



CODE OF ETHICS

→ TO MAKE ETHICAL DECISIONS

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→ **DEAR ALL,**

“The KRUK Group stands guard over compliance with the social norm of debt repayment. Almost a quarter-century ago, we were a small Wrocław-based company. Today we are a corporate group that employs more than 3,000 people in several countries across Europe. Over the years, we have proven that we are able to help millions of customers, individuals as well as small and medium-sized enterprises, to repay their debts and continue to operate or live debt-free, and to restore liquidity to business partners. Our effective debt recovery operations are coupled with the highest ethical standards, which I firmly believe to be one of key drivers behind our success. We have clearly defined our core values that are much more than just words on paper – they serve as a guide in our day-to-day work and decisions we make on a daily basis.”

Chief Executive Officer of KRUK S.A.

Piotr Krupa

Michał Zasępa
Chief Financial
Officer

Urszula Okarma
Chief Investment
Officer

Adam Łodygowski
Chief Data & Technology
Officer

Piotr Kowalewski
Chief Operational
Officer





COMPLIANCE

“The Company has a compliance system in place and there is a dedicated unit, Compliance Area, responsible for compliance risk management. The adopted procedures and solutions ensure compliance of our operations with applicable internal and external regulations and support compliance risk management.

The compliance process is an integral part of the business environment that provides employees and management with guidelines that help instil a culture of compliance into day-to-day operations by:

- raising awareness of compliance-related risks;
- conducting and monitoring compliance training;
- defining and enforcing adherence to standards of conduct;
- developing and improving compliance-related communication framework.”

Izabela Wojtera

Head of Compliance Area



APPLICABILITY OF THE CODE

CODE OF ETHICS – PURPOSE

This CODE OF ETHICS is a set of principles rooted in the law and in the system of ethical values, mission, vision and values of the KRUK Group that underpin the behaviour and conduct of our employees.



→ **OUR
MISSION**

WE SAFEGUARD COMPLIANCE
WITH SOCIAL AND LEGAL NORMS
REQUIRING THAT EVERYONE
MUST FULFIL THEIR OBLIGATIONS,
ALWAYS BEING **RESPECTFUL**
TO PEOPLE.





OUR VISION

VALUES

We live our values in all we do.

PEOPLE

We want to attract people who share our values and believe that the need for progress never ceases, even if we succeed.

LEAN

We believe in striving to continually improve the efficiency of our processes. We are not afraid to pin down a problem and look for the best solutions.

→ **OUR VALUES**



RESPECT

Mutual respect is the cornerstone of our business. We treat everyone the way we want to be treated.



COOPERATION

Together we can do more. We build relationships based on partnership and clear rules. We call a spade a spade.



ACCOUNTABILITY

Everyone is responsible for their decisions, actions or inaction and their consequences.



DEVELOPMENT

We are committed to continuous improvement. We have an incessant inner drive to progress, even when we succeed.



SIMPLICITY

Simple is beautiful. We simplify our processes and eliminate waste. Done is better than perfect.



→ **OUR VALUES**

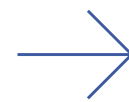
Our priority is to build an ethical and stable environment for our employees, customers, shareholders, business partners and other stakeholders, and to act in accordance with legal, social and ethical standards.

This is why this Code contains principles through which we understand, as the KRUK Group, the standards of responsible conduct, behavior and decision-making in the same way no matter where we do our business.

That is why we use the existing debt collection industry codes applied by associations of debt collection companies based in the countries where we operate.

The Code also provides clarification and guidance on issues that may give rise to ethical dilemmas. Bearing in mind that making the right decision can sometimes be a complex process, we have defined a framework of actions to be taken in situations requiring corporate guidance. In such situations, any improper or inappropriate conduct may compromise the Group’s reputation and even lead to the imposition of severe fines on our organisation.

All this contributes to strengthening our organisation and building a culture based on solid foundations and more than 20 years of experience.



OBLIGATION TO READ THE CODE

All employees, associates and members of the governing bodies must read and comply with the Code, as well as cooperate to facilitate its implementation across the KRUK Group. This includes reporting any breaches of the Code known to them, through a whistleblowing channel. The Code forms an integral part of all other regulations governing the KRUK Group's business activities.



TRAINING AND MONITORING OF COMPLIANCE WITH THE CODE

All employees, associates and members of the governing bodies must attend all training sessions to which they are invited in order to become fully familiar with the Code.

The Head of the ESG Strategy Department has the duty to properly inform all employees, associates and members of the governing bodies about the need to comply with the Code. All communications regarding the Code and all inquiries from persons subject to the Code should be sent through the form available at <https://pl.kruk.eu/zglos-naduzycie>.



GENERAL ETHICAL STANDARDS

Thanks to responsible leadership committed to building an organisational culture, we understand what actions should support our teams and our work. We seek to blaze the trail and set new trends on the market. To this end, we take into account the following:

- Our CEO's personal values
- Responsibility for personal data and confidential information
- Competing business



→ **OUR CEO'S PERSONAL VALUES:**

Mutual respect is
a prerequisite to success.

Uncompromising integrity
is the most effective way
to earn the respect of others.

If something is worth doing,
it is worth doing well:
thoroughly, responsibly
and on time.

Simple is beautiful.
To quote Sheryl Sandberg:
“Done is better
than perfect”.

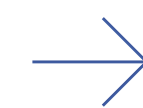
Continuous upskilling,
participation in training
and self-development are
our shared responsibility
– and this applies to both indivi-
dual employees and the orga-
nisation as a whole.

Do not take yourself
too seriously ;-).

Celebrating and recognising
individual and collective
success is an integral part of
our everyday work.

We do not accept
unconstructive complaining.

We stick to
the “magic words” rule:
PLEASE,
SORRY,
and **THANK YOU.**



RESPONSIBILITY FOR PERSONAL AND CONFIDENTIAL INFORMATION

As a listed company that processes data on the financial condition of our customers, we understand that proper protection of data and business secrets may affect various stakeholder groups.

Ensuring the highest standard of secure data processing and protecting data from unlawful disclosure or use is the foundation on which we build our processes and services.

We also continue to improve our **data privacy** risk management process, which supports informed decision-making as well as stable and sustainable operations.

We attach great importance to raising awareness among our employees on how to protect personal data and business secrets and why the protection is important. We organise training courses, send newsletters, share knowledge with the organisation on data protection methods and the latest guidelines from data protection authorities and judicial decisions in this respect. We send information to employees on a regular basis and address any concerns.

We encourage our employees, customers, business partners and third parties to report to the Data Protection Officer any irregularities which they suspect could cause a personal **data breach**.

We believe that close cooperation with the competent authorities, as well as building standards of conduct and sharing best practices within the industry organisations we are a member of is yet another crucial element of responsible data processing. The Group has in place a Personal Data Management Policy and numerous documents setting out the principles of proper and secure processing of personal data in the processes carried out at the KRUK Group.



COMPETING BUSINESS

Competing business is understood by the KRUK Group as any activity of our employees and members of the governing bodies of the individual Companies which overlaps, even if partially, with the KRUK Group's business and may prejudice its interests. For this reason the aforesaid persons are prohibited from engaging in any competing activity or providing work or services against consideration or otherwise to any entity engaged in activities competing with the KRUK Group's business. As a safeguard measure, the Group takes due care to raise the awareness of its employees, associates and members of the governing bodies of the individual Companies regarding this issue.

It should be a best practice that any person who is subject to the Code and who provides work or other services, including as a self-employed person, to any entities that do not compete with the KRUK Group's business inform their line manager about this fact.



STANDARDS OF CONDUCT IN SPECIFIC SITUATIONS



→ CONFLICT OF INTERESTS

Proper identification and management of conflicts of interests is part of the KRUK Group's organisational culture. KRUK Group Companies take appropriate steps to identify and manage potential and actual conflicts of interests in order to operate in compliance with the highest ethical standards, in a transparent and professional manner and in line with the best interests of the company.

In the performance of their professional duties, the employees, associates and members of a company's governing bodies are required to:

- avoid situations in which their personal or private interests could be in conflict with the company's interests;
- report any actual or potential conflict of interests in accordance with the Conflicts of Interest Management Policy.

The KRUK Group has in place the Conflicts of Interest Management Policy, which defines the rules of disclosure of conflicts of interest identified at the Group Companies, as well as appropriate measures to be taken in order to prevent potential consequences of such conflicts.



ACCEPTING AND PRESENTING GIFTS

Observing the principles of presenting and accepting gifts is a vital element of the KRUK Group's organisational culture based on clear and fair rules. The KRUK Group has in place the Gift Policy, setting out the rules for presenting and accepting gifts and attending events organised by business partners, suppliers and other entities cooperating with the Group, as well as measures preventing potential consequences. Employees, associates and members of the Company's governing bodies are not allowed to present or accept any gifts that violate the laws of general application, contracts, agreements, or reasonable market practice.





IT IS PROHIBITED TO ACCEPT GIFTS:

- On a reciprocal basis.
- Under an agreement pursuant to which the acceptance of a gift entails the performance of any act by the recipient.
- From the same source on a regular basis.
- In the form of financial instruments, cash or cash equivalents.
- In the form of discounts or special offers not representing a standard market practice.

Any gifts which, due to their frequency, significant value or nature, or circumstances in which they are given, could be perceived by an objective observer as being given/accepted with the intention to exert influence should be declined.



AS A RULE, EMPLOYEES AND MEMBERS OF THE COMPANY'S GOVERNING BODIES MAY ACCEPT THE FOLLOWING TYPES OF GIFTS:

- Low-value promotional gadgets – items designed to promote entities or goods, such as mugs, pens, biros, calendars, normally handed out to customers.
- Standard invitations that are within the limits of what is considered socially acceptable – invitations to sports or cultural events that build and foster good business relationships, the attendance at which is sponsored by the inviting party.
- Participation in training or professional events if they are free and open to the general public.
- Occasional gifts presented in special situations provided that their value is within acceptable limits.

Persons subject to this Code should ensure that their personal interests and the interests of their affiliates are not placed above the interests of the KRUK Group or its customers. Such persons should also avoid any situations that could affect their impartiality or objectivity in internal relations with customers or business partners.

→ **ANTI-CORRUPTION POLICY**

The KRUK Group has adopted a policy of zero-tolerance for corruption. All employees, associates and members of the governing bodies of the respective Group Companies must avoid any action that could violate this policy. The anti-corruption policy is a material component of the Company’s compliance management policy.

To prevent corruption, an anti-corruption policy has been developed, which stipulates that all employees and associates must report any actual and potential incidents of corruption, both when involved in and upon becoming aware of any such incident.

The Company also actively builds awareness of ethical attitudes and corruption risks among its employees and associates by providing employees with appropriate guidance and training to identify and prevent the risk of corruption in relations with business partners.



RELATIONS WITH CUSTOMERS AND BUSINESS PARTNERS

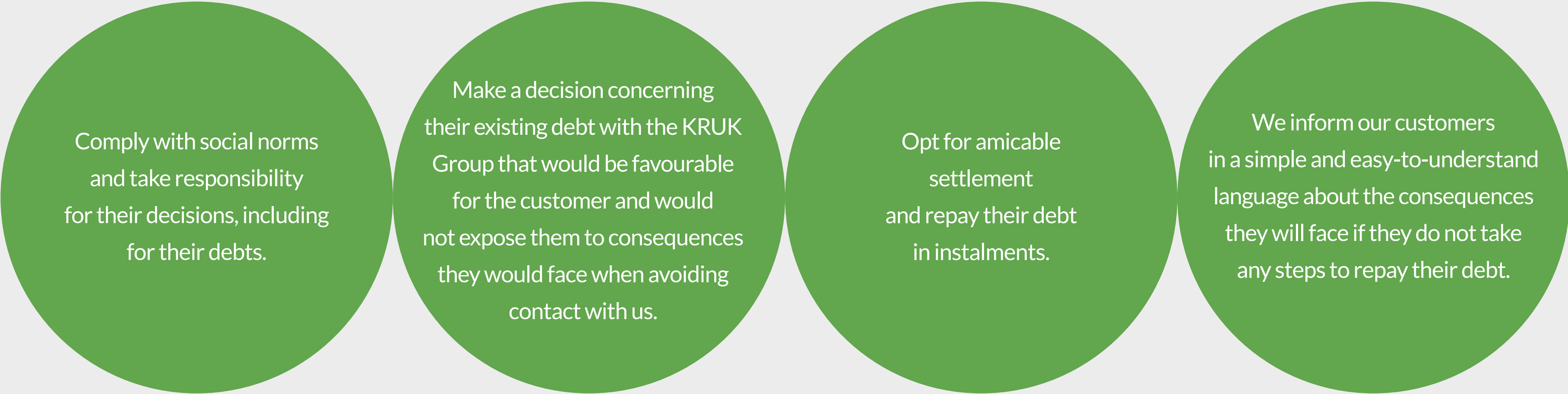
Employees, associates and members of the governing bodies of the respective Group Companies are required to build business relations with customers and business partners in a professional way, in accordance with the applicable laws, standards of conduct and ethics.

These relations should be based, in particular, on respect, honesty, responsibility and good morals. Therefore, we must comply with the law, in particular with regard to the protection of personal data, business and professional secrecy, internal regulations and standards of conduct adopted by the Group.



RELATIONS WITH CUSTOMERS AND BUSINESS PARTNERS

Moreover, in our relations with customers and business partners we adhere to the principles of consumer protection and respect good commercial practice. We act with due diligence when offering our products and services, providing our customers with true and accurate information at all stages of the product offering and handling process, explaining the meaning of the proposed contract terms taking into account the identified needs of customers, and pointing to and explaining potential costs and risks associated with the conclusion of the contracts. In relations with customers, we motivate them to:





RESPONSIBLE DEBT COLLECTION **– WE SET STANDARDS,** **WE ASPIRE TO BE BETTER AND BETTER**

We understand our role in the financial system and economies of democratic countries. We seek to counter financial exclusion and give people in debt the opportunity to become debt-free.

This is why we rely, among other things, on best practices developed by national industry associations, which set out the principles of responsible debt collection in a precise and specific way, with due respect for human rights.

At the same time, we create standards of conduct and processes that support the development of responsible debt collection, taking care to comply with applicable laws and regulations, both external and internal. Conduct based on the principles of integrity, impartiality and professionalism guarantees that the decisions we make are ethical and respectful of our internal and external stakeholders.



→ **RESPONSIBILITY TOWARDS CUSTOMERS**

As a company that has been operating in the debt management sector for more than 20 years and as a leader in certain markets, we understand that our attitude and decisions have an impact on the individual situation of many people who, as our customers, can expect that in conducting our business we:



We believe that through the standards of conduct we have developed we give a sense of stability and security to those who use our services.



RESPONSIBILITY TOWARDS BUSINESS PARTNERS

We enable various entities, including providers of credit facilities and loans, to deal effectively with outstanding receivables – either directly through our credit management services or, first and foremost, by purchasing debt portfolios from them.

We offer and execute processes that are effective, lawful and based on appropriate risk management, properly trained personnel and expertise.



**THROUGH RESPONSIBLE COLLECTION OF DEBTS COMPRISED IN OUR PURCHASED DEBT PORTFOLIOS
AND AS PART OF OUR CREDIT MANAGEMENT SERVICES, AND BY PURCHASING DEBT PORTFOLIOS FROM CREDITORS,
WE CONTRIBUTE TO THE STABILITY OF THE FINANCIAL SYSTEM**

In doing so, we are guided, among others, by the following principles:





RESPONSIBLE COMMUNICATION – TRANSPARENT AND UNDERSTANDABLE CONTENT

We use simple and easy-to-understand language when communicating with customers. We avoid using industry jargon or incomprehensible legalese (if we must use it, we take care to explain its meaning to the customer). We understand the importance of abiding by customer protection laws and the customer's proper understanding of consequences of their decisions.

Responsible communication also means listening to our customers, understanding their needs and adapting our communications accordingly.



We also apply the above principles to communication within our organisation.

→ **PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING, AND COMPLIANCE WITH SANCTIONS**

Responsible establishment of economic and business relations requires acting in accordance with anti-money laundering and counter-terrorist financing laws. As a trustworthy partner, KRUK S.A. strives to adhere to the highest standards in this regard to prevent the risk of the KRUK Group Companies' activities being used for criminal purposes. The KRUK Group stays up to date with the standards applicable to prevention of money laundering in order to maintain an effective programme for the operations of the KRUK Group companies that reflects best practices in preventing money laundering and terrorist financing.

The KRUK Group Companies may not establish any business relationships involving, in particular, execution of transactions with and use of services of any shell banks or any other financial institutions of poor reputation, correspondent banks without the license required under local law, or any entities subject to international sanctions.

We have in place appropriate internal procedures to ensure legal compliance, and our employees, regardless of their job level, are properly trained to identify transactions that may be related to money laundering or terrorist financing. The KRUK Group employees are aware of their obligations regarding appropriate customer identification and methods of responding to suspicious events.

The procedures and systemic solutions in place at the KRUK Group are continuously improved.



SOCIAL RESPONSIBILITY AND FINANCIAL EDUCATION

As a responsible corporate citizen, we are aware of the impact of our decisions and actions and the magnitude of our effect on local communities, and we hold ourselves responsible in this regard. Given the nature of our business, we are familiar with the biggest societal challenges related to money management. We regularly conduct surveys that show our customers' attitudes to indebtedness or payment of their liabilities as well as their financial condition. The surveys help us point to various financial matters and offer support in education and raising financial awareness.

We believe our contribution to social development is not just about our day-to-day operations and helping customers become debt free. We are ready, willing and able to share our knowledge and resources and do business in a way that combines economic goals with benefits to society and the environment. We run awareness-raising educational campaigns related to finances, sponsor sports and cultural events, and participate in charitable projects.

We know how to help. We want to do it wisely and with a plan. A formal framework for our community engagement is set out in our Charitable Sponsorship Policy, which defines the scope of charitable activities that offer financial and in-kind support to non-profit organisations and the Group's customers and employees and their families.



ENVIRONMENTAL RESPONSIBILITY

We identify, analyse and monitor our environmental footprint. We drive improvements and apply state-of-the-art technologies. But first and foremost we harness our potential to raise awareness and educate on the environmental responsibility of the persons subject to this Code, business partners and local communities.

At the KRUK Group, we recognise how important it is to act on your promises. Therefore, we have started with ourselves to drive environmental change. We contain our carbon footprint by introducing across the organisation small and big changes that together make a huge difference.





RESPONSIBLE EMPLOYER

– WE BUILD POSITIVE AND RESPONSIBLE RELATIONS

We are an employer which takes a responsible attitude towards its employees and associates and thus creates a safe and stable workplace where everyone is encouraged to actively shape the organisational culture and can influence the decisions made within the organisation.



Building employee engagement in a stable and sustainable organisation is possible with clear rules, communicated goals and expectations, and clearly defined responsibilities. At the KRUK Group, employees can voice their opinions and ask questions and are provided with opportunities for continuous development.

In addition:





EQUAL OPPORTUNITIES AND CAREER DEVELOPMENT

One core principle at the KRUK Group is to offer equal employment and promotion opportunities. Each employee and associate should have the opportunity to make the best use of their knowledge and competencies and achieve their full professional potential. We support commitment to improvement of skills and competencies, therefore as a rule we opt for internal promotion if the candidate meets the required criteria. We take care to ensure that the processes of recruitment, hiring, promotion and employee assessment are fair and objective.



WORK-LIFE BALANCE

The KRUK Group respects the right of its employees and associates to balance work and private life. We believe that this balance contributes to driving optimum commitment to our goals and helps achieve success together.



ZERO TOLERANCE FOR WORKPLACE BULLYING OR DISCRIMINATION

We want to create a work environment which is underpinned by respect for the dignity of others, commitment, equality and mutual cooperation. Discrimination, harassment, including sexual harassment, unequal treatment, intimidation and disrespect, as well as any physical or verbal aggression are unacceptable. Employees, associates and members of the governing bodies should make the effort to prevent any such behaviour. Should such behaviour occur, we seek to mitigate its consequences by responding quickly and effectively in an unbiased and respectful way, explaining the circumstances and establishing the facts. All employees are required to participate in special anti-bullying training.



COLLECTIVE RIGHTS

The KRUK Group supports initiatives that organise employees in a lawful manner and aim to build good and responsible relations. Persons subject to this Code should comply with the laws governing the formation of trade unions and associations and bargaining, and should respect actions taken by employee organisations in accordance with their assigned function. Cooperation should be based on mutual respect fostering an open and constructive exchange of views aimed at ensuring stability in the workplace.



USE OF COMPANY PROPERTY AND PREMISES

Employees are responsible for protecting Group property from loss, damage, misuse, theft or waste. The property includes not only KRUK’s office facilities, equipment, materials and funds, but also any intangible corporate assets, such as confidential information, the KRUK brand, contractual rights, etc. KRUK employees are responsible for protecting the company’s business assets, which should only be used in the interest of the Group, for appropriate business purposes, and in no case for any illegal purposes.



CONSEQUENCES OF BREACHING THE CODE



→ **REPORTING BREACHES – WHISTLE-BLOWING**

Every employee, associate and member of the company's governing body who feels that they are discriminated against, harassed, bullied, given unequal treatment or intimidated has the right to report any such misconduct in accordance with internal regulations.

The purpose of the whistle-blowing procedure is to encourage employees to report misconduct in good faith, in an atmosphere free from repression, so that it is possible to prevent any inappropriate behaviour, protect those affected, and take corrective action to prevent similar incidents from occurring in the future.

At the KRUK Group, anyone reporting actual or potential misconduct in good faith is protected from retaliation in accordance with principles set out in the adopted policies.

Reports concerning:

- Conflicts, bullying or discrimination, should be sent to wpm@kruksa.pl;
- Violations of the law, internal regulations, incidents of corruption and abuse should be submitted via the special form: "Report Abuse" <https://pl.kruk.eu/zglos-naduzycie>.



GROUP DECISION-MAKING PRINCIPLES

Every day there can happen situations leading to uncertainty in the decision-making process.

We want to act with confidence and consistency, so we adhere to values that allow the organisation to grow steadily and our employees to be highly committed to achieving strategic goals – with due respect for legal norms, ethics and good morals.





BEFORE MAKING A DECISION

We distinguish between
opinions and facts.

We establish the circumstances
and the parties with respect to whom
the decision is to be made
(internal and external).

If possible, we use
the tools available in the organisation
to establish the facts
as accurately as possible.





BASIC PRINCIPLES OF DECISION-MAKING

1

In order to accurately establish the facts, we rely on:

Internal documents

- Policies
- Rules
- Best practices and historical information from business operations
- Instructions

External law

- International law
- Local – national law
- Codes of ethics drawn up by local debt collection industry associations, in force in a given country
- Codes of ethics followed by representatives of various professions cooperating with us, such as court enforcement officers, legal counsels, attorneys-at-law
- International organisation standards recognised as exemplary

2

We cooperate – when in doubt we consult with others and do not decide on our own

3

We identify the possible consequences of the decision – both financial and non-financial

4

We answer the question of whether the decision strengthens our organisation and does not expose it to unnecessary risk

5

We refer to the Group’s Values, Mission and Vision and the CEO’s personal values



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