



KRUK Group Sustainability Report

2022



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1

LETTER FROM THE CEO

[2-22]

Ladies and Gentlemen,

Sustainability is key to business success in the 21st century. I believe that every company thinking ahead and making plans for the medium and long term must consciously and comprehensively manage all aspects of its environmental, social and governance performance. At the KRUK Group, ESG provides a solid foundation for our business model. I am confident this helps us build a stronger and more sustainable organisation, better prepared for crises and volatility of the modern world. Our sustainability commitments, plans and actions are incorporated into the ESG Strategy approved at the end of 2022, which forms part of our business strategy and Impact Management Policy.

The year 2022 was an unusual time in Europe, fraught with unprecedented and adverse events. The past 12 months marred by the war in Ukraine and inflation rising to levels unseen for decades will linger in the memory of Europeans for a long time to come. At the KRUK Group, we are responding to these headwinds responsibly. As an international organisation operating in countries bordering on the war-afflicted Ukraine, we have decided to take concrete steps and donate PLN 1.5m to support various activities and organisations that help and support people fleeing the war. For details of our aid efforts, please read this Report.

The inflationary challenges are naturally affecting personal finances, the area of our unique expertise. Rising prices are bringing a sharper focus on the importance of financial responsibility in daily life and the role of financial literacy, particularly as studies find that nearly half of European adults lack basic financial knowledge. This is why, for many years now, the KRUK Group has been running wide-ranging educational campaigns intended for our clients as well as the general public. We share our knowledge through modern educational activities tailored to our audiences, targeting both adults and chil-

dren who are just starting to learn about finance. One example of such projects is the Kapitalni.org website mentioned in this Report, which offers educational content, including more than 600 articles revolving around the subject, written by recognised Polish financial experts, journalists, and bloggers. The website attracts tens of thousands unique visitors every month – and I am convinced its content is a great aid in wisely managing their home budgets.

We combine responsibility towards our external stakeholders with responsibility within our organisation. Each of the thousands of people employed by the Group knows their career is based solely on competence and commitment – gender, nationality or other factors unrelated to their personal merits have never influenced the level of pay or career progression within our organisation. More than 60% of the KRUK Group's top managerial positions are filled by women, and the 2022 median pay gap for the Group was 1.2%. To compare, the average adjusted pay gap in the European Union is around 11%. Thus, our organisation can serve as an example demonstrating gender equality is both feasible and highly beneficial to businesses.

We are also responding to the climate challenge, having developed a concrete, time-bound plan to reduce our emissions by 70%. We know, however, that before we can effectively manage our environmental impacts, we need to measure them precisely. With that front of mind, we devoted our time in 2022 to expand our environmental capabilities and lay the foundation for an internal carbon footprint monitoring system. We calculated our direct and indirect emissions in all markets where we operate and decided to make disclosures based on the GHG Protocol guidelines. We also keep making small and large adjustments to our day-to-day operations – by upgrading our ventilation, temperature and lighting control systems, changing the way we work and upgrading our vehicle fleet, constantly looking for the best energy-efficient solutions. We are accelerating the adoption of digital services, which help us, for instance, reduce paper use. Read on for details.

Ours is a very special industry. We are strongly committed to full compliance with the law and the social norm of debt repayment, in which modern societies and economies are grounded. This said, we recognise that debt collection can be a complicated process for our clients. I believe a yardstick that can be used to measure our social

responsibility and ethical performance is the communication, which is fair and compliant with the law, while also being clear and transparent. Therefore, in our conversations and letters to clients, we use plain language to explain all the necessary details regarding their debt cases and options to resolve them. As we continue to improve our channels of communication with clients, we have launched collaborations with influencers to make the knowledge of debt collection and financial education even more accessible.

You can learn more about our approach to ESG from this Report. To conclude, I would like to assure you we will never stray from the sustainability path for the KRUK Group – it is our ultimate strategic choice.

Have a pleasant reading.



Yours sincerely,

Piotr Krupa
President of the Management Board KRUK S.A.



2

KRUK GROUP

KRUK GROUP AT A GLANCE

KEY FACTS 2022

8.5 million
clients

3,200+
employees

7
markets served

62%
of top managerial positions
held by women

80%
of investments were made outside Poland

PLN 2.3bn
invested in debt portfolios

PLN 2.6bn
recovered from purchased debt portfolios

ABOUT KRUK

[2-1] [2-2]

The KRUK Group is one of Europe's largest debt management companies. We employ more than 3,000 people, and we have established a presence in Poland, Romania, the Czech Republic, Slovakia, Italy, and Spain. We also own assets in Germany. In 2022, our Group comprised the parent KRUK S.A. of Wrocław and 25 equity-linked subsidiaries. Together, we offer a comprehensive, up-to-date, integrated suite of financial services. In 2022, the KRUK Group had total assets of PLN 7,681m and delivered PLN 805m in profit.

[2-6]

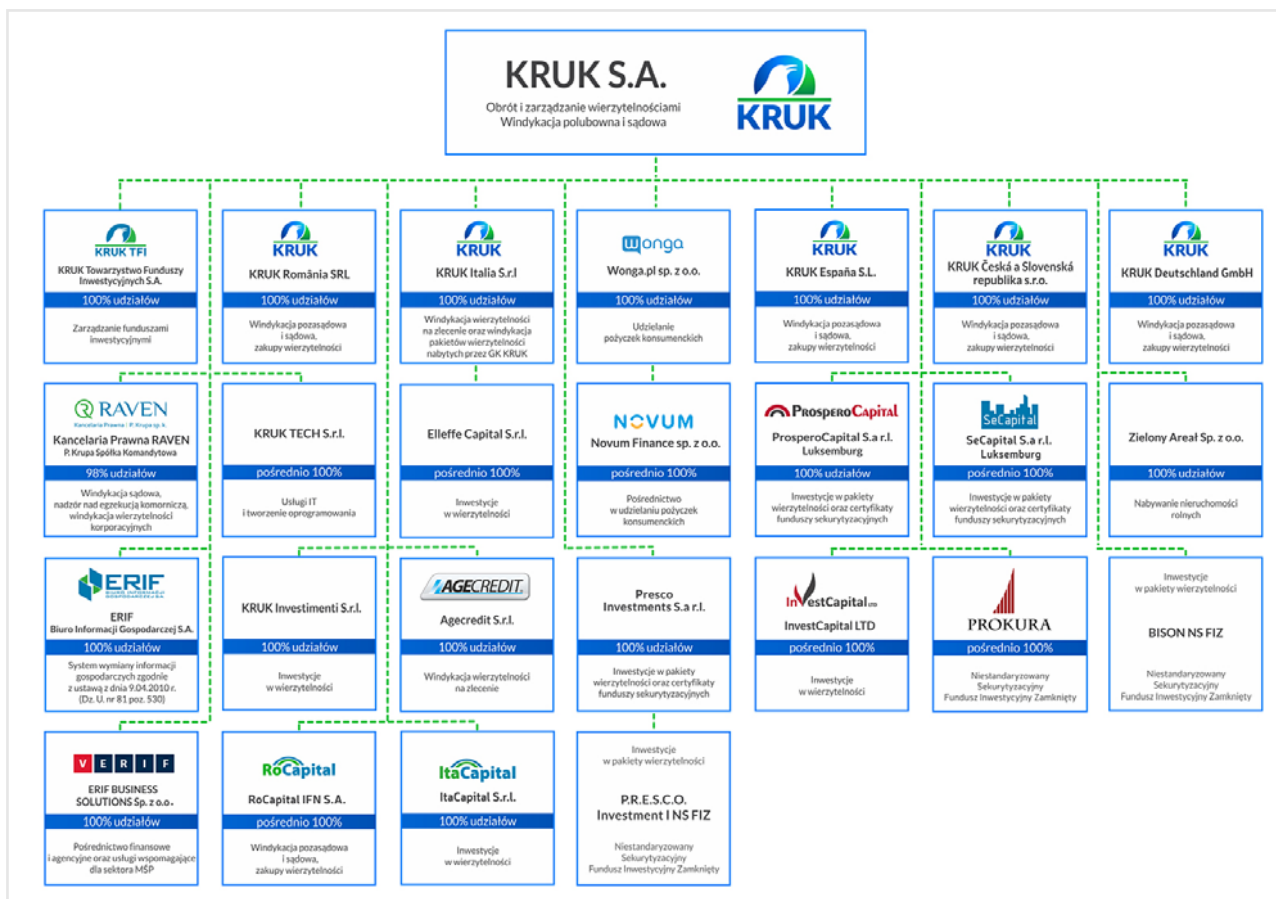
The Group's principal business is the management of debt purchased for the Group's own account and management of debt for institutional clients in three segments:

- Consumer debts (retail, unsecured),
- Mortgage debts (retail, secured),
- Corporate debts (mortgage-backed and non-mortgage-backed).

We manage receivables of banks, loan brokers, insurers, leasing companies, landline and mobile telecommunications operators, cable TV operators, digital TV operators, and companies from the FMCG sector. Our retail and corporate debt segment also manages SME debt. We focus our activities on the banking market, where our business is based on long-term relations with the key partners.

Also a member of the KRUK Group, Wonga.pl operates on the consumer lending market in Poland. We additionally offer loan products under the NOVUM brand, primarily targeting clients who make regular repayments or have paid off their debts to the Group in Poland and Romania. Until January 24th 2023, we owned ERIF BIG, a company collecting and providing credit information in Poland.

KRUK Group structure





Since 2011, KRUK S.A. shares have been traded on the Warsaw Stock Exchange, and since November 2022 the Company has been part of the WIG20 blue chip index. Bonds issued by KRUK S.A. are traded on the Catalyst bond market in Poland.

[2-28]

We share our experience and best practice with other market participants working with us in industry organisations and associations. For example, KRUK S.A. is a member of the Association of Financial Companies in Poland and the *Lewiatan* Polish Confederation of Private Employers, with the memberships allowing us to provide feedback on draft legislation pertaining to our industry.

Furthermore, the KRUK Group companies are members of:

- ACA International (KRUK Ceska a Slovenska Republika S.R.O.),
- Asociácia Slovenských Inkasných Spoločností (KRUK Ceska a Slovenska Republika S.R.O.),
- Asociace Inkasních Agentur (KRUK Ceska a Slovenska Republika S.R.O.),
- Asociația De Management Al Creantelor Comerciale (KRUK Romania S.R.L.),
- Angeco (KRUK España),
- Unione Nazionale Imprese A Tutela Del Credito (KRUK Italia),
- Confindustria - La Spezia (KRUK Italia).

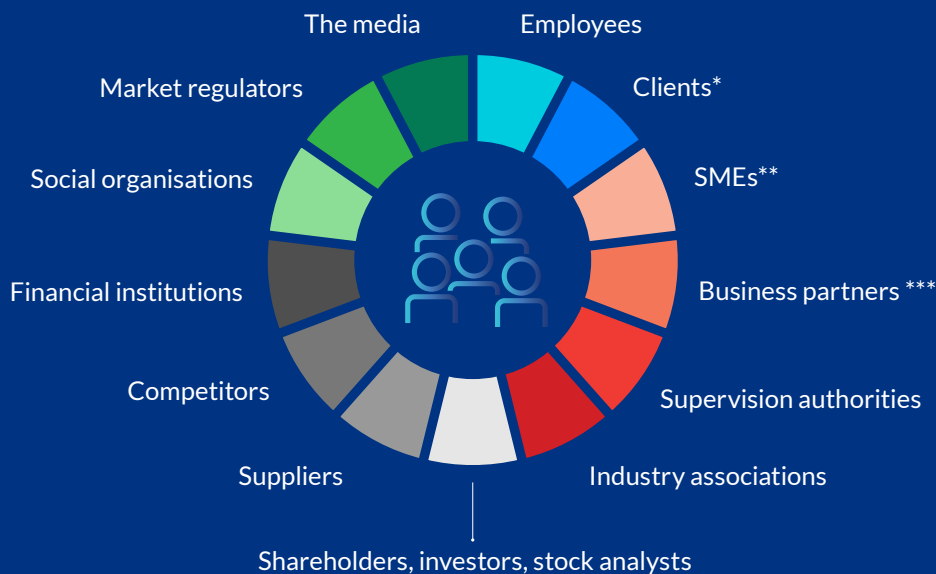
THE PROCESS FOR DEFINING MATERIALITY

[2-29]

The KRUK Group provides its stakeholders with accurate and reliable information about its organisation – both the measures taken and changes planned. The Group gives priority to dialogue as the basis for mutual understanding in a changing environment. The form and frequency of the stakeholder dialogue are adapted to the characteristics of a given stakeholder group as well as to the expectations of and problems pertaining to both parties.

The Group also reviewed the key stakeholder groups based, among other things, on an internal analysis of groups interacting with the individual departments of the KRUK Group, as well as social research and client satisfaction surveys.

Stakeholders of the KRUK Group:



* indebted persons and persons using services offered by KRUK Group companies

** indebted companies

*** large corporations and institutions providing services to mass-market clients, such as banks, loan providers, insurance companies, leasing and factoring companies, telecoms

Forms and frequency of dialogue with KRUK Group stakeholders

Stakeholder groups engaged	Purpose of stakeholder engagement	Description of stakeholder engagement
Employees	Ensuring the best possible working conditions, suitable for specific employee groups. Creating a safe and inclusive working environment. As a result, wellbeing and health promotion programmes are developed to meet the needs identified among the KRUK Group's employees.	<ul style="list-style-type: none"> • employee forum • employee surveys, meetings, events, whistleblowing channels
Shareholders	Ensuring quality, transparent and reliable information that supports decision-making processes.	<ul style="list-style-type: none"> • current, quarterly, interim, annual and sustainability reports, • periodic earnings conferences, • face-to-face and online meetings, phone calls, • website dedicated to investors https://pl.kruk.eu/relacjeinwestorskie, • General Meeting • mailing, press releases • participation in industry conferences.
Clients/consumers, including indebted persons, borrowers, persons checking their credit record in the BIG database and SMEs with debts	With a better understanding of client needs, we can consistently improve our solutions to meet client expectations. For this reason, we simplify the language we use in our client-oriented communications and make our services more accessible, for instance through the launch of the e-KRUK platform.	<ul style="list-style-type: none"> • the e-KRUK.pl platform and other websites operated by different KRUK Group companies • face-to-face and telephone conversations with KRUK advisers, and consultations through chat bots.
Business partners (large corporations and institutions providing services to mass-market clients, such as banks, loan providers, insurance companies, leasing and factoring companies, telecoms)	Business partners are an important part of KRUK's business model. By engaging its Partners, the KRUK Group is able to better deliver its own business strategy. At the macroeconomic level, the collaboration helps drive economic growth in the markets where the strategy is pursued.	<ul style="list-style-type: none"> • Trading partner satisfaction survey • Face-to-face meetings, phone calls, e-mails

Suppliers	Building lasting and quality relations with suppliers. Transparency in defining the rules applicable to the procurement process and in incurring obligations for and on behalf of the KRUK Group companies – all in keeping with the KRUK Group’s values, mission, vision and strategic objectives – is described in the Procurement Policy.	<ul style="list-style-type: none"> • face-to-face meetings, phone calls, e-mails
Competitors	Supporting the development of the entire industry and educating the society together with competitors on how debt collection fosters sustainable economic growth and liquidity of the entire economy.	<ul style="list-style-type: none"> • participation in discussions on how to improve the image of the entire debt management industry in Poland (in a working group set up by the Association of Financial Companies in Poland); Cooperation between credit reference agencies and non-banking consumer lending companies. Participation in industry conferences in the countries where the KRUK Group operates
Non-profit organisations	Supporting social initiatives consistent with the identified impacts of the KRUK Group.	<ul style="list-style-type: none"> • participation in financial education events and various charitable and philanthropic initiatives • participation in surveys and reports at the invitation of non-profit organisations
General public	Improving the quality of and access to sound financial education for the general public. The kapitalni.org website and educational campaigns such as the ‘Day Without Debt’ event are among the measures that the KRUK Group uses to prevent financial education exclusion.	<ul style="list-style-type: none"> • social surveys on matters related to finance and debt • financial education workshops and training • press materials, information campaigns in the press, internet, radio and television
Regulators and industry associations	Developing and promoting high standards in Compliance, GDPR and rights and freedoms of data subjects.	<ul style="list-style-type: none"> • participation in issuing opinions on new regulations and acts of law (in working groups appointed when and as needed)

[3-1]

In December 2022, the KRUK Group adopted the ESG Strategy for 2023–2027, forming part of its business strategy. Among the identified areas of impact are environmental, employee, social and governance matters.

The Group also drew up a list of 32 impact types to identify its actual and potential, both negative and positive impacts on the economy, environment and people, including human rights, across the whole range of the organisation's activities and business relationships. It was determined on the basis of stakeholder expectations, le-

gal regulations, international standards, industry guidelines, as well as the mission, vision and values guiding the KRUK Group's activities. For more details of this list and the materiality matrix, [see the 2021 Sustainability Report](#). ✨

Both these processes informed the selection of material topics addressed by this Report.

[3-2] List of material topics



Environmental aspects

- Sustainable consumption and public awareness of environmental issues
- Carbon footprint, including energy consumption



Social aspects

- Employee matters
- Social responsibility



Governance aspects

- Compliance
- Cybersecurity and GDPR

RESPONSIBLE GOVERNANCE

OUR MISSION, VISION AND VALUES

Our mission, vision and values are consistent and shared across all our companies and markets. We make sure that all our people know them in and out, as all relevant rules, instructions and procedures are easy to access via our internal information systems. Our organisational culture is defined by the values of partnership, cooperation and freedom of expression. We act consistently and logically, making it easier for employees to feel a sense of belonging in the organisation and to internalise its core values.

Tomasz Kurr
General Director KRUK Italia



Meeting the needs of the present without compromising the ability of future generations to meet their own needs captures the essence of sustainability. Placing ethical and responsible business practices at the forefront, KRUK Italia has recently launched several initiatives with society and the environment in mind. These include a financial education blog, publications in major Italian newspapers, panel discussions on gender equality in business, and a charity run to benefit the paediatric ward of the La Spezia Hospital. We planted 400 trees in various corners of Italy, raising our team's environmental awareness and decarbonisation readiness. These are just a few examples of our commitment to environmental and social sustainability that creates value for all our stakeholders in the long run. As we say at KRUK Italia - the best is yet to come!





MISSION

We safeguard compliance with social and legal norms requiring that everyone must fulfil their obligations, always being respectful to people.



VISION

BUILT AROUND THREE PILLARS

Values

We live our values in everything 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.

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. Getting things done is more important than striving for perfection.

SUSTAINABILITY PRIORITIES AND CONTRIBUTION TO ACHIEVING SUSTAINABLE DEVELOPMENT GOALS

In line with the implemented corporate governance principles, we grow the KRUK Group sustainably. Our activities are based around three pillars: economic re-

sponsibility, social responsibility and environmental responsibility. ESG issues are coordinated by the ESG Strategy Manager, reporting directly to the Head of Strategy and President of the Management Board.

ECONOMIC RESPONSIBILITY

It is about supporting the economy by helping to restore liquidity in the market. Acting fairly and openly, the Group provides consumers with knowledge related to debt, which is recovered in compliance with the law and the Group's best practice, with due respect for clients. The KRUK Group companies also collaborate with organisations and associations that are committed to sustainable and ethical economic growth.

The Sustainable Development Goals we support:



SOCIAL RESPONSIBILITY

It focuses on:

- Fostering partner relations with employees, promoting workplace diversity and providing opportunities for professional development. We fully respect the rights of our employees, and we abide by the provisions of the Declaration of Human Rights. We support partnership, cooperation and freedom of expression.
- Running awareness-raising campaigns that highlight the social norm of debt repayment. We strengthen the public awareness of being responsible for one's debt and of the consequences of non-payment. We explain in plain language the elements of the debt collection process.

The Sustainable Development Goals we support:



ENVIRONMENTAL RESPONSIBILITY

It is about going green and following the zero waste principles. Through financial education activities, we seek to raise public awareness of excessive consumption, pointing out that by curbing consumerism we help the natural environment.

The Sustainable Development Goals we support:





In the 2022 S&P Global Corporate Sustainability Assessment the KRUK Group received a score of

28

points.

GOVERNANCE

[2-9] [2-10] [2-11]

The activities of KRUK S.A. are supervised by the Supervisory Board, operating in compliance with the Company's Articles of Association and the Rules of Procedure for the Supervisory Board. Members of the Supervisory Board are appointed by the General Meeting for a joint term of three years. In its work, the Supervisory Board is assisted by an Audit Committee, a Remuneration and Appointments Committee and a Finance and Budget Committee. Members of the committees are appointed by the Supervisory Board from among its members.

- The **Audit Committee** is responsible for monitoring financial reporting and the effectiveness of internal control and risk management systems. The Committee assists the Supervisory Board in exercising financial oversight of the Company.
- The **Remuneration and Appointments Committee** is responsible for setting remuneration policies for members of the Management Board and recommending candidates for the Management Board to the Supervisory Board.
- The **Finance and Budget Committee** is responsible for analysing KRUK S.A.'s financial performance, and for reviewing and evaluating draft resolutions of the Supervisory Board concerning the Company's finances.

Composition of the Supervisory Board as at December 31st 2022, by gender:

Women	4
Men	3

Composition of the committees supporting the work of the Supervisory Board as at December 31st 2022:

Audit Committee Katarzyna Beuch – Chair of the Committee
Ewa Radkowska-Świętoń – Member of the Committee
Piotr Stępniaak – Member of the Committee
Piotr Szczepiórkowski – Member of the Committee

Remuneration and Appointments Committee Ewa Radkowska-Świętoń – Chair of the Committee
Krzysztof Kawalec – Member of the Committee
Piotr Szczepiórkowski – Member of the Committee
Tomasz Bieske – Chair of the Committee *until April 14th 2022*
Mateusz Melich – Member of the Committee *until April 14th 2022*

Finance and Budget Committee Beata Stelmach – Chair of the Committee
Krzysztof Kawalec – Member of the Committee
Ewa Radkowska-Świętoń – Member of the Committee
Mateusz Melich – Chair of the Committee *until April 14th 2022*
Katarzyna Beuch – Member of the Committee *until April 14th 2022*
Tomasz Bieske Member of the Committee *until April 14th 2022*

READ MORE

For more details on the activities of the Supervisory Board and its committees, see the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2022



The governing body of KRUK S.A. is its Management Board appointed by the Supervisory Board for a joint three-year term. The Management Board directs the Company's operations, manages its assets and rep-

resents KRUK S.A. in dealings with third parties. There were no changes in the composition of the Company's Management Board in 2022.

Composition of the Management Board, by gender

Women	1
Men	4

Composition of the Supervisory Board and Management Board, by the criteria stated below

Executive members	5
Non-executive members	7
Non-independent members	2
Independent members	5
Term	3 years

[2-15]

The Management Board of KRUK S.A. operates under the Rules of Procedure for the Management Board, which require each member to report any actual or potential conflicts of interest. A Management Board member with a conflict of interest may not speak or vote on a resolution concerning a matter involving the conflict of interest. The same rules apply to members of the Supervisory Board. Management and Supervisory

Board members should notify the President of the Management Board or the Chair of the Supervisory Board of any relationships they have with suppliers, business partners, clients or fund units holders. Where there is a conflict of interest involving the President of the Management Board or the Chair of the Supervisory Board, they must inform the other members of the Management Board or the Supervisory Board thereof.

The Management Board of KRUK S.A.

Full name	Position	Remit
Piotr Krupa	President of the Management Board	Chief Executive Officer (CEO) – supervises Strategy Management Area (HR, ESG), Security and Operational Risk Management Area, Internal Audit Area, Compliance Area, Corporate Governance Area and General Director Area.
Piotr Kowalewski	Member of the Management Board	Chief Operating Officer (COO) – supervises Analysis Development Area, Client Service Processes Area, E-COMMERCE Area, Operational Strategy and Brand Development Area, Digital Transformation Area.
Adam Łodygowski	Member of the Management Board	Chief Data & Technology Officer (CDTO) – supervises IT Area, IT Infrastructure Area, Cloud and Delivery International Area, Debt Portfolio Valuation Area, Statistical Methods Development Area.
Urszula Okarma	Member of the Management Board	Chief Investment Officer (CIO) – supervises Legal and Data Protection Area and NPL Investment Strategy Area.
Michał Zasępa	Member of the Management Board	Chief Financial Officer (CFO) – supervises Controlling and Liquidity Management Area, Investor Relations and Development Area, The KRUK Group Accounting and Taxation Area.


Other significant functions and commitments of KRUK S.A. Management Board members:

Piotr Krupa	General partner of law firm Kancelaria Prawna Raven, member of the Supervisory Board of Wonga.pl sp. z o.o., member of the Supervisory Board of KRUK TFI S.A.
Michał Zasępa	Chairman of the Supervisory Board of Wonga.pl sp. z o.o., Chairman of the Supervisory Board of KRUK TFI S.A.

READ MORE

Biographies of the Management Board members are posted on the corporate website www.kruksa.pl.



In 2022, KRUK S.A. complied with the corporate governance standards set forth in 'Best Practice for WSE Listed Companies 2021'. The text of the statement, specifying the extent to which the Company intends to comply with the standards, [is available on KRUK S.A.'s](#) 

ETHICS AT THE KRUK GROUP

[2-23]

Ethical business conduct is vital to us, determining our market success and guiding everyday activities of all Company employees. Ethical standards are a linchpin of all decision-making that concerns our clients, business partners, and employees. Our Group-wide uniform ethical ecosystem is based on social norms and internal regulations, instructions and procedures, as well as our Human Rights Policy and Code of Ethics implemented in 2023. These documents are in line with the Universal Declaration of Human Rights, protecting human dignity and ensuring justice for every individual.

We have committed to comply with the International Bill of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the UN Guiding Principles on Business and Human Rights, and the Ten Principles of the UN Global Compact. The Group also endorses and complies with the provisions laid down in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and local legislation in force in the countries where it operates.



GOOD PRACTICE

Every year KRUK S.A. undergoes an ethics audit carried out by the Association. Certificates confirming successful completion of the audit are issued by the Association for the previous calendar year at the end of the first quarter of the current year. In 2022, we received a certificate of compliance with the standards and principles of ethics for 2021, and in 2023 we received a certificate for 2022.



GOOD PRACTICE

[2-26] At the KRUK Group, we have set up a clear and easy-to-use system for reporting conduct that infringes upon our ethical standards and Human Rights. Our Whistleblowing and Whistleblower Protection Policy sets out procedures for reporting violations and handling violation reports. The policy provides for anonymous and confidential reporting. A dedicated 'Report a violation' form is available from pl.kruk.eu/zglos-naduzycie for use by all our stakeholders. The form is available in the local languages of the countries where we operate.

Employees reporting misconduct or other irregularities in good faith are assigned the status of a Corporate Whistleblower and as such are afforded an adequate level of protection against retaliation, discrimination, violation of their equal treatment rights or any other form of mistreatment.

In addition, KRUK S.A. has assembled a Mediation and Consultation Team that handles complaints about conflicts and unequal treatment. A complaint can be filed by any person who has witnessed, has been affected by or knows about inappropriate behaviour.

Selected documents forming part of the KRUK Group's ethical conduct system:

- **Code of Ethics**

[3-3 Compliance]

The Code of Ethics was approved by the Management Board of KRUK S.A. in 2022 and took effect across the Group at the beginning of 2023. The Code sets out the principles and standards of responsible action, conduct and decision-making applicable at all Group companies. The document also provides clarification and guidance when ethical issues arise.

All employees, associates and members of corporate bodies are required to familiarise themselves with the Code, abide by its provisions and cooperate to facilitate its implementation across the KRUK Group. This also includes reporting any violations of the Code they become aware of via a dedicated whistleblower channel. The Code is an integral part of all other regulations governing the KRUK Group's business activities. One of the strategic metrics of the Compliance area, training in the Code of Ethics starts in 2023.

The Code of Ethics governs such matters as:

- Responsibility for personal data and confidential information;
- Competitive activity;
- Conflicts of interest;
- Accepting and presenting gifts;
- Prohibition of any form of corruption;
- Relations with clients and business partners;
- Responsible debt collection standards;
- Responsibility towards clients and business partners;
- Responsible communication;
- Environmental responsibility.

A separate section of the Code is devoted to employee matters. Among other things, the Code provides for equal opportunities and career development, a work-life balance, and zero tolerance for workplace bullying and discrimination.

READ MORE

The Code of Ethics is available on the corporate website www.kruksa.pl



- **Internal Mediation Policy** – this policy fosters positive relations between employees, prevents conflicts, workplace bullying and discrimination;
- [2-15] **Conflict of Interest Policy** – sets out the rules for disclosing potential conflicts of interest. All employees are required to report any conflicts of interest. The Compliance Area team is charged with related administrative tasks (registering the reported conflicts of interest) and plays an advisory role (providing guidance on how to manage the identified conflicts of interest).
- **Gift Policy**, which governs the acceptance of business gifts by our employees
- **Compas Compliance Management Policy** – Wonga.pl – Wonga has in place mechanisms designed to address the risk of non-compliance with the standards of ethical business conduct. The Compas Policy is primarily focused on preventing, detecting and adequately responding to any non-compliance with laws, internal regulations or generally accepted ethical standards.
- **Code of Best Practice** of the Association of Financial Companies in Poland and practices applied locally.
- **Canon of Financial Market Best Practice** – a set of 16 general and universal principles that express the core values and ethical ideals guiding financial companies. The Canon was defined as a result of collaboration between 30 associations of financial companies, organisations and institutions representing consumer interests, and other market institutions, as well as academics.
- **Human Rights Policy.**

At the Group, we will not tolerate any form of discrimination or bullying. Each violation report triggers an inquiry, which must commence within a maximum period of five business days. The Internal Mediation Policy describes in detail the procedures for dealing with any reported incidents, and every KRUK Group employee is required to undergo training in workplace bullying prevention. In 2022, we did not record any incidents of workplace bullying.

[2-25] [2-27] [205-1] [205-3]

Integral to our ethical conduct is a zero-tolerance policy on corruption. Zero tolerance for even minor corruption incidents is fundamental to responsible debt management, our credibility and the trust placed in us by our clients and business partners (clients being the indebted persons whose debts are managed by the KRUK Group). We have put in place a Group-wide Anti-Corruption Policy, 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. We actively build awareness of ethical attitudes and corruption risks among our employees and associates by providing employees with appropriate guidance and training to identify and prevent the risk of corruption in relations with business partners. **No corruption incidents or cases of non-compliance punishable by pecuniary or other sanctions were recorded at the KRUK Group in 2022.**

We also expect our business partners to prevent corruption. Participants of procurement processes carried out by the Procurement Department in line with the applicable policy who provide services to KRUK S.A. are required to sign a 'Supplier's agreement to comply with the principles of ethics and counter corruption'.

Izabela Wojtera
Head of Compliance Area
KRUK S.A.



Compliance is now widely recognised as an ethical basis for the operations of companies. Organisations that fail to comply with legal, regulatory or ethical standards are exposed to various business risks, financial losses, inconvenience, outflow of clients and investor confidence, and fewer business opportunities. Today, much more than in the past, the cost of non-compliance is becoming increasingly more visible and acute. For those who want to enjoy a good reputation, implementing a Compliance Culture is a step in the right direction. By keeping the company in compliance with all the elements specified above, a Compliance Culture minimises financial risks and manifests the company's respect for the law, market standards and ethics, ultimately fostering confidence among its clients, business partners and employees.

A common goal – to develop and promote a Culture of Compliance as part of our business strategy. It is a long-term process requiring the commitment of every single member of our organisation. A robust Compliance Culture can become a driver of competitive advantage, supporting the achievement of the company's strategic objectives, such as revenue growth and cost reduction. In addition, it helps build trust among clients, contractors and business partners and to create a friendly working atmosphere, where every employee understands the rules of conduct in place and their own role within the organisation.

Bearing in mind the relevance of ethical aspects in the context of sustainable development, the KRUK Group has adopted industry codes and codes of best practice developed by organisations and associations of which we are member. A zero-tolerance anti-corruption policy has been put in place, and a whistleblowing channel has been established for reporting any violations and conduct that is unethical or inconsistent with our values and regulations.

ESG MANAGEMENT

[2-12][2-13]

Responsibility for developing, approving and updating the Group's sustainable development objectives, strategies and policies rests with the Management Board of KRUK S.A. The responsibility of the President of the KRUK S.A. Management Board for ESG and impact management at the head-office level is defined in internal regulations, such as the Environmental Policy, the Human Rights Policy, the Code of Ethics and the organisational rules.

In addition, an ESG Strategy manager, an environmental specialist and a junior ESG reporting and communication specialist have been appointed at KRUK S.A. to serve the entire Group. Outside of Poland, in other countries where we operate, there are designated persons responsible for the ESG area(s) and decisions on their scopes of responsibility are made by General Directors.

[2-16]

The Management Board of KRUK S.A. is updated on the ESG performance during meetings held every two weeks. In addition, issues related to our environmental, human and economic impacts are discussed as needed when planning strategic goals and at the start of new projects.

[2-22][2-23]

In 2022, we focused on developing an ESG Strategy, being part of our business strategy, and an Impact Management Policy. We adopted the ESG Strategy for 2023–2027 in December 2022 as an important and integral part of our business strategies. Among the identified areas of impact are environmental, employee, social and governance matters. The strategic objectives for employee and social matters defined in the ESG Strategy include gender equality in access to promotion and equal remuneration, as well as work on advancing financial and digital integration. We seek to maintain decent working conditions and ensure respect for employee rights through such initiatives as development of a long-term Group-wide DEI (Diversity, Equality, Inclusion) programme, continued dialogue with local communities, and offering financial and digital education to the Group's clients and people in financial distress.

[2-24]

As regards corporate governance, the ESG Strategy aims to ensure that the highest standards of responsible debt collection are maintained. The main areas will include:

- **Compliance** – we aim to continually build the compliance culture through such measures as fostering compliance with laws applicable in each of the countries in which the KRUK Group operates and with the KRUK Group's internal rules and procedures, adhering to the principles of ethics and integrity, preventing unethical practices, compliance training of 90% of our staff by 2026, and maintaining engagement in the existing training programme at 70%;
- **GDPR** – we intend to support the organisation's sustainable development in data protection through such measures as strengthening privacy by design and privacy by default, particularly for projects related to new technologies and digitalisation;
- **Cybersecurity** – we intend to ensure that 90% of our staff undergo cybersecurity training by 2025 and that engagement in the existing training programme is maintained at 80%;
- **ESG risks and opportunities** – we intend to implement the TCFD recommendations.



ESG targets to be achieved in the coming years

Maintaining a high ESG standard is at the top of KRUK's agenda

KRUK's UN Development Goal focus areas

TARGETS 2023–2025



- Keep gender equality – not less than 50% women
- Gender equal pay gap 0% by 2025
- Employees with disabilities – 4% by 2025
- Women representation on boards – not less than 40%
- Employee turnover 16% – annually
- Diversity, equality and inclusion
 - dedicated program

TARGETS 2023–2040



- Decarbonization in Scope 1 and 2
 - 70% reduction by 2040
- Scope 3 management and lowering emissions
- Providing education on climate change and environmental challenges



TARGETS 2023–2025

KRUK act to increase financial and digital inclusion by increasing:

- Financial and digital literacy
- Behaviour change
- The company want to support employees' local engagement on matters that are important for their communities - volunteering program



TARGETS 2023–2027

- Cybersecurity
 - 90% of employees to complete cybersecurity online courses and trainings by 2025
- GDPR
 - Strengthening of principles of privacy by design and privacy by default and continuous improvement of the risk-based approach
- Compliance
 - Building Compliance Culture by being compliant with local regulations and internal policies and procedures



The environmental matters dealt with in the Company's ESG Strategy include management objectives and methods, a plan to develop appropriate processes to cut down Scope 1, Scope 2 and Scope 2 CO₂ emissions in accordance with the GHG Protocol, as well as a plan for climate change adaptation. As of 2022, we undergo CDP audits to check the organisation's maturity in environmental management. The objectives to identify climate risks, to be defined in more detail in 2023 and 2024, form part of the strategic approach.

The ESG Strategy was adopted at the head-office level. Its implementation at our Group companies in the individual markets is adapted to local business plans and complies with the guidelines adopted at the head-office level. Strategy execution lies within the remit of area owners at the central and local levels.

[2-17]

KRUK S.A. Management Board's understanding of sustainable development matters is broadened thanks to, among others, the CEO's participation in the United Nations Global Compact Network Poland and active involvement of the CFO in environmental responsibility management events, such as the 11th World Urban Forum and its Business Council. KRUK S.A. participates in UNGC's Business and Human Rights and Climate Positive programmes. In 2022, KRUK S.A. joined the Target Gender Equality programme. TGE focuses on the implementation of UN Sustainable Development Goal 5 Gender equality and Goal 8 Decent work and economic growth. The programme aims primarily to strengthen the participation and leadership of women in business. KRUK S.A. organises regular ESG training locally for General Directors and managers. In 2022, the KRUK Group was invited to the UNGCNP Business Council, which issued recommendations during the World Urban Forum (WUF11) regarding the management of the future of cities in the face of the climate crisis.

RISK MANAGEMENT SYSTEM

At the KRUK Group we manage non-financial risks based on the standards described in the Risk Management System Policy. The Policy is a set of rules and mechanisms related to decision-making processes and assessment of the Group's operations in terms of the risks involved. The system operates on the basis of the risk management strategy, policies and instructions, its effectiveness being monitored and assessed by the Supervisory Board, in accordance with 'Best Practice for WSE Listed Companies'.

[2-25]

We have implemented complaint handling processes for all debt management business lines in all of the KRUK Group's operating markets. Complaints are handled in a timely manner with due regard paid to the rights and privileges of the complainer arising under applicable laws and social norms. The complaint handling process undergoes regular internal audits and audits by authorised persons and institutions in order to improve its efficiency and quality.

The following non-financial risks have been identified in the KRUK Group's business:

- HR risk;
- Outsourcing risk;
- Risk related to the processing of data in a cloud computing environment;
- Physical security risk;
- IT risk;
- Risk related to deliberate and unintentional human actions;
- Business continuity risk;
- Legal risk;
- Compliance risk;
- Personal data protection risk;
- Governance risk.





3

OUR ROLE IN THE FINANCIAL SYSTEM

RESTORING FINANCIAL LIQUIDITY IN THE MARKET

The debt management market makes a huge and positive contribution to the proper circulation of money and to economic prosperity. The Association of Financial Companies in Poland, of which KRUK S.A. is a member, has compiled a list of key impacts of debt management companies, including¹:

- Clearing payment bottlenecks, enhancing financial liquidity, and reducing the level of bad debt provisions. Companies like the KRUK Group enable other businesses to continue investments and help lower the risk of bankruptcy.
- Raising payment morality and stabilisation of the market where other companies operate;
- Increasing confidence in business transactions;
- Increasing productivity in the economy and allowing companies to focus on expansion and revenue growth rather than the consequences of a growing volume of overdue receivables;
- Supporting price stability by ensuring proper financial flows;
- Unlocking resources for companies, which then can be used to create new jobs, etc.

At the KRUK Group, we support the development of our industry as a whole and the shared effort to educate the public by showing how debt collection helps foster sustainable economic growth and supports financial liquidity throughout the economy. We work with other actors to develop consistent standards of conduct for all debt management companies and facilitate a uniform interpretation of existing regulations. We are part of a working group set up by the Association of Financial Companies in Poland, participating in discussions on how to improve the perception of our industry in Poland.

Tomasz Ignaczak
General Director KRUK S.A.



For 25 years, KRUK has been in dialogue with indebted persons about their options to become debt free and has also been running various educational activities. They seek to raise financial awareness among the general public and to promote secure use of digital tools facilitating debt repayment. In our awareness-raising campaigns, we also explain how important professional debt management companies are to business transactions, as they assist companies and institutions with maintaining liquidity, which translates into the cost and availability of many products and services purchased by consumers. In everything we do we attach great weight to compliance with social norms, ethical standards, laws and our own values. Many of our efforts support the sustainability goals and ESG projects pursued by the KRUK Group.

¹ https://zpf.pl/pliki/stanowiska/stanowisko-zpf-w-sprawie-projektu-ustawy-o-dzialalnosci-windykacyjnej-i-zawodzie-windykatora_241022.pdf



GOOD PRACTICE

For years, we have participated in the 'Debt Collection? Everything Clear!' campaign run by the Association of Financial Companies in Poland. Through this campaign we make consumers aware that professional debt collection companies operate in accordance with the principles of ethics and Best Practice, which are reviewed by the Association. As part of the campaign, representatives of the Association engage in dialogue with journalists who often indiscriminately attack the industry or publish unfair information that casts a bad light on the industry and companies that follow the Best Practice. 2,153 campaign-related publications were released in 2022 in the Polish media, reaching more than 25.5 million people.

Our companies operating outside Poland are active members of local counterparts of the Association of Financial Companies in Poland.

We have been present on the Polish market for nearly a quarter of a century, witnessing and participating in the transformation of the financial industry in Poland. We have developed a model of operation – acquiring debt portfolios and providing services to indebted clients – that today is a source of our competitive advantage and a benchmark for our peers. We have helped millions of people get out of debt, while helping many businesses improve their liquidity position.

The organisation's technological advancement has allowed us to robotise amicable and legal collection processes and interactions with business partners. We recognise digital transformation as crucial to building a sustainable competitive advantage. We launched the 'Discovery' programme in 2022, allowing us to move our digital transformation forward in a structured and consistent way at the Group level. The programme allows us to exploit intra-Group synergies (sharing best prac-

tices, standardisation, etc.), optimise costs, as well as upscale and accelerate the implementation of projects. Discovery covers key business processes, including debt portfolio valuation, as well as legal and amicable debt recovery. We will advance these processes through IT, analytics and no-code solutions. We are also consistently increasing our innovation activities, seeking out and testing the latest technological solutions and working with start-ups.

As part of the 'Discovery' programme, we have plans to strengthen digital skills among our employees and clients. We want to improve client experience by providing user-friendly solutions (such as the e-Kruk application), and build a modern and growth-inspiring organisation for our employees.

The launch of the 'Discovery' programme was preceded by a number of innovative process automations implemented in previous years, including:

- e-KRUK system implemented and rolled out in Poland, Italy and Romania, which is an online debt management platform designed for clients;
- Digital signing of settlement agreements with clients in Poland, Italy, Romania, Spain and the Czech Republic;
- Real estate sale website www.imopont.ro launched in Romania, with a similar website operating in Poland as well (<https://nieruchomosci.kruk.eu>);
- E-payments implemented in the Czech Republic, Poland, and Spain.



GOOD PRACTICE

In 2022, KRUK Česká a Slovenská Republika employees shared the best process digitalisation and automation processes applied at the KRUK Group during a finance conference organised by leading business website MĚŠEC.cz.



[207-1] [207-2]

Our Group operates in European Union member states in compliance with all local tax laws. Exercising due care in its tax filings and seeking to mitigate tax risks, KRUK S.A. monitors tax authorities' approach to issues of importance to the Company and analyses the potential tax consequences of regulatory changes. The Company employs qualified personnel, including a tax advisor responsible for monitoring changes in the law and analysing the Ministry of Finance's clarifications and interpretations. The impact of new regulations on current business transactions is monitored by teams responsible for selected taxes. Where necessary, we implement appropriate procedures to harmonise internal processes and ensure proper fulfilment of our tax obligations. KRUK S.A. has a Tax Committee in place, who meet as needed to make decisions on tax issues that require consultation or adjustment in accordance with the process described in the Tax Policy.

Our tax strategy was adopted by a resolution of the KRUK S.A. Management Board, with annual updates on its implementation published [on the Company's website](#).

The tax function control procedures adopted by KRUK S.A. comprise internal procedures and controls as well as internal and external audits. The results of external audits are implemented to improve the effectiveness of internal controls.

RESPONSIBLE DEBT MANAGEMENT

[3-3 Social responsibility]

The KRUK Group understands its role in the financial system and economies of democratic countries. Its intention is to counter financial exclusion and offer indebted persons an opportunity to become debt free. The Group's activities are guided by, among other things, the Code of Ethics and 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, the Group creates 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 any decisions made are ethical and respectful of the Group's internal and external stakeholders.

As a debt management organisation with 25 years of operating history and the market leader in Poland and Romania with a strong presence in Spain and Italy, we recognise that our attitudes and decisions influence the situation of many people. In accordance with the Code of Ethics, the Group's clients may rely on the Group to:

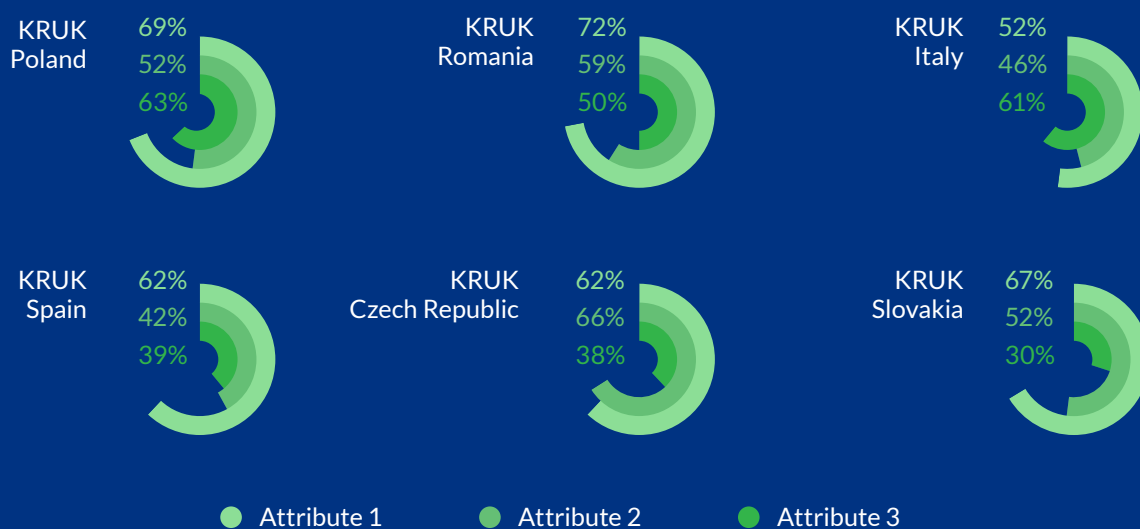
- Strive for mutually beneficial cooperation;
- Value client loyalty;
- Listen to clients in order to improve service quality;
- Provide personalised service;
- Advise clients about solutions that will enable them to get out of debt responsibly;
- Ensure confidentiality and security;
- Provide user-friendly products and services;
- Deliver on its promises.

Top standards of conduct followed at the Group are designed to build a sense of stability and safety in the entities using its services.

The KRUK Group's mission, values and standards require employees to apply an individual approach to each client and show respect and understanding of their situation. Operating in the debt management market, the Group safeguards compliance with social and legal norms dictating that debt incurred must be repaid. Clients are informed of their liabilities and the consequences of non-payment in accordance with the rules of ethics and applicable regulations, and in a clear and comprehensible manner. When contacting a client by telephone, in writing, online or at direct meetings, the Group's employees always present the possible debt



Percentage of clients² recognising KRUK's strategic brand attributes considered key to building client relations and to increasing the level and durability of agreements:



repayment options. The Group monitors the quality of its services and client service standards. The process is refined on the basis of client satisfaction surveys, social research and market needs

The practice of responsible debt management followed by the Group for years has been reflected in the Code of Ethics approved in 2022. In accordance with its provisions, in their interactions with clients the Group employees encourage them to:

- Comply with social norms and take responsibility for their decisions, including their debts;
- Make a decision concerning their existing debt with the KRUK Group that would be favourable for the client and would not expose them to consequences they would face when avoiding contact with us;
- Opt for amicable settlement and repay their debt in instalments.

In 2022, the KRUK Group served 8.5 million clients.

The Group's operational strategy covers a number of areas that are client-centred and key to the organisation's development and growth. Through periodic client satisfaction surveys, new products, services and solutions are created to meet client needs. This helps to minimise any potential adverse impacts on this stakeholder group.

In line with the digital transformation and lean philosophy, the KRUK Group is building its value by focusing on the development of various communication channels, including online tools dedicated to clients enabling them to manage and control the repayment of their debts in a personalised way.

In 2022, the Group conducted an international survey to gauge perception of the KRUK brand in the countries where it operates. Its purpose was to understand how the brand is perceived not only by existing clients but also by indebted persons who may use the Group's services in the future. The Group is aware that perception of the debt collection industry and knowledge of the available options is extremely important in the process of convincing clients to make the right choices on the path to becoming debt free. This includes knowledge of the consequences of failure to pay one's debts.

Based on the survey, the Group will be able to implement effective educational, marketing and image-building initiatives in 2023, which will further improve cooperation with clients. The survey results will also be used to refine operational processes and develop a product offering addressed to indebted persons.

² indebted persons

The part of the survey relating to the KRUK brand perception by clients showed a high consensus rate. The data below presents the percentage of the KRUK Group's clients who agree that the organisation is described by its attributes – the characteristics it considers strategic and of key importance to building client relations and increasing the level and durability of agreements. KRUK's objective for the coming years is a continued focus on creating a strong brand image among indebted persons and the Group's clients. The KRUK Group makes regular assessments and analyses of its brand perception in the areas where it operates and constantly works to further improve the results.

Paying off debt is the first step to regaining control of one's finances and building financial stability, which manifests itself also in regaining access to financial services available on the market. KRUK S.A. confirms each timely repayment in the Credit Reference Agency.

To help clients build creditworthiness after debt repayment, Novum offers microloans tailored to individual needs and debt servicing capacity of the borrower.

Novum and Wonga comply with the Act of August 5th 2015 Amending the Act on Financial Market Supervision and Certain Other Acts (Dz.U. item 1357) (called the "Anti-Usury Act") and other legislation designed to protect the rights of their clients, including the Consumer Credit Act and the Anti-Money Laundering and Counter-Terrorist Financing Act, also implementing recommendations issued by the Office of Competition and Consumer Protection (UOKiK).

In its efforts towards responsible debt management, the KRUK Group is supported by its compliance strategy and the compliance culture that is being built on its basis. It encompasses the following principles:

- Compliance with local regulations in each country where the KRUK Group operates and with internal policies and procedures in place at the Group;
- Adherence to standards of ethics and integrity and prevention of unethical practices as the basic principles guiding the KRUK Group;
- Adherence to the principles of professional conduct, transparency and responsibility towards clients, institutions and other stakeholders;
- Compliance and ethical conduct training for executive management and other employees;

- Development and improvement of communication on compliance matters with the goal of integrating the compliance culture into day-to-day activities across the organisation.

Implementation of the compliance strategy is measured based on predefined performance indicators which address individual elements of the compliance culture, including the number of complaints concerning a breach of the KRUK Group's Code of Ethics, conflicts of interest, corruption, and compliance training.

We consciously build the brand image and manage risks, and our advertising messages comply with legal regulations and the highest ethical standards. Our task is to inform clients of our services with due care and transparency, in compliance with the law and without any misrepresentation.

[417-2] [417-3]

No incidents of non-compliance concerning product and service information and labelling were recorded in 2022. We identified one potential incident of non-compliance with regulations and/or voluntary codes concerning marketing communications (including advertising, promotions and sponsorships). The incident related to an advertising campaign aired on television in September 2021, and it was dismissed by the Advertising Ethics Commission.



GOOD PRACTICE

In 2022 and 2023, KRUK S.A. was awarded the Service Quality Star, a title also voted on by clients via a special online platform used to rate over 40 thousand companies in more than 200 industries every year, recognising their reliability, service quality, etc. Central to the survey is the service quality index, which gauges the overall degree of client satisfaction with the service quality offered by a company on a scale from 0% (completely dissatisfied) to 100% (fully satisfied). KRUK S.A. achieved a score of 64.7% in 2023, outperforming the industry average by 0.6 percentage point. The Service Quality Stars survey is run by the Polish Quality Service Programme in collaboration with SecretClients.

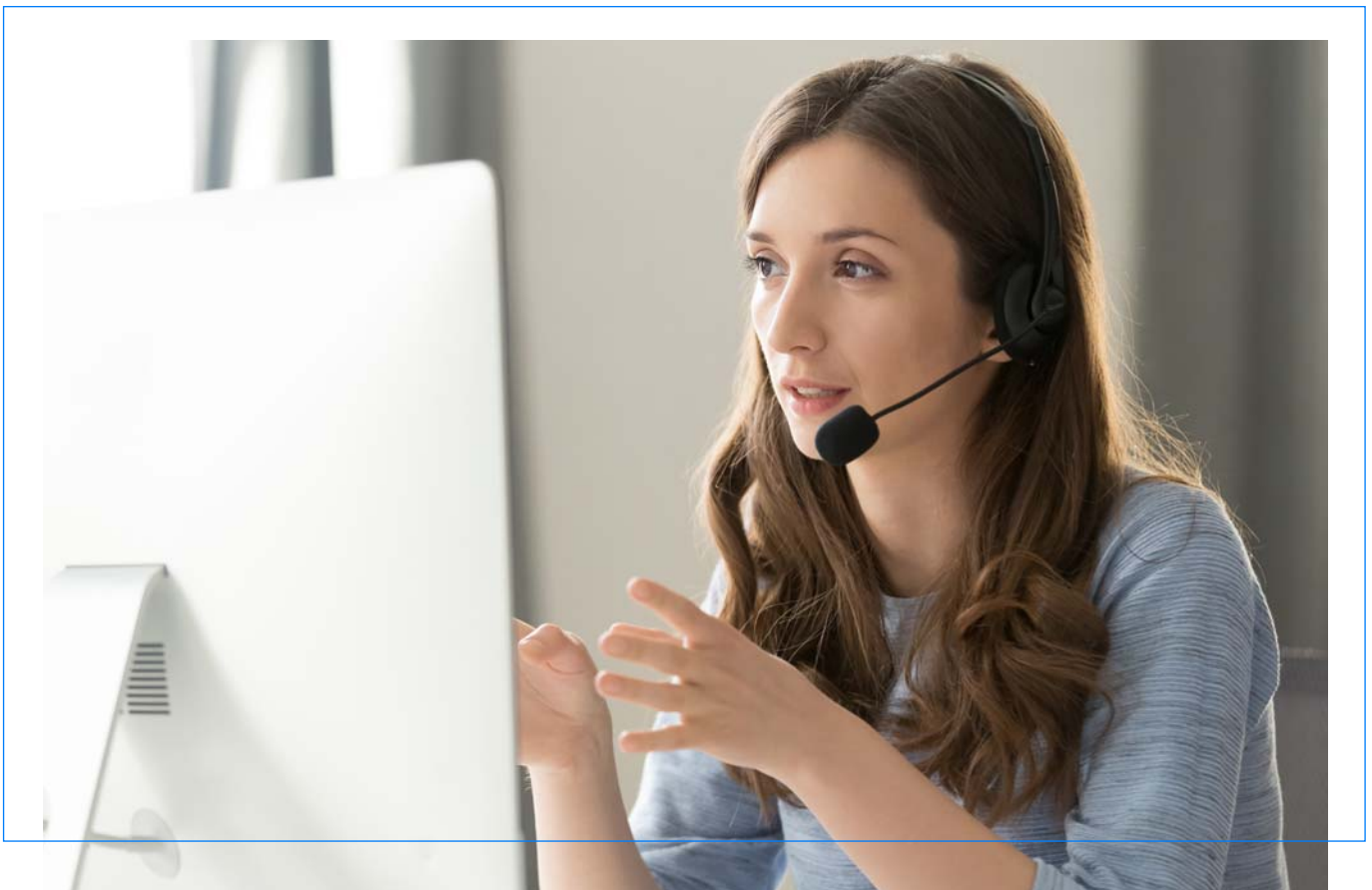
PSYCHOLOGICAL ASSISTANCE FOR CLIENTS

Some of our clients face financial hardships and life difficulties, health conditions, family issues, or problems at work. People in a mental health crisis are also among the KRUK Group's clients. According to studies, people struggling to pay off their debts are more likely to suffer from mental health problems such as depression and anxiety. Researchers also cite feelings of extreme helplessness and severe anxiety caused by debt³.

Aware of these challenges, since 2014 KRUK S.A. has worked with the Psychological Assistance Centre, whose experts provide assistance to persons experiencing a mental health crisis. It is an independent unit staffed by qualified psychologists experienced in working with different groups of people requiring support in what is known as a mental health crisis. The psychologists working with indebted persons have received

regular induction training that covered relevant legal knowledge, enforcement rules and procedures for collaboration with KRUK S.A. They have also participated in the general training course 'Working with an indebted person - Indebted Person Support in Practice Programme'.

Initiatives designed to support people in distress are also run in the Czech Republic and Italy. A special support protocol for people experiencing a mental health crisis has been launched in Italy. In the Czech Republic, a free hotline is available to people in need of psychological assistance.



³ <https://theinternationalpsychologyclinic.com/the-psychology-of-debt-how-it-affects-your-mental-health/>

CLIENT PERSONAL DATA SECURITY

[3-3 Cybersecurity and GDPR]

Client personal data is essential to debt management and lending processes. In a large-scale business organisation like the KRUK Group, large volumes of personal data are processed on a daily basis. We consider strict protection of personal data at the Group as a prerequisite for responsible and stable operations – we understand that respect for privacy is key to building clients' and business partners' trust not only in our organisation but in the debt management market as a whole, and the related regulatory framework is of paramount importance to us.

We protect personal data using a risk management system. We are guided by legal obligations, regulatory guidelines and ethical standards taking into account the scale and complexity of our operations. We identify, analyse, assess and monitor risks relating to personal data protection – we protect data subjects against any adverse impacts of non-compliance and the KRUK Group against losses and operational disruptions, mitigating reputational risk and the risk of financial penalties.

We apply tools enabling quick and effective response to data breach events or other incidents. We monitor the number of personal data processing complaints and procedures to enable data subjects to exercise their rights under the GDPR. All personal data requests and complaints are thoroughly analysed to determine whether they are valid and can be satisfied.

The KRUK Group has implemented a Personal Data Management Policy to ensure effective protection of the rights or freedoms of individuals through formalised personal data processing policies and procedures which provide assurance that appropriate technical and organisational measures are put in place.

Personal data protection is also part of the ESG Strategy for 2023–2027 and is considered by us as an element supporting the organisation's sustainable development. The strategy defines five GDPR goals for 2023–2027:





[418-1]

Market	Number of complaints filed in a given year by data subjects with local regulators in relation to a potential breach of personal data protection laws by a KRUK Group company	Number of complaints filed in a given year by data subjects with local regulators in relation to a potential breach of personal data protection laws by a KRUK Group company, which have been found valid by the Group, regulator or court	Total number of personal data breaches consisting in data leaks, reported to the Data Protection Authority
Poland	15	0	4
Wonga.pl	3	1	0
Romania	1	0	1
Italy	3	0	1
Spain	6	1	0
Czech Republic and Slovakia	0	0	0
Total	28	2	6

Revision rates will be developed as part of the five points of the GDPR strategy for 2023–2027 to measure the progress of its implementation.

Julia Krupa-Ignaczak
Head of Legal and Data
Protection Area KRUK S.A.



It is worth noting that the right to privacy, security, protection of personal data and dignity is counted among the human rights.

In view of that, and bearing in mind that at KRUK we process personal data on a mass scale, we believe that ensuring stable and reliable rules for protecting and processing the data of our clients, employees and contractors, and creating mechanisms to respond in the event these rules are breached, is not only our legal obligation, but is perfectly in line with the Company's sustainability strategy.

Our GDPR (General Data Protection Regulation) strategy supports our efforts to run a stable and responsible business in the spirit of respect for the rights of data subjects and allows us to mitigate a number of risks, including the risk of exposing the data subjects to adverse consequences related to data security breaches, the risk of losing the trust of our clients, business partners, employees, associates and shareholders, the risk of becoming subject to regulatory sanctions, the risk of having legal or criminal proceedings instigated against us, the risk of operational downtime, etc.

CYBERSECURITY

Our ESG Strategy includes plans for continued development of a multi-layer cybersecurity defence model in the context of global and local solutions. We prioritise IT security as an area of fundamental importance to our clients, employees and business partners.

The management model for information security, including cybersecurity, is addressed in the Information Security Policy, which aims to ensure information confidentiality, integrity and availability. The primary objective of the Policy is to establish a formal basis for all measures taken to provide a high level of information security.

The key cybersecurity activities in 2022 included:

- Automation of the vulnerability identification process;
- Introduction of regulations governing the process and performance of penetration tests;
- Implementation of new systems improving security of the organisation;
- Development of new training materials for employees;
- Testing of new solutions.

We provide cybersecurity training to our employees. The KRUK Group's new hires are required to complete mandatory training courses on information security, including cybersecurity. In 2022, we regularly carried out controlled phishing attacks to test whether employees applied in practice the knowledge they had gained through training. In line with the strategic objectives, by 2026 90% of employees will undergo additional training and online courses on cybersecurity, and an 80% engagement in the existing awareness programme will be maintained.



4

OUR RESPONSIBILITY FOR EMPLOYEES

GOOD WORKPLACE

[3-3 Employee matters]

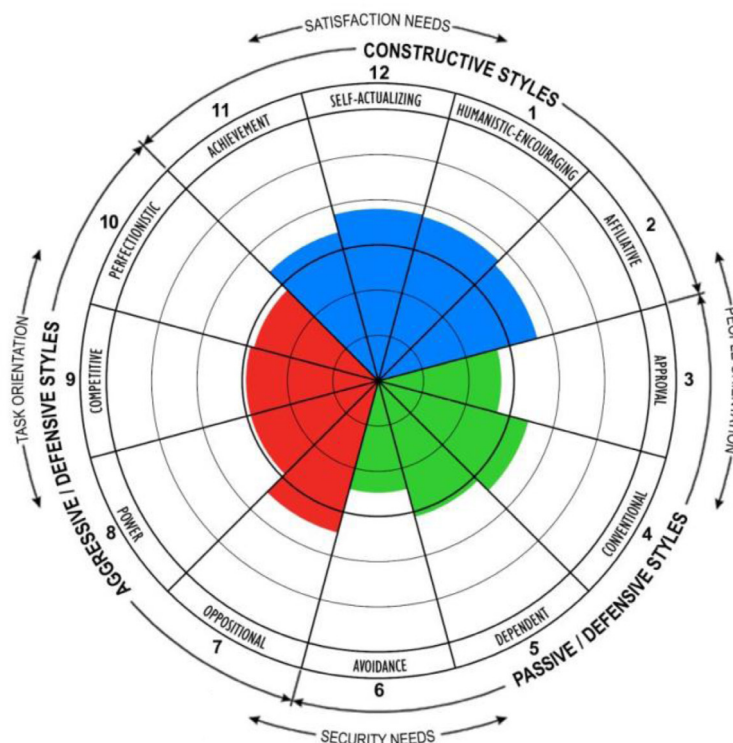
In 2022, the total headcount of the KRUK Group's employees was over 3.3 thousand. Employees are our most precious resource, their everyday work, commitment and skills building our organisation's competitive advantage on many European markets. The Group wants to attract and retain the best talent. This is why we offer a stable and friendly work environment, in which competence is essential. Appreciating our employees' commitment and ambitions, we provide them with professional growth opportunities.

Each KRUK Group company respects diversity and acts in accordance with the Universal Declaration of Human Rights, and the organisational culture is based on partnership, collaboration and freedom of expression.

The results of organisational culture surveys carried out in 2022 indicate that currently the KRUK Group's organisational culture is predominantly constructive, al-

though defensive cultural styles were identified as well. The two prevailing styles are self-actualising and humanistic-encouraging. The survey has shown that what the Group's employees mainly expect from one another is communicating ideas, high standard of work, even in simple tasks, openness, constructive conflict resolution, offering support to others and being a good listener. They keep balance between their responsibilities and good relations. The largest gaps in relation to the ideal culture have been identified in the conventional and dependent styles. The Group intends to minimise their impact by giving employees more room for responsibility taking and decision making, as well as for independent, creative and critical thinking.

Results of the culture survey among a group of companies' representatives. The survey covered 81% of the KRUK Group's employees.



Research and Development by: Robert A. Cooke, Ph.D. and Janet L. Szumal, Ph.D.
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GOOD PRACTICE

In 2022, we developed a strategic HR action plan to support our business development more effectively and address changes e.g. in the labour market. The plan is based on three pillars, taking into account our global digital transformation:

- Excellence of HR processes and data,
- Strengthening of our corporate culture (including our values),
- Development of Leaders.

We defined our desired Group-wide organisational culture and the actual cultures currently existing at all our local companies. Following an analysis of differences between the current company cultures and the target model, we developed a plan of necessary local-level and Group-wide actions. Our focus is on supporting specific behaviours to achieve our business goals, while ensuring that our employees are satisfied and proud of being part of our Group. We worked out, among other things, a consistent approach to diversity, employee assessment, employee and manager competence model and the related communication and development efforts. We also placed a lot of emphasis on the remuneration policy and employee benefits, as well as on quality improvement of HR analytics. All these efforts are meant to strengthen the KRUK Group's image as an employer of choice attracting talent and offering an employee-friendly work environment and continuous development opportunities.

[2-19] [2-20]

We determine remuneration at the KRUK Group based on internal policies and regulations, in accordance with the applicable laws. We regularly gather market information on salaries and wages and review them twice a year. Determining the remuneration amounts is the responsibility of the Central and Local Human Resources Management Teams. The ultimate decision-making body is the Management Board of KRUK S.A.

Matters related to determining the remuneration of the Group's directors are governed by the Remuneration Policy for Members of the Management Board and Supervisory Board of KRUK S.A. Under the Policy, remuneration is determined on the basis of the function performed, the business scale, complexity of corporate design, and operational complexity of the Company, and comprises fixed and variable remuneration components. The Policy provides that non-cash benefits may be granted to Management Board members. The remuneration policy for Management Board members and the amount of remuneration paid to the President of the Management Board are determined by the Supervisory Board. The amounts of remuneration for individual Management Board members other than the President are determined by the Supervisory Board based on proposals submitted by the President of the Management Board. For more information, see the [Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2022](#). ✨

[2-21] Ratio of the annual total compensation for the organisation's highest-paid individual in each country where the organisation has significant operations to the median annual total compensation for all employees (excluding the highest-paid individual).

KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
5.54	5.89	3.32	5.65	3.42	2.91

Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual in each country where the organisation has significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).

KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
1.12	0.61	1.05	4.63	0.39	0

[2-18] The Supervisory Board exercises oversight over the KRUK Group's Management Board, which includes independent evaluation of how the organisation's impacts are managed.

[401-2]

In addition to the base pay, we offer a broad package of non-financial benefits to our Group employees, including:



GOOD PRACTICE

Employees in all our markets can work both at the office and from home. The hybrid work model is a standard at the KRUK Group, which we develop by providing tools to our managers and employees.

KRUK S.A.:

- Private medical care;
- Cafeteria benefits, additional Christmas bonuses;
- Co-financing of MultiSport cards;
- Preferential terms of group life insurance;
- Incentive scheme (KRUK S.A. shares) for the KRUK Group's key managers;
- Business car/car allowance for senior management;
- Company Social Benefits Fund (holiday allowance, Children's Day allowance for parents and other financial support);
- Development programme in the form of Inspirational Meetings;
- Health promotion programmes: Health at Work (Zdrowie na etacie), Health Academy (Akademia Zdrowia).

WONGA:

- Private medical care;
- Retirement severance payments;
- Upskilling;
- Reimbursement of public transport costs;
- Multisport cards.

KRUK Romania:

- Employees in Romania have discretion in deciding on how to use their monthly non-financial benefit budgets. They can choose from a range of benefits, including medical insurance, holiday vouchers, gift cards and vouchers for cultural events.

KRUK Italia:

- Additional amount for employee benefits;
- Vouchers redeemable at restaurants, cafés or supermarkets for the purchase of food and drink;
- 100% paid maternity leave (instead of 80% required by law).

KRUK España:

- Private medical care for employees and their families;
- Gift card scheme;
- Staff training;
- Co-financing of costs of remote work;
- Co-financing of transport costs.

KRUK Česká a Slovenská Republika:

- Cafeteria benefits;
- Old-age pension insurance



[2-7] KRUK Group employees

	Gender	KRUK Group	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Number of persons employed ⁴	Women	2,135	1,092	477	183	236	74	73
	Men	1,229	626	210	130	144	44	75
TOTAL		3,364	1,718	687	313	380	118	148
Number of permanent employees	Women	1905	963	433	182	201	63	63
	Men	1,090	542	195	127	125	42	59
Number of temporary employees	Women	230	129	44	1	35	11	10
	Men	139	84	15	3	19	2	16
Number of full-time employees	Women	1,763	777	476	169	202	69	70
	Men	1,164	566	209	129	144	44	72
Number of part-time employees ⁴	Women	378	315	7	14	34	5	3
	Men	69	60	3	1	0	2	3

[2-30] 9% of all KRUK Group employees are covered by collective bargaining agreements.

[2-8] KRUK Group's workers who are not employees

	Gender	KRUK Group	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Managerial contract (provision of managerial services)	Women	8	5	0	0	1	1	1
	Men	13	7	0	0	3	0	3
B2B cooperation (self-employment)	Women	63	38	14	0	0	10	1
	Men	112	90	12	0	0	1	9
Internship	Women	9	0	0	9	0	0	0
	Men	7	0	0	5	1	0	1
TOTAL		212	140	26	14	5	12	15

As at December 1st 2022

⁴ Number of persons employed on a full time basis under employment contracts as at December 31st 2022

⁵ Eight employees (six men and two women) of KRUK Romania additionally have contracts for specific tasks at other Group companies; Two employees in the Czech Republic also have part-time employment contracts with KRUK in Slovakia.

We understand that employee satisfaction is one of the KRUK Group's key growth drivers. We value the experience of our employees and provide them with opportunities for further career development. This is why we seek to reduce employee turnover so that the knowl-

edge and know-how are retained within the organisation to fuel its continued growth.

In 2022, the KRUK Group's employee turnover ratio was 13.4%, down 1.6pp year on year.

[401-1] New employee hires

	KRUK Group	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Women	433	177	127	50	64	15	16
Men	250	97	64	49	37	3	15
Under 30 years old	278	114	101	27	29	7	11
30–50 years old	370	150	84	59	67	10	19
Over 50 years old	35	10	6	13	5	1	1
TOTAL	683	274	191	99	101	18	31

Ratio of new hires

	KRUK Group	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Women	20.30%	16.2%	26.6%	27.3%	27.1%	20.27%	21.92%
Men	20.3%	15.5%	30.5%	37.7%	25.7%	6.82%	20%
Under 30 years old	8.8%	43.3%	54.9%	71.1%	49.2%	41.18%	9.82%
30–50 years old	11.8%	11.5%	17.8%	29.1%	24.8%	11.9%	59.38%
Over 50 years old	1.1%	6.8%	19.4%	18.1%	9.8%	5.88%	25%
TOTAL	20.3%	15.95%	27.8%	31.6%	26.6%	15.25%	20.95%

Number of employees who left the organisation

	KRUK Group	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Women	288	131	62	34	38	7	16
Men	161	54	42	22	24	4	15
Under 30 years old	268	120	42	42	46	7	11
30–50 years old	140	50	54	7	9	1	19
Over 50 years old	41	15	8	7	7	3	1
TOTAL	449	185	104	56	62	11	31

Employee turnover rate

	KRUK Group	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Women	13.4%	12%	13%	18.58%	16.1%	9.46%	21.9%
Men	13%	8.6%	20%	16.92%	16.7%	9.09%	20%
Under 30 years old	39.7%	45.6%	22.8%	110.5%	78%	41.18%	9.8%
30-50 years old	5.9%	3.8%	11.4%	3.46%	3.3%	1.19%	59.4%
Over 50 years old	12.7%	10.1%	25.8%	9.72%	13.7%	17.65%	25%
TOTAL	13.3%	10.8%	15.1%	17.89%	16.3%	9.32%	20.9%

The KRUK Group adheres to the principle that parenthood does not exclude and maternity leave does not deprive employees of chances to get a pay rise. For this reason, employees who return to work after parental

leave are assigned the tasks they had performed before or fill equivalent positions suited to their new circumstances. They can also work flexible hours or part time to achieve an even better work-life balance.

[401-3] Parental leave at the KRUK Group in 2022 (total maternity and parental leave)

	Gender	KRUK Group	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Employees entitled to parental leave	Women	100%	100%	100%	100%	100%	100%	100%
	Men	100%	100%	100%	100%	100%	100%	100%
Employees who took parental leave	Women	101	36	32	8	11	14	4
	Men	34	22	5	7	0	0	1
Employees who returned to work after parental leave	Women	110	78	19	2	10	1	2
	Men	31	22	5	4	0	0	1
Employees who returned to work after parental leave that were still employed 12 months after their return	Women	107	76	18	6	5	0	2
	Men	39	35	1	3	0	0	1
Return to work rate of employees who took parental leave	Women	69.5%	86%	70%	100%	91%	-	50%
	Men	94.4%	100%	83%	100%	-	-	100%
Retention rate of employees who took parental leave	Women	87.1%	75%	90%	100%	83%	-	100%
		98.2%	95%	100%	100%	-	-	100%

DIVERSITY

[405-1]

Workforce diversity is our forte. It is a source of our international success, which helps us to better understand and respond to client needs. Competence is the key criterion. Everyone in our organisation can get promoted, regardless of their gender, nationality and other extraneous factors. What matters to us is involvement and willingness to grow. Women account for 60% of all KRUK Group employees. Importantly, 62% of women hold senior managerial positions, representing 42% of all Company directors (members of the Management and Supervisory Boards).



GOOD PRACTICE

At the end of 2022, our Spanish team comprised people of 15 different nationalities.

Alina Giurgea
General Director
KRUK España



Evaluating companies solely on their profitability is no longer sufficient. Their social and environmental impacts should also be taken into account. That's why KRUK values equality, strengthening the role of women across the organisation and inclusivity, as evidenced by our team, comprising people of 21 different nationalities. In our everyday work, we show respect to everyone we work with and seek to achieve a work-life balance. As a debt collection company, we take our role in society very seriously and strive to make lasting changes.



[405-1] Gender diversity on the organisation's governing bodies

Women	58%
Men	42%

Age diversity on the organisation's governing bodies

Under 30 years old	0%
30–50 years old	50%
Over 50 years old	50%

Percentage of employees by gender and age

	Employee group	Women	Men	Under 30 years old	30–50 years old	Over 50 years old
KRUK Group	Other employees	79.73%	20.27%	24.47%	65.23%	10.30%
	Specialists	60.09%	39.91%	17.02%	72.94%	10.04%
	Experts and middle management	48.27%	51.73%	3.03%	90.26%	6.71%
	Senior management	52.24%	47.76%	0.00%	89.55%	10.45%
KRUK S.A	Other employees	79.90%	20.10%	22.94%	66.24%	10.82%
	Specialists	63.27%	36.73%	14.17%	76.90%	8.94%
	Experts and middle management	47.87%	52.13%	2.84%	91.84%	5.32%
	Senior management	65.79%	34.21%	0.00%	81.58%	18.42%
KRUK Romania	Other employees	87.56%	12.44%	34.83%	62.69%	2.49%
	Specialists	63.58%	36.42%	25.43%	69.61%	4.96%
	Experts and middle management	50.94%	49.06%	3.77%	90.57%	5.66%
	Senior management	0%	100%	0.00%	100.00%	0.00%
KRUK Italia	Other employees	78.90%	21.10%	22.02%	70.64%	7.34%
	Specialists	45.40%	54.60%	14.94%	66.09%	18.97%
	Experts and middle management	65.91%	34.09%	2.27%	88.64%	9.09%
	Senior management	55.56%	44.44%	0.00%	100.00%	0.00%
KRUK España	Other employees	71.52%	28.48%	17.72%	64.56%	17.72%
	Specialists	46.51%	53.49%	3.10%	66.67%	30.23%
	Experts and middle management	53.33%	46.67%	0.00%	73.33%	26.67%
	Senior management	33.33%	66.67%	0.00%	100.00%	0.00%
Česká a Slovenská republika	Other employees	74.42%	25.58%	16.28%	60.47%	23.26%
	Specialists	46.88%	53.13%	21.88%	68.75%	9.38%
	Experts and middle management	23.81%	76.19%	4.76%	76.19%	19.05%
	Senior management	0%	100%	0.00%	100.00%	0.00%
Wonga.pl	Other employees	75.00%	25.00%	75.00%	25.00%	0.00%
	Specialists	55.29%	44.71%	31.76%	64.71%	3.53%
	Experts and middle management	40.43%	59.57%	4.26%	93.62%	2.13%
	Senior management	33.33%	66.67%	0.00%	100.00%	0.00%

[406-1]

We support diverse teams through the Group's Diversity Policy aimed at creating a diversified, multicultural workplace. In accordance with the Policy, all employees are required to respect their colleagues' right to privacy, must not interfere with their personal affairs, and must accept any existing differences. We ensure equal opportunities for promotion and professional development regardless of gender, age, disability, health condition, race, nationality, religion, beliefs, sexual orientation, family status, lifestyle or any other criterion that could cause an individual to be treated less favourably than others. In 2022, we did not record any instances of discrimination.



GOOD PRACTICE

For the KRUK Group, non-discrimination also means equal pay. In our ESG Strategy, we have declared that by 2025 we will achieve full pay equality between men and women performing similar work at Group companies. As at the end of 2022, the Equal Pay Gap (EPG) for the entire Group was 1.2%⁶.

Since 2013, KRUK S.A. has been a signatory of the Diversity Charter, an international initiative of the European Commission intended to promote social cohesion and equality. The fundamental principle of the Charter is non-discrimination in the workplace and recognising and promoting diversity in all areas of activity. The provisions of the Charter apply across the KRUK Group and are taken into account in various processes, including recruitment. Equal opportunities at the KRUK Group begin with the recruitment process and continue throughout an employee's service at Group companies.

In 2022, we carried out surveys to assess the level of diversity and inclusivity at our Group, which helped us better appreciate the risk of exclusion of certain employee groups and triggered the implementation of programmes dedicated to supporting them in line with the Group's diversity strategy. Specific solutions were put in place to support parents and people with disabilities, and efforts were continued to build a level playing field for women and men. The purpose of the programmes is not only to foster a culture of inclusivity through education, but first of all to provide concrete assistance to underrepresented groups to help them reach a balance between their professional responsibilities and challenges resulting from their personal circumstances.

[405-2] Ratio of remuneration of women to men by employee category⁷

	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
Senior management	5.3%	- ⁸	-	-19.8%	-	15.1%
Middle management and experts	14.9%	15.3%	-8.5%	4.4%	15.3%	15.4%
Specialists	16.1%	16.0%	3.9%	6.6%	17.4%	15.8%
Other employees	13.9	3.6	7.9	-0.5	6.8	-3.8

⁶ EPG calculation methodology: comparison of the median pay of women and men working at the same level, in the same job family and in the same position. EPG was calculated as the median of the results obtained for all positions meeting the comparability criterion.

⁷ The data refers to gross base salary including discretionary bonus, which in 2022 was paid to all employees in the same percentage (with the minimum amount defined). The discretionary bonus did not affect the ratio of remuneration of women to men. The KRUK Group does not have in place any rules for a bonus system depending on individual performance. The exceptions are KRUK España and Wonga Sp. z o.o., but given the absence of any significant differences and to maintain consistency of the presented data, the ratio refers to gross base salaries at these companies. The remuneration of part-time employees was calculated on an FTE basis.

⁸ "-" means the level represented by one gender in the structure of companies in Romania and Spain



GOOD PRACTICE

KRUK S.A. is a member of the United Nations Global Compact, the world's largest corporate sustainability initiative. In 2022, KRUK and the United Nations Global Compact Network Poland co-authored a report entitled 'Business and Human Rights – A Time of Global Change', addressing the issue of human rights, particularly of groups that are marginalised in business. One of the articles presented in the report was written by Piotr Krupa, President of the Management Board of KRUK S.A. The report is available at ungc.org.pl. ✨

In 2022, KRUK S.A. also joined the Target Gender Equality programme. TGE focuses on the implementation of UN Sustainable Development Goal 5 Gender equality and Goal 8 Decent work and economic growth.

KRUK S.A. joined Forbes Women's campaign 'Equal Opportunities Company', and the magazine published a feature on the Company's best practices in the area of equal opportunity programmes and activities. They already begin at the recruitment stage, as job offers are gender-neutral. We foster diversity not only in external, but also in internal recruitment processes. Remuneration of women and men in the same job positions is monitored for any pay gap. The organisation advocates the empowerment of women and creates development programmes. In order to promote women in business, in 2022 we took initiatives supporting the visibility of women in the financial sector also on the Romanian and Italian markets.

As part of a campaign celebrating the Women's Day, KRUK España promoted women in science and its four-year strategic plan for equal pay and career opportunities. The Spanish company also carried out an awareness campaign focusing on respecting LGBTQ+ rights. The

social media campaign reached more than 1,300 people outside the company. To celebrate the World Day for Cultural Diversity for Dialogue and Development, KRUK España ran a communication campaign among its employees to promote and highlight diversity in the organisation.

GOOD PRACTICE

In 2022, Urszula Okarma, a Member of the Management Board of KRUK S.A., participated in a debate on the role of women in business, held during the European Forum of New Ideas. The discussion provided an opportunity to present the best practices developed by KRUK S.A. Urszula Okarma also participated in the 'Modern Woman: Leader, Partner, Mother' conference, where she shared her experience in building an organisation committed to empowering women. More than 2,500 attendees watched a broadcast of the conference.

GOOD PRACTICE

In Italy, Eleonora Lagonigro, Director of Corporate Business Area at KRUK Italia, took part in a 2022 forum dedicated to promoting gender equality at work.

Equal opportunities to access various career paths are also created for people with disabilities, who make up a sizeable group at KRUK Group companies, accounting for more than 2% of the Group's total workforce in 2022. As we create conditions supporting the employment of people with disabilities, we expect them to represent 4% of the Group's employees in 2025.



Employment of persons with disabilities at the KRUK Group⁹

	Grupa KRUK	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika
All employees	3,216	1,718	687	380	313	118
Employees with disabilities	66	37	2	18	8	1
Percentage	2.05%	2.15%	0.29%	4.74%	2.56%	0.85%

⁹ Excluding Wonga.pl

EMPLOYEE EDUCATION AND DEVELOPMENT

We view employee development as an essential driver of the organisation's growth. We support professional ambitions of our employees and offer them a broad range of training programmes for different job categories at all companies of the Group. Every newly recruited person completes a full cycle of induction training, while existing employees participate in specialist training courses.

Since 2016, we have been developing a range of training options available via the e-learning platform to enable quick upskilling of staff. The platform hosts mainly courses in the field of law, data security and protection, ethical principles and good practices in the industry, as well as product training, and courses related to projects implemented in the organisation. The e-learning offering also includes courses for management staff, combined with traditional training.

[404-1] Average hours of training per year per employee¹⁰

KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika	Wonga.pl
28	8,57	41	22	26,9

[404-2] Selected employee training programmes:

Poland:

- Managerial Debuts – programme for persons starting their managerial careers
- Trainers Academy – programme where employees share their knowledge with colleagues
- Advisor Academy (since 2022) – series of training sessions for the best field advisers
- IT skills training platform

Wonga.pl:

- Wonga Academy – platform for internal knowledge sharing
- Training: Coaching leadership, Situational leadership, Inclusive leadership

Romania:

- Back to School 2 – programme designed to improve technical skills of the participants
- KRUK Legal Academy
- Management Skills Workshop – successor programme

Italy:

- Individual Training Plans defined at the end of each year, agreed with managers

Czech Republic and Slovakia:

- Language courses
- IT skills courses

Spain:

- Development of communication skills – speaking in public, leadership and change management
- Development of time management and prioritisation skills
- BRIDGE talent development programme to identify talent in the organisation by creating space for creativity and proposing ideas for improvement

¹⁰ KRUK S.A. does not collect information on the number of hours of training per employee.

EMPLOYEE SAFETY

[403-1] [403-3] [403-5] [403-6] [403-7] [403-8] [403-10]
 The KRUK Group creates a safe working environment. We observe all the occupational health and safety regulations, and OHS matters are regulated based on the ISO 45001 guidelines. Every new employee receives mandatory general OHS instruction, followed by more detailed training related to their job position.

KRUK S.A. has set up an Occupational Health and Safety Team that runs an online OHS News channel for employees, delivering information on safety at work and guidance on disease prevention. Group companies have dedicated teams in place to ensure compliance with OHS regulations and conduct proper inquiries into any work-related accidents, handle any reports of suspected occupational disease, and carry out occupational risk assessments. In 2022, no occupational diseases were identified among employees.

KRUK S.A. has established a Health and Safety Committee, which comprises employees, employer representatives and an occupational physician. The Committee meets once a quarter to discuss measures that can improve occupational safety, etc.

In May 2022, as a result of our cooperation with Benefit Systems, employees of KRUK S.A. could take part in the 'Health at Work' wellbeing programme. Employees had the opportunity to attend lectures and meetings with dieticians and coaches, workshops, as well as relaxation and mindfulness sessions. The programme's objective is

to raise awareness and inspire employees to choose a more active and healthy lifestyle. On average, each webinar had nearly 400 participants. Wonga with its 140 employees engaged in a similar programme.



GOOD PRACTICE

We combine care for physical safety with care for mental well-being of our employees. Given the nature of the debt collection industry, our employees frequently come into contact with people in difficult personal circumstances. We are well aware that everyday interaction with such people and exposure to their financial problems can affect the well-being of our employees. For this reason, every employee of KRUK S.A. can receive professional psychological assistance as part of the 'Together, Side by Side' Employee Support Programme. Run by the Psychological Assistance Centre, the programme draws on the experience and knowledge of the Indebted Persons Support Programme Association. In 2022, the Centre's specialists spent a total of 11 hours talking to employees of KRUK S.A. In Italy, we have launched a special support protocol for people experiencing a mental health crisis. In the Czech Republic, a free hotline is available to people in need of psychological help.

Accidents at the KRUK Group in 2022	
Slip, trip, fall on a flat surface	8
Impact against a stationary object	2
Road accident (in transport)	19
Dog bite	1
Other	2
Total number of accidents	32



5

OUR SOCIAL RESPONSIBILITY

SPONSORSHIP AND OTHER CSR ACTIVITIES

We believe in a wise commitment to charity. We rush to help whenever an urgent need arises and offer systemic support where possible. Our charitable giving and sponsorship projects are targeted at those in need and the general public, to whom we provide financial and environmental education regarding excessive consumerism. Social engagement activities carried out in all countries where the KRUK Group is present are governed by the Charitable Sponsorship Policy. The Policy is managed by the President of the KRUK S.A. Management Board and KRUK S.A. General Director, assisted by persons they have designated.

We support:

- Events involving amateur physical activity which aim to provide financial or in-kind assistance for the most needy;
- Projects implemented by public benefit institutions or associations aimed at supporting those most in need;
- Organisations that support financial education and psychological or legal assistance to people struggling with financial or personal difficulties;
- CSR initiatives that seek to strengthen the processes of civic development, equality and tolerance.

[415-1]

The KRUK Group did not provide any financial or in-kind support to political causes or organisations in 2022.

We also value and support charitable giving initiatives undertaken by our employees. Frequent talks with people in financial distress make our employees more sensitive to existing social challenges. As a result, they initiate activities to address such challenges on their own. The KRUK Group is open to such initiatives. Depending on the country and local needs, we help organise and finance charitable running events and concerts, provide financial support to selected non-profit and/or non-governmental organisations, and run projects in partnership with various welfare institutions.

In 2022, Wonga and the 'Fundacja Ja Wisła' Foundation invited their employees with families to a joint clean-up campaign on the Middle Vistula Valley Natura 2000 site.

Support provided in 2022 in line with the charitable sponsorship policy

	KRUK S.A.	KRUK Romania	KRUK España	KRUK Italia	KRUK Česká a Slovenská republika
Charitable activities (including aid for Ukraine)	PLN 555,000 (EUR 117,034)	EUR 65,000	-	EUR 12,000	EUR 30,000
Financial education	PLN 497,000 (EUR 104,803)	EUR 43,600	EUR 7,500	EUR 3,000	EUR 23,110
Environmental protection	PLN 15,000 (EUR 3,163)	-	EUR 2,500	EUR 1,160	EUR 400
Total	PLN 1,067,000 (EUR 225,000)	EUR 108,600	EUR 10,000	EUR 16,160	EUR 53,510
Total for the KRUK Group		PLN 1,951,869			
Total for the KRUK Group		EUR 413,270			



GOOD PRACTICE

Employees of the Spanish-based KRUK company work as volunteers at Adopta un Abuelo, an organisation that counters the social exclusion of elderly people. Adopta un Abuelo arranges regular visits to residential care facilities and online conversations with the elderly via a dedicated application.



GOOD PRACTICE

Wonga encouraged its employees to take part in a five-kilometre charity run for the Everest Foundation. The company paid for the starter kits, and the proceeds were donated to help children supported by the Foundation. A total of 15 Wonga employees took part in the run.

AID FOR UKRAINE

Russia's invasion of Ukraine is fundamentally at odds with all the values adhered to by our organisation. After the outbreak of the war, the Group took a number of aid measures under the 'KRUK for Ukraine' campaign. Throughout 2022, we donated nearly PLN 878 thousand in assistance to Ukrainian people. Aid activities were carried out on each of the markets where the Group companies operate.

Selected Kruk Group's projects supporting Ukraine:

- PLN 80 thousand grant to the 'Zobacz mnie' Foundation of Wrocław, which is responsible for the construction of the Ukrainian House, offering shelter for people afflicted by the war. KRUK S.A. also provided the Foundation with telephones, laptop computers and tablets with Ukrainian-language software.
- Instead of the Company Run, in 2022 KRUK S.A. employees took part in the Run for Ukraine organised by the 'SiePomaga' Foundation. PLN 10,000 was raised and donated to the Polish Humanitarian Action's programme for Ukrainian refugees.
- Donation of PLN 455.5 thousand to organisations engaging in aid for Ukraine, including:
 - Employers of Poland;
 - BloomPro Foundation;
 - Nienieodpowiedzialni Foundation;
 - Czerwona Linia Foundation;
 - Pocięcha Foundation;

- UNGCNP (under the United Business for Ukraine programme);
- Club of Catholic Intelligentsia;
- Towarzystwo Poligrodzianie society.

- KRUK Česká a Slovenská Republika collaborated with CARITAS Czech Republic of Hradec Králové and CARITAS Slovakia of Vyšné Nemecké. In the previous year, the company transferred EUR 30 thousand (approximately PLN 140 thousand) to finance purchases of essential goods and household items for refugees.
- In 2022, KRUK Romania signed an agreement to support three projects: Viata Continua in Romania (Life Continues in Romania) in partnership with the Social Incubator Association, Alice Island in partnership with Zi de bine (Melania Medeleanu) and Inspectoratul General pentru Situatii de Urgenta (General Inspectorate for Emergency Situations). The total cost of the aid was EUR 60 thousand. The projects, to be implemented in 2023, will focus on increasing employment rates among Ukrainian people in Romania, ensuring better education, and providing therapeutic and psychological support.

The employees of KRUK S.A. were encouraged to engage, during their working hours, in volunteer work for people affected by the war. In addition, an internal communication channel dedicated to aid to Ukraine was launched, which was used by the employees to organise donation drives and disseminate information about local initiatives.

KRUK S.A. did not spend the entire budget planned for activities related to the war in Ukraine in 2022 because of the timing of the assistance efforts, which reflected the rapidly changing geopolitical situation in the region and the continuing conflict. The activities will continue in 2023.

FINANCIAL EDUCATION OF THE GENERAL PUBLIC

Every day, we at the KRUK Group can see how important financial education is. We talk daily to indebted individuals whose major or minor financial problems have not been brought about by external circumstances, but simply by a lack of adequate knowledge about responsible management of personal finances. Raising financial awareness among the general public is one of the KRUK Group's key social commitments. To meet this commitment, we harness our expertise, know-how, resources and scale of impact.

Our flagship programme addressing this issue is the 'Day without Debt' campaign, run by KRUK S.A. since 2009 in Poland, but also in Romania, the Czech Republic and Slovakia. In Poland, on each November 17th, we draw the public's attention to the problem of indebtedness, raise awareness of benefits from voluntary debt repayment, and conduct extensive education on finance management using our own channels and in partnership with the media. In our materials, we explain how to responsibly control income and expenses, and how to reasonably assess one's financial capabilities. We focus on buying habits and show how to safeguard against losing the source of income.

In 2022 in Poland, the 'Day without Debt' campaign was present in the main media with the largest coverage, including RMF FM, TOK FM, Radio Złote Przeboje, Radio Pogoda and Onet.pl. As part of our educational efforts, we also took part in the 'First Aid for the Indebted' conference organised in Poznań by the Barka Mutual Aid Foundation.

In 2022, information on the 'Day Without Debt' reached approximately 11 million people.

Jaroslava Palendalová
General Director
KRUK Česká a Slovenská republika



Working with indebted persons on a daily basis, we see what mistakes they make in their financial decisions and how ignorant they are of potential risks and consequences of imprudent debt management. We realise this problem affects not only the individuals concerned, but also the public at large. This is why we believe our efforts can make a difference. Examples include 'ABC of Money Management', a free, generally available training course to supplement basic financial education and responsible budget planning.



GOOD PRACTICE

We conduct regular surveys to find out how Poles handle their finances, what their financial condition is, whether they think their economic knowledge is sufficient, what attitude they have to debt and debt repayment, etc. The surveys help us point to various financial matters and offer support in education and raising financial awareness.

In a survey carried out in September¹¹ 2022, only 12% of the respondents said their knowledge of finance was low or very low, whereas 39% felt no need to increase their current knowledge. As many as 40% blamed their financial problems on the government, 27% on bad luck or a fortuity, and 8% on their partner. However, 39% admitted that they too were responsible for their finances. The results suggest that some people may underestimate the importance of additional financial education – if they didn't, their household budgets would depend more on their own decisions.

¹¹ The survey was conducted at the request of KRUK S.A. on the Ariadna panel between September 2nd and September 5th 2022. Nationwide random quota sample N=1,084 people aged 18 or more. Quotas selected according to the representation in total population by gender, age and size of the place of residence. Method: CAVI

As part of its educational activities in Poland, KRUK S.A. became a strategic partner of the [Kapitalni website](#) operated by Wonga. It was created in response to the low level of financial knowledge among Poles. Its purpose is to provide, on a continuous basis, financial education that can genuinely affect consumer behaviours and attitudes. The content of the platform, which includes more than 650 specialist articles, has been prepared by various reputable experts, journalists and bloggers. In 2022, the Kapitalni.org website was accessed by over 800 thousand unique users seeking to expand their financial literacy. 91% of them were people aged 18-64.

In Romania, KRUK Romania is implementing the 'Credite Inteligente' (Smart Loans) educational project dedicated to schools, which is part of Romania's Nationwide Educational Programme. Using up-to-date video content, articles and exercise books that appeal to students, as well as workshops run by our volunteer employees, young people and their teachers learn how to responsibly manage their finances. In 2022, 60 schools from across Romania participated in the project, as a result of which more than 2,200 people expanded their knowledge of finance. In addition, KRUK Romania carried out several other initiatives last year to promote financial education, including workshops on the International Financial Literacy Day.

Cosmina Marinescu
General Director
KRUK Romania



At KRUK Romania, we have recently focused on innovation and helping people to become financially independent. Step by step, almost 600 thousand Romanians have acquired basic financial knowledge and taken full responsibility for their debts. We gradually change the way people view their debts, and we do so in the spirit of sustainability, with due regard given to the natural environment and with the use of innovative technologies.



Source of illustration: kapitalni.org



GOOD PRACTICE

In 2022, KRUK Romania also sponsored Insights PulseZ, a representative survey carried out at regular intervals among Gen Z, that is people aged between 16 and 24. The survey probed their online behaviour, consumer behaviour, needs, professional preferences, interest in entrepreneurship and sustainable development, and factors that drive them in their personal lives and work.

In the Czech Republic and Slovakia, in 2022 the KRUK Group cooperated with local non-governmental organisations in creating a website and a free application for junior high school and secondary school students, containing user-friendly materials on money management.

In 2022, KRUK Italia had a series of articles published in the largest Italian magazines, including on responsible financial management and household budget planning. In view of the growing inflation, the Italian subsidiary also launched an online educational campaign to educate people about money management. The focus was in particular on the financial education of young generations, i.e., persons under 30 years of age. The online campaign reached 3,000 unique users.

ENVIRONMENTAL EDUCATION



[3-3 Sustainable consumption and public awareness of environmental issues]

At the KRUK Group, we know that both financial debt and environmental debt have one thing in common: excessive consumerism. Buying unnecessary things can get many people in dire straits, and it certainly does lead to environmental debt. We believe it takes responsibility to successfully tackle both economic and environmental debt. To that end, since 2019 we have worked to raise awareness of ecological debt and put the spotlight on curbing overconsumption as a key countermeasure.

[Company indicator: surveying of environmental awareness]

Every year, we remind the public of the Environmental Debt Day through press releases concerning the consequences of excessive consumerism among Poles. Our environmental message has reached over 31 thousand unique users. In the run-up to the event, we conducted a survey – ‘Economic and Environmental Attitudes among Poles 2022’¹². Based on the findings, as many as 83% of the respondents believe that Poles need environmental education. However, most people are not aware of how quickly we overshoot the Earth’s resources for a year. In 2021, a staggering 75% of the respondents believed that the resources generated by the Earth in a year sufficed for at least five years.

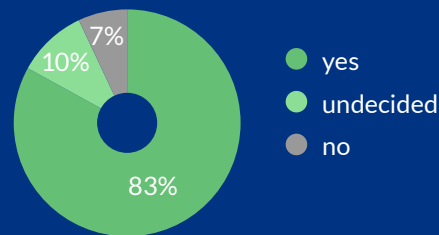


GOOD PRACTICE

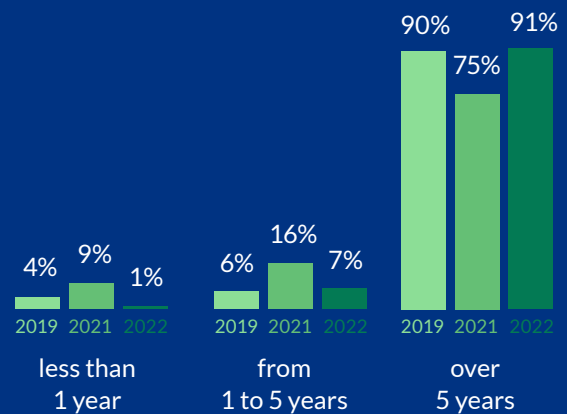
In 2022 in Spain, KRUK España sponsored the Foro de Sostenibilidad, a meeting of experts and business leaders dedicated to sustainability and support for SDG goals, in particular climate action.

DOES THE GENERAL PUBLIC IN POLAND...

...need environmental education?



...are more aware of how quickly we overshoot the Earth’s resources for a year?



...think that the inflation and war in Ukraine are having an impact on environmentally sound behaviour?



¹² The ‘Economic and Environmental Attitudes among Poles 2022’ survey, commissioned by KRUK S.A., was carried out in the period May 27th–May 30th 2022 on the Ariadna panel, on a sample of Poles N=1,055 aged 18 and more. Method: CAWI.

COOPERATION WITH SUPPLIERS

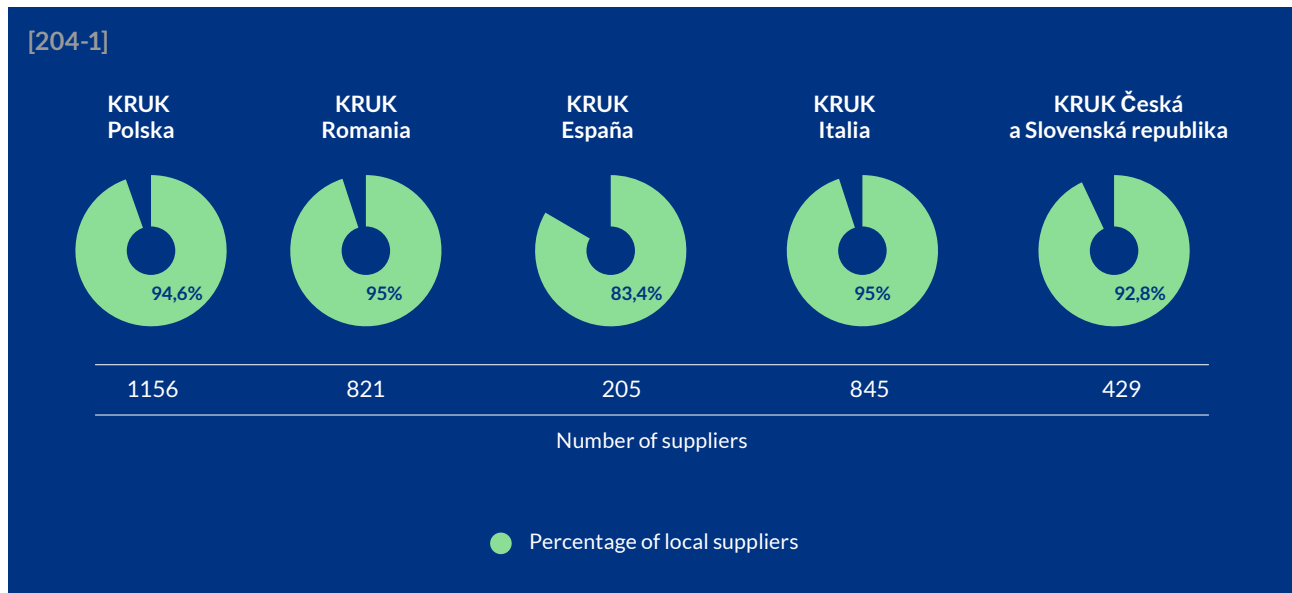
We make sure to build the KRUK Group's supply chain in a responsible manner. In 2022, the Group worked with nearly 3.5 thousand suppliers on all our markets. Wherever possible, we seek to ensure that cooperation with our Group helps develop the local labour market and local businesses. More than 92% of our suppliers are based in the countries where we operate.

We are a large organisation, perceived as an attractive business partner by a great number of potential contractors. We seek to leverage that influence to promote our corporate standards and values. When selecting a business partner – especially for large contracts – we evaluate the submitted bids taking into account how each of the potential contractors manages its environmental, social and economic impacts.

As part of our procurement activities in Poland, every company seeking the award of a contract worth more than PLN 100 thousand is required to complete a CSR questionnaire. The survey asks about solutions imple-

mented by each bidder to benefit the local community, its employees and workplace, the market, customers, and the environment. Based on the survey, suppliers are evaluated in terms of their environmental, social and economic ethics. In 2022, completing the CSR survey was obligatory in the case of 84 contract award procedures and the survey was completed by 137 suppliers.

The survey probes the transparency and legal compliance of a supplier's employment practices and respect for human rights, including its attitude to forced labour and child labour. It also allows us to assess whether a potential business partner engages in dialogue with its employees, provides them with relevant OHS training and runs initiatives to raise their health and safety awareness. In addition, respondents are asked about measures designed to reduce their consumption of raw materials, improve waste management and engage with the local communities.





6

OUR ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL OBJECTIVES

[3-3 Carbon footprint, including energy consumption]

At the KRUK Group, mitigation of our environmental impact is viewed not only as a moral duty to future generations, but also a commitment boosting our credibility and a response to stakeholder expectations. The importance we attach to environmental issues is evidenced by the ambitious environmental objectives we have embraced and incorporated into our ESG Strategy, which is an integral part of our business strategy. These objectives are based on the UN Sustainable Development Goals and on the European Green Deal.

[2-24]

In line with the Scope 1 and Scope 2 guidance of GHG Protocol, an action plan has been implemented in each country where the KRUK Group is present to achieve a 70% reduction in carbon emissions by 2040 through a range of measures, e.g. by improving the efficiency of the car fleet, using renewable energy sources, and cutting energy consumption in office buildings. Given the new obligations imposed by the Corporate Sustainable Reporting Directive, our Group intends to include in the calculations, under the Scope 3 standard of GHG Protocol, the corporate value chain of our business model.

READ MORE

For information on the EU Taxonomy, see the Directors' Report on the operations of the Kruk Group and Kruk S.A. in 2022.



In 2022, we first signed in to complete the questionnaire offered by CDP (formerly the 'Carbon Disclosure Project'), evaluating organisations on their climate action. CDP is a long-standing international standard surveying the level of corporate climate awareness. It provides an insight into the environmental impact of the surveyed entities, aiming to encourage a transition and fuel global progress towards building a truly sustainable economy that would have a positive long-term impact on the future of our planet.

As part of our ESG Strategy, by 2026 we plan to report emissions for each of the KRUK Group's main business processes. In order to achieve all of the strategic environmental objectives, we have committed to continuously raising the awareness of our employees, suppliers and the public in the area of environmental protection and restoration.

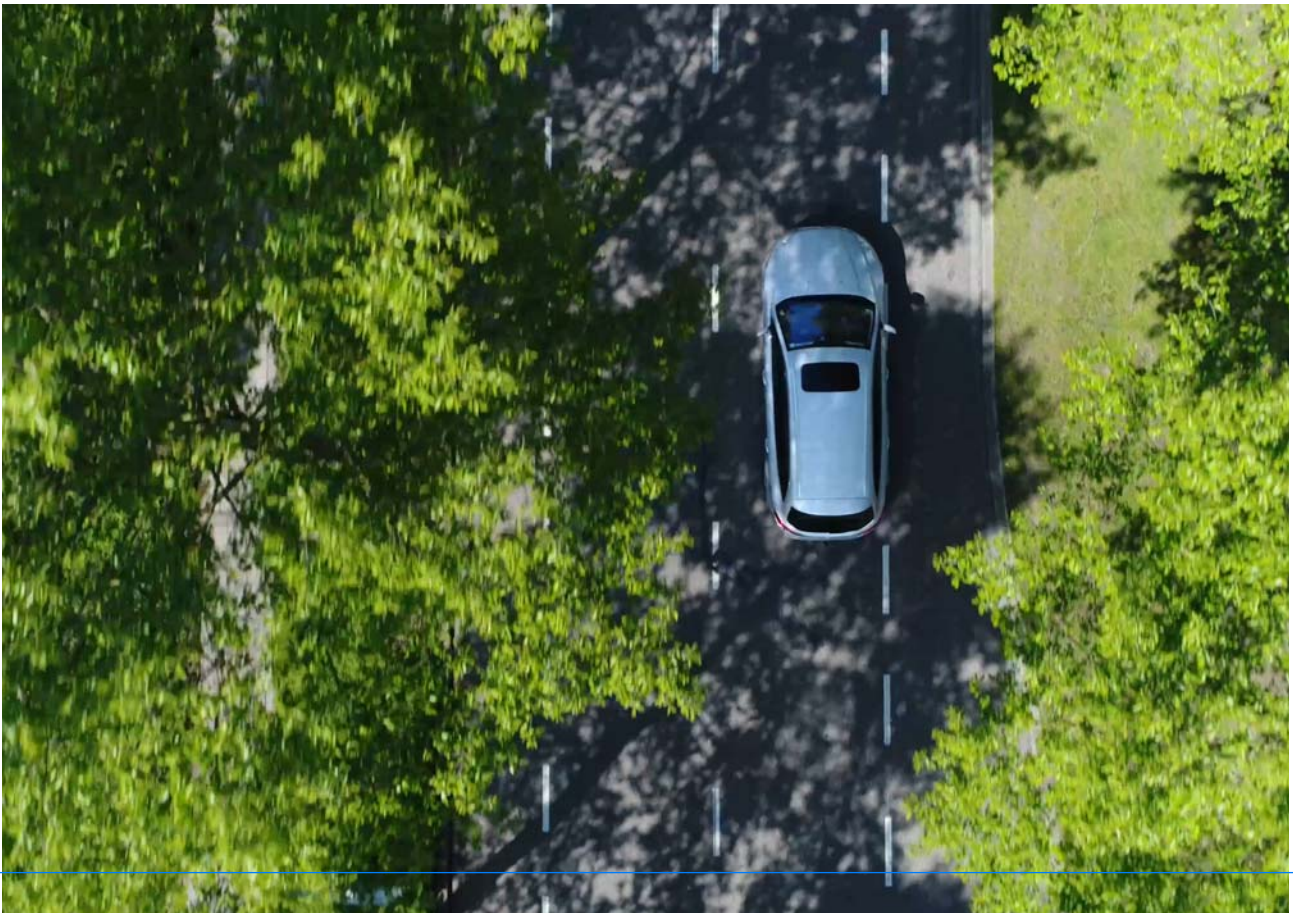


GOOD PRACTICE

In 2022, KRUK S.A. became a member of the United Nations Global Compact's (UNGC) Climate Positive initiative, which aims to equip businesses with expert knowledge on combating climate change, lowering their carbon footprint, and enhancing environmental awareness. Having subscribed to the initiative, we were invited to join the Business Council of the UN Global Compact Network Poland.

Selected environmental projects in 2022:

- Streamlining and optimising workflows to reduce paper waste generation. In Spain, Poland and Italy, 86% of the settlement agreements were signed in paperless form in 2022. In Poland, Romania and Italy, more and more clients are using the e-KRUK system to handle cases on their own. The total number of e-KRUK.pl users grew by 37% relative to December 2021;
 - KRUK S.A. launched an initiative for employees using company cars to help them learn and apply best eco-driving practices;
 - As part of the Green Wonga programme, Wonga engaged its employees and their families in a clean-up of a local nature reserve;
 - At KRUK Romania, a decision was made to switch to lower rolling resistance tires in company cars, which improves energy efficiency and reduces fuel demand;
 - In September 2022, KRUK Romania implemented a carbon offset plan for its vehicle fleet;
- KRUK Italia continues to work with ZeroCO2, an NGO whose mission is to help mitigate deforestation. 40 trees were planted in the centre of Milan in 2022;
 - KRUK Italia has created an online platform for investors and creditors operating on the real estate market, which is dedicated to facilitating reuse of vacant properties. The website lists buildings whose condition has not deteriorated over their vacancy period and which therefore can be adaptively reused or converted relatively fast without any complex refurbishment or repair work, which helps reduce waste generation, air pollution, and energy consumption usually related to construction projects.



[302-1] Energy consumption within the organisation

Total non-renewable energy consumption in 2022 by source (in joules or multiples thereof)		
KRUK GROUP		
Gasoline	18,984	GJ
Diesel oil	5,669	GJ
Natural gas	1,698 ¹³	GJ
Total renewable energy consumption by source (in joules or multiples thereof)		
Electricity	1,368	GJ
Total energy consumption within the organisation (in joules or KWh) ¹⁴		
Electricity	6,021	GJ
Heat	5,398	GJ
Total	39,138	GJ

[302-3]

In 2022, the organisation's energy intensity ratio, measured in joules of energy consumed per PLN of net revenue, was 46.498 kJ/PLN. The energy efficiency ratio includes energy from fuels, heat, cooling and electricity.

[305-1] [2-4] Direct (Scope 1) GHG emissions^{15, 16}

Gross greenhouse gas emissions in tonnes (t) of CO ₂ equivalent or an equivalent unit of measure		
KRUK GROUP		
Gross greenhouse gas emissions in tonnes (t) of CO ₂ equivalent or an equivalent unit of measure	2,262 ¹⁷	tCO ₂
Country		
Poland	1,116	tCO ₂
Czech Republic	111	tCO ₂
Italy	437	tCO ₂
Romania	450	tCO ₂
Spain	148	tCO ₂

¹³ This Report includes natural gas consumption data for Italy, which was not included in the Directors' Report on the operations of KRUK S.A. and the KRUK Group in 2022.

¹³ In this Report, the total energy consumption table omits the cooling included in the Directors' Report on the operations of KRUK S.A. and the KRUK Group in 2022 – the item has been included in the consumption of electricity required to generate the cooling.

¹³ Standards, methodologies and emission factors used for the calculations included GHG Protocol and DEFRA 2022. Data on energy consumption within the organisation will change in the sustainability report because the processing of accounting documents from December 2022 is still continuing at the Italian-based companies at the time of this statement.

¹³ In the 2021 report, heat consumption was erroneously classified as Scope 1, and the same value in GJ was classified as heat consumption under Scope 2 emissions, resulting in double counting of the emissions. Scope 1 emissions in 2021 should have been 2,126 tCO₂e, instead of the reported 2,686 tCO₂e.

¹³ The increase in emissions shown in this Report relative to the data disclosed in the Directors' Report on the operations of KRUK S.A. and the KRUK Group in 2022 results from the inclusion of natural gas consumption data for Italy.

Type of emission source		
Combustion in stationary sources	96	tCO ₂
Combustion in mobile sources	2053	tCO ₂
Type of activities		
HFC – emissions from refrigeration systems	108	tCO ₂
Base year		
2021 ¹⁸	2,126 ¹⁹	tCO ₂

[305-2] Energy indirect (Scope 2) GHG emissions²⁰

Gross market-based energy indirect (Scope 2) GHG emissions in tonnes (t) of CO ₂ equivalent or an equivalent unit of measure		
KRUK Group		
Gross market-based energy indirect (Scope 2) GHG emissions in tonnes (t) of CO ₂ equivalent or an equivalent unit of measure	1,249	tCO ₂ e

Market-based emissions in each country where the KRUK Group operates		
Poland	1,112	tCO ₂ e
Italy	28	tCO ₂ e
Romania	100	tCO ₂ e
Czech Republic	9	tCO ₂ e
Spain	0 ²¹	tCO ₂ e

Type of energy		
Electricity	690	tCO ₂ e
Heat	559	tCO ₂ e
Base year		
2021 ²²	1,914.8	tCO ₂ e

Gross location-based energy indirect (Scope 2) GHG emissions in tonnes (t) of CO ₂ equivalent or an equivalent unit of measure		
KRUK Group		
Gross location-based energy indirect (Scope 2) GHG emissions in tonnes (t) of CO ₂ equivalent or an equivalent unit of measure	1,393	tCO ₂ e

¹⁸ In 2021, Group-wide emissions started to be measured according to uniform standards, consistent with GHG Protocol.

¹⁹ Value revised relative to the 2021 report due to double counting of emissions from heat consumed by the Wrocław office, which had been erroneously classified as Scope 1 emissions from natural gas consumption and simultaneously included under Scope 2 emissions from heat consumption. Accordingly, the actual Scope 1 emissions were 560 tonnes lower.

²⁰ Standards, methodologies and emission factors used for the calculations included GHG Protocol and DEFRA 2022. The emission factors for electricity were sourced from the European Environment Agency (EEA), the National Centre for Emissions Balancing and Management, Tauron and ENEA, while the emission factors for heat were sourced from the Energy Regulatory Office.

²¹ The company in Spain relies only on renewable energy sources.

²² In 2021, Group-wide emissions started to be measured according to uniform standards, consistent with GHG Protocol.

[305-3] Other indirect GHG emissions (Scope 3)

Other gross location-based energy indirect (Scope 3) GHG emissions in tonnes (t) of CO₂ equivalent or an equivalent unit of measure

KRUK Group

Other gross location-based energy indirect (Scope 3) GHG emissions in tonnes (t) of CO ₂ equivalent or an equivalent unit of measure	3,374	tCO ₂
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Scope 3 calculations include emissions from business travel, fuel production and devices such as laptop computers, monitors, tablets and cellular phones²³. Work is in progress to implement a target methodology for measuring the Scope 3 carbon footprint, taking into account the GHG Protocol categories with the biggest impact on the carbon footprint of the KRUK Group's value chain. As the target process will be completed by the end of this year, future reports will disclose Scope 3 CO₂ emissions under GHG Protocol based on the newly adopted methodology.

Country

Poland	1,994	tCO ₂ e
Italy	396	tCO ₂ e
Romania	461	tCO ₂ e
Czech Republic	181	tCO ₂ e
Spain	341	tCO ₂ e

Type of activities

Travel by air	80	tCO ₂ e
Travel by rail	8	tCO ₂ e
Travel by car	143	tCO ₂ e
Computer hardware and phones	2,587	tCO ₂ e
Production of fuels - well to tank	558	tCO ₂ e

2022 is also the base year for Scope 3 emissions as the year when emissions falling under Scope 3 started to be measured. The emission factors used for the calculations were sourced from DEFRA's and EEA's databases, data needed to calculate emissions from cellular phones came from Deloitte's database, while that relating to IT hardware was provided by the manufacturer.

[305-4] GHG emissions intensity

GHG emissions intensity ratio for the organisation

KRUK S.A.

GHG emissions intensity ratio for the organisation	4.3 ²⁴	gCO ₂ e/PLN Net income
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²³ Data relating to laptop computers, monitors, tablets and cellular phones comes only from KRUK S.A.

²⁴ Applies to Scope 1 and 2 emissions



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ABOUT THIS REPORT

[2-1] [2-2] [2-3] [2-4]

This Sustainability Report of the KRUK Group covers the period from January 1st 2022 to December 31st 2022 (unless stated otherwise). This Report was prepared in accordance with GRI Standards 2021.

Sustainability reports are prepared by the KRUK Group on an annual basis and relate to the parent KRUK S.A., of Wrocław, Wonga.pl Sp. z o.o. of Warsaw, KRUK Romania s.r.l of Bucharest, KRUK Italia S.r.l of Milan, KRUK España S.L. of Madrid, and KRUK Česká a Slovenská Republika s.r.o. of Hradec Králové.

The KRUK Group prepares a separate non-financial statement, which forms part of the Directors' Report on the operations of the KRUK Group and KRUK S.A. (in accordance with the Accounting Act). It is issued by March 31st. As for the KRUK Group's Sustainability Report, it is released within six months of the closing of a financial year. Sustainability-related information is also published in quarterly and half-year reports.

In the reporting period, there were no significant changes to the organisation's structure, ownership or value chain. This Report contains a correction of carbon footprint data, as described in the 'Our environmental responsibility' section.

In the event of any queries, doubts or suggestions related to our Sustainability Report, as well as any kind of ESG information, please contact:

Kamila Szarejko
ESG Strategy Manager KRUK Group

KRUK S.A.
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51-116 Wrocław
Poland
e-mail: kamila.szarejko@kruksa.pl

Unless otherwise stated, the contact person is competent for all ESG matters.

[2-5] [2-14]

The person responsible for reviewing and approving the data is Michał Zaszępa, Member of the Management Board and Chief Financial Officer. Our Sustainability Report is not independently assured. However, the Directors' Report on the operations of KRUK S.A. containing the non-financial statement is assured by an independent auditor.

GRI CONTENT INDEX

Statement of use	The KRUK Group has reported in accordance with the GRI Standards for the period January 1st–December 31st 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

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GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system	50			
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GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	49			
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