECSA is a debt collections company in Colombia with over 2,600 employees based in 12 offices across the country (Barranquilla, Bogotá, Bucaramanga, Cali, Cartagena, Ibagué, Medellín, Montería, Neiva, Pereira, Tunja y Villavicencio). The company operates its own call centers and provides various debt collection services to its clients, including administrative collections, debt purchasing, in-person collections, and collections via legal means. Their mission is to offer debt collection solutions to their clients while promoting sustainable development, seeking a positive impact on society and the environment. Their core values are: Respect, integrity, transparency, fairness, equity, belonging, trust, loyalty, honesty, attention to every detail, and focus on zero error.

AECSA's Industry Practices

Consumer Protection Policies and Practices

AECSA complies with the voluntary best practice guide issued by the Colombian Superintendency of Finance and COLCOB². AECSA has the following policies that seek to address the industry risk of unethical treatment of consumers, particularly those from vulnerable populations:

- A service quality policy that includes a commitment to compliance with legal and regulatory requirements for the satisfaction of customer needs (described above). The policy also includes a stated commitment to the environment, society and stakeholders, of which employees and customers with payment difficulties are acknowledged as being the most important.
- An anti-corruption policy focused on preventing any unscrupulous arrangements between AECSA's employees and debtors.
 - AECSA's ethical collections policy dictates that the collection process is carried out in the most fair, transparent, and ethical manner possible.

The following procedures for carrying out the collections process are stipulated in AECSA's formal ethical collection policy:

- Employees are prohibited from treating consumers with payment difficulties in a disrespectful manner.
- Collection management is done only through the recorded media provided by AECSA. Each computer carries modules on call structure and the script which each employee is required to follow (including educational financial tips that are to be provided to consumers in distress).

² Superintendencia Financiera de Colombia (2018), A Best Practice Guide for Collections Management, <<https://www.superfinanciera.gov.co/jsp/Publicaciones/publicaciones/loadContenidoPublicacion/id/10096925/f/0/c/00> >



- Face-to-face meetings for customers with payment difficulties are only conducted at AECSA's premises.
- Employees are prohibited from contacting consumers from personal telephones or meeting consumers privately outside of AECSA's premises.
- Employees are prohibited from calling their consumers before and after certain hours and if a consumer signals that he/she is not available.
- Employees are prohibited from accepting gifts/money from any customer, and forbidden to agree on commissions for portfolio renegotiation.
- A formal program focused on generating reconciliation strategies, payment agreements and, in some cases, debt forgiveness for consumers in difficulty of payment who are in conditions such as terminal illness, disability, or extreme poverty.

To support the implementation of these policies and procedures, AECSA has a quality control team that regularly monitors calls for adherence to the code of conduct. Employees are trained during induction and thereafter quarterly based on needs highlighted by their monitoring process or by their clients. Customer engagement/satisfaction, presentation of information, and adherence to the code are integrated into employee performance reviews, which follow a 360-degree scorecard, as opposed to only focusing on the amount of collections generated by an employee. AECSA's employees are penalized for not abiding by the code.

In compliance with Law 2300/2023³, regarding consumer privacy rights and the regulation of promotional and collection messages, the company employs a multi-channel approach for contacting debtors, encompassing emails, text messages, and calls, while adhering to the following guidelines:

- Channel and Time Restrictions: Debtors will be contacted only within the permitted channels and timeframes outlined in Law 2300. This includes refraining from contact on Sundays and holidays.
- Message Frequency Limitations: The company adheres to the prescribed limits on the frequency of promotional and collection messages as mandated by Law 2300.
- Debtor Consent: Debtors are provided with clear options to opt out of or manage their communication preferences regarding promotional and collection messages.
- Respectful Communication: All interactions with debtors are conducted in a respectful and professional manner, prioritizing their privacy and avoiding any practices that could cause embarrassment, misunderstandings, or intrusion. Additionally, AECSA remains committed to resolving debts amicably by offering alternative solutions like debt restructuring and refinancing, whenever feasible, in line with Law 2300's emphasis on pre-judicial debt settlement.

³ The Law 2300 of 2023 is a Colombian law titled "By which measures are established to protect the right to privacy of consumers, establishing the channels, hours and periodicity in which they can be contacted by the entities supervised by the Superintendence of Finance and all natural and legal persons who carry out collection procedures directly, through third parties or by assignment of the obligation". More information available here: <<https://www.aecsa.com.co/>>



Please note that the specific guidelines and restrictions outlined in Law 2300 may be subject to change. AECSA is committed to staying updated on any such changes and ensuring that its debt collection practices remain compliant with the prevailing legal framework.

AECSA employs technological tools in order to ensure that a given debtor with payment difficulty is not contacted more than once a day. AECSA has an in-house business intelligence platform called AECSASOFT that helps in planning efforts based on customers' ability and willingness to repay and thereby tries to build efficiency in the process of collection. In its communications with consumers, AECSA also provides financial education to individuals with payment difficulties. Collections managers are trained to deliver financial literacy information on basic financial concepts such as savings plans, payment capacity, typical causes of poor financial decision-making, types of credit, advantages and disadvantages of using credit, and options for those in debt.

AECSA's complaint and grievance mechanisms enable consumers to provide feedback if they feel mistreated during their interactions. A complaint & suggestions system has been established on their website⁴. Additionally, debtors have the option to call, fax, email or write letters to them if they think that any of the callers are acting against AECSA's policy of responsible collection. Further, feedback on the quality of calls is collected regularly wherein consumers are requested for their feedback on 5 attributes: Kindness, Listening & Disposition, Knowledge & Clarity, Communication of Alternatives and Overall Satisfaction & Experience. Additionally, AECSA's clients also conduct surveys with customers to enquire about the quality of service that they received from AECSA.

AECSA's collection management activities are overseen by its Senior Management, who have a stated responsibility to establish, promote and monitor compliance with the company's policies and procedures and, at the same time, lead the strategic planning process and set specific organizational goals and objectives. Its oversight extends to AECSA's control groups for supervision such as collection management, management of information quality and security, management of training & quality control. Further, AECSA's compliance team operates independently from its collections team and reports directly to the president.

In addition to the transformations in the sector, AECSA received the RACC (Debt Collection Self-Regulation Benchmark) certification at the end of 2022. This seal regulates best practices and professionalization in debt collection management, created by Colcob, the Colombian Association of the Credit and BPO Ecosystem, in alliance with SGS Colombia, an independent organization of Swiss origin with a presence in over 100 countries, experts in inspection, verification, testing, certification, and management systems and international standards in all economic sectors. Here are some additional details about the RACC certification:

⁴ Complaint and Suggestions system available here: <<https://www.aecsa.com.co/pqrs>>



- The RACC certification is a voluntary certification that is awarded to companies that meet a set of criteria.
- The criteria cover a wide range of topics, including customer communication, data protection, and debt collection practices.
- Companies that are certified by RACC are subject to regular audits to ensure that they are continuing to meet the certification standards.

Data privacy and security policies and practices

AECSA has several policies that address the issue of data privacy and security:

- A data security policy that emphasizes the protection of data confidentiality, data integrity, and data availability as per applicable laws with the objective of continuously improving and managing risks.
- SIPLAFT: A system designed by AECSA to detect unusual activity by their debtors in a bid to prevent money laundering and funding of terrorism. Their employees are trained to observe any abnormality in volume, frequency, or characteristics of debtors, and then report this unusual activity to the Compliance Officer.
- A confidentiality policy that prevents employees from divulging any privileged information pertaining to the collection process outside of AECSA's premises.
 - Furthermore, personal data devices (tablet, mobile, etc.), pens, paper, etc. are prohibited in the area where the collection process occurs.

AECSA's data security team, which operates independently from the collections team and reports directly to the President, consistently monitors the calls in the operational area. AECSA's information security management systems were ISO/IEC 27001:2013 certified in April 2019.

AECSA only works with reputable banks with whom it has long-term relationships, and does not work with companies that purchase debt and then subcontract it to collection agencies. In cases where AECSA purchases debt from banks, there is a two-step verification process to confirm the accuracy of the data prior to commencing the collection process: first data is reviewed internally by the bank, and then by AECSA utilizing platforms like Experian & CIFIN (credit information platform).

The following table describes AESCA's control practices for the collection process against some of the areas outlined in the IFC report 5 on Responsible Debt Collection in Emerging Markets.

AECSA's practices	
COLLECTIONS POLICY - Policy coverage	Corporate social responsibility, reputational risks, and customer relationships are viewed as on par with collection efficiency



COLLECTIONS POLICY - Top management involvement	Senior Management approves policy
PROCESS MANAGEMENT - Field collections	<ul style="list-style-type: none">• Low reliance on field• In-person collections carried out in AECSA's office premises
PROCESS MANAGEMENT - Phone collections	<ul style="list-style-type: none">• High reliance on phone• All calls scripted, call termination protocol• Predictive dialing• Training using call records
EMPLOYEE SKILL MANAGEMENT - Hours of training a year	<ul style="list-style-type: none">• 80 hours for new employees• 60 hours for old employees
EMPLOYEE SKILL MANAGEMENT - Training on ethical collections	<ul style="list-style-type: none">• More than 35 hours annually on average dedicated to training on responsible and ethical collection practices.
EMPLOYEE SKILL MANAGEMENT - Performance evaluation	<ul style="list-style-type: none">• Balanced scorecards with financial and process elements• Severe penalties for transgressions
MONITORING SYSTEMS - Phone Collection	<ul style="list-style-type: none">• Calls are recorded and monitored• Centralized open-floor call centers with tight supervision
PROCESS INNOVATION	Utilization of systematic and analytical tools that help collectors assess borrowers' circumstances and choose approaches aligned to the customers' ability and willingness to repay in order to maximize recoveries while minimizing the chances of mistreatment.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the [certification process](#), or
2. Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community.